

Management of Social Impacts: Resettlement and Relocation Action Plan

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1 ANNEX 1 – Historical Elements

1.1 Main Historical Milestones

- 100BC: Dacia is united as a state under Burebista
- 106: Conquest of Dacia by the Roman emperor Trajan
- 271: Withdrawal of the Roman administration from Dacia
- 1100: Conquest of Romanian dukedoms in Transylvania by Hungarian kings
- 1600: Brief episode of unification of Moldavia, Wallachia and Transylvania under king Michael
- 1691: Transylvania is part of the Habsburg Empire
- 1784: Peasant uprising in Transylvania led by Horea, Cloşca and Crişan
- 1848: Avram Iancu advocates autonomy for Transylvanian Romanians
- 1859: Moldavia and Wallachia unite into the Romanian Principates, while Transylvania remains administered by Vienna.
- 1918: Collapse of the Austro-Hungarian Empire and unification of Transylvania with Romania.
- 1947: Romania is governed by the Communist Party.
- 1969: Ceauşescu comes to power.
- 1989: Ceauşescu is overthrown, installation of democracy.
- 2000: The accession process of Romania into the European Union is launched.

1.2 The Pre-Roman and Roman Periods, the Middle Ages

The history of Roşia Montană and Corna is closely related to that of gold mines exploitation, with earliest traces of the activity going back to the Decea Mureşului culture (2800–2500 B.C.). The Roman conquest of Dacia marked a new period that crystallised the civilian settlement in Roşia Montană area. The period is documented by the Roman mine at Cetate, and by the fragments of altars and funerary monuments discovered at the north of the place. The first attestation of the place, called Alburnus Maior at that time, dates from the Roman period as well. Preserved on a waxed slate dated February 6, 131 A.D., the attestation was discovered among 25 other waxed slates and mining objects in Saint Ladislau gallery from Saint Simon mine in Ohaba. Alburnus Maior is mentioned on the slate as a pagus, rural commune in the Roman Empire, comprising districts with Illyrians (pirustae, baridustae, sardeates) brought from the south of Dalmatia. Other inscriptions indicate that settlers were brought in from various areas of the Roman Empire, including Palestine and Syria. During the Roman period the organization of the mines was in the charge of a procurator aurarium. Administratively, Roşia Montană (Alburnus Maior) was subordinated to the General Procurator in Ampellum (Zlatna). After the withdrawal of the Roman administration and military, the region continued to be populated. Mining remained an occasional occupation, limited to the needs of the community members.

1.3 Hungarian and Austro-Hungarian Transylvania

After the Hungarians conquered the Romanian principalities and dukedoms, gold mining took another dimension, as German miners (hospites) were brought in the area. German colonists received the right to extract gold from Chernech, which is identified with Cîrnic massif, south–east of Roşia Montană. In 1271, king Stephen donated “the land of Abrud and Zlatna, with several communes, with local voivode’s knowledge and consent” to Alba Iulia archbishop. In the Middle Ages, the place was called Roşia Montană, with several variants: Valea Roşie, Verespatak, Roşia de Munte.

To increase mining activity, Hungarian kings attempted to set up statutes and rules to stimulate the development of gold mining, like the ones taken by king Carol Robert in 1327–1328, or those taken in 1618.

With Transylvania under Austrian administration, the 18th century is characterized by several measures taken by the political power to stimulate mining, diversification of exploitation (lead, zinc, copper), storage lakes (tăuri), and setting up of new mines with wage labourers and private capital participation. The first private drilling works started at Roşia Montană in 1746. In the same period, specialists from Austria and upper Hungary were brought into the area, with a change in ethnic composition and culture as a result, such as types of Central–European homes, elements of baroque decorative art, German clothing, furniture ironware, chinaware and Vienna glassware.

In 1773, Empress Maria Theresa signed the statute of mining activity in Abrud, and made a donation to the catholic church in Roşia Montană. However, in 1781–1782, the people of Roşia Montană lodged a complaint against compulsory labour hours with the authorities for the construction of storage lakes, and in the nationalist peasant uprising led by Horea, Cloşca and Crişan in 1784, people from Roşia Montană burnt the Hungarians' houses, the catholic church and a few mine entries.

People in Roşia Montană also participated in the Revolution of 1848–1849. Avram Iancu's army included local heroes George Gritta and priest Simion Balint.

1.4 Post WW1 Romania

People from Roşia Montană sent six delegates to the Great National Assembly at Alba Iulia in 1918. The importance of Roşia Montană in the economic and political background of the time was highlighted by the participation of its inhabitants to the great events of the history of Transylvania.

During World War I most of mining activity knocked off. After the war a short period of prosperity followed due to Romanian government's attempt to improve, by special measures, the economic situation in the Apuseni Mountains. In 1930, the first flotation plant in the area was built in Dealul Crucii, and more industrial gold ore exploitation started, but in Roşia Montană it remained rudimentary. Mining activity was supervised by share–holding associations.

Exhaustion of the most easily accessible gold veins, low capital and post–war changes on gold market caused the degradation of mining activity in the 1940ies. Many miners and their families migrated to other mining areas in the country, like Valea Jiului.

After the 1948 nationalization, the private exploitation of gold ore was forbidden, private mines were closed, and the use of stamps forbidden. For the inhabitants of Roşia Montană, harsh times followed. Again, the economic deterioration and the persecution of former owners of mine entries, stamps, stores and taverns caused some people to leave the area.

2 ANNEX 2 – Demographics

2.1 Population of the Villages of the Roşia Montană *Comuna*

Nr.	Villages	Population in 1977	Population in 1992	Estimated population in 1998	Population in 2002	Distance to the center city (km)
	ROSIA MONTANA	1641	1556	1534	-	10
	BALMOSESTI	102	41	40	-	11
	BLIDESTI	72	103	101	-	12
	BUNTA	56	41	40	-	9
	CARPINIS	351	401	395	-	4
	COASTA HENTII	164	141	139	-	5
	CORNA	338	358	352	-	8.5
	CURATURI	358	245	241	-	6.5
	DAROAIA	270	402	396	-	8.5
	GARDA-BARBULEST	141	107	105	-	8.5
	GURA ROSIEI	92	106	104	-	8
	IACOBESTI	81	54	53	-	9
	IGNATESTI	108	102	101	-	8
	SOAL	154	119	117	-	10
	TARINA	192	172	170	-	11
	VARTOP	273	198	195	-	8
	Total	4393	4146	4088	3865	

Data source:

NSI, Population and Buildings Census, 1992
NSI, Preliminary results of the Population and Buildings Census - March 18, 2002

2.2 Population of the Villages of the *Orasul* of Abrud

Locality	Population in 1992	Population in 2002
Abrud (city)	4820	-
Abrud Sat	1355	-
Gura Cornei	291	-
Soharu	263	-
Total	6729	6213

2.3 Population Evolution Trends

The population of the Roşia Montană comuna has decreased by a cumulated 6.8% (-0.7% per year) during the 1992 – 2002 inter-census period, from 4,146 individuals in 1992 to 3,865 in 2002. This is higher than the general decrease of the Romanian population for the same period, which is 4.2%. This negative evolution is even more significant when compared with the trend in the rural population of Romania, which has been increasing by 1.5% between the two censuses. Roşia Montană is classified as a rural area (“comuna”), but the evolution of its population in the recent years is similar to that experienced in urban areas of Romania (-7.7% as a whole for the urban population).

Other information shows that this negative demographic trend has affected Roşia Montană locality for the whole 20th century, as presented in table hereunder:

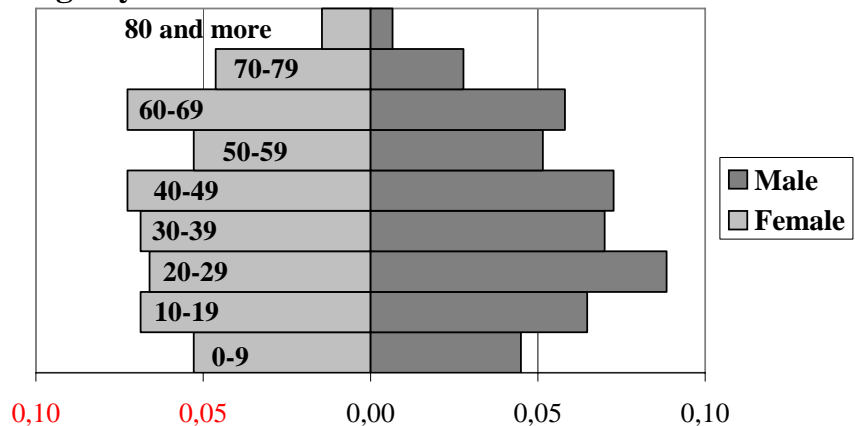
Demographic Evolution – Localities of Roşia Montană and Corna

Year	Locality of Roşia Montană	Corna (incl. Bunta)
1880	3,439	770
1956	2,371	341
1992	1,556	399
2002	1,450	372

2.4 Age Distribution

The age pyramid showed on the graph opposite has been established using data gathered during the Project survey of 247 households. It is typical of an ageing population, with the low birth rate characteristic of transition societies. The gap in the 50-59 category is likely to be in relation with depressive conditions during the Second World War. The larger population of young males as compared to females could be in relation with in-migration resulting from the presence of Minvest and the perspective of recruitment by RMGC.

Age Pyramid

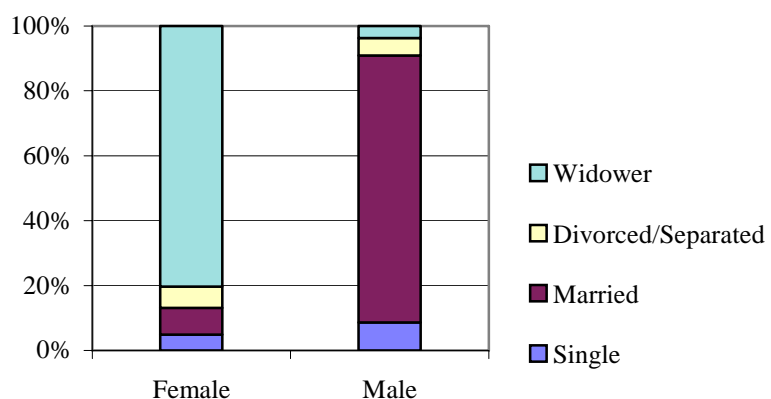


2.5 Gender Distribution – Marital Status

According to the 2002 census, the gender distribution of the general population of the comuna of Roşia Montană is 49.1% male / 50.9% female. According to RMGC's 2002 socio-economic survey, the gender distribution of household heads is 25% female / 75% male. Most of female household heads (85%) are aged 60 and more.

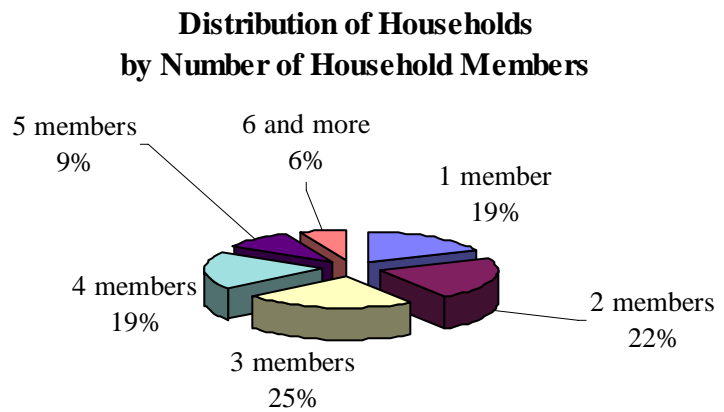
As shown by the graph opposite, female household heads are predominantly widows, while the proportion of married male household heads is about 80%.

Marital Status of Household Heads



2.6 Household Size

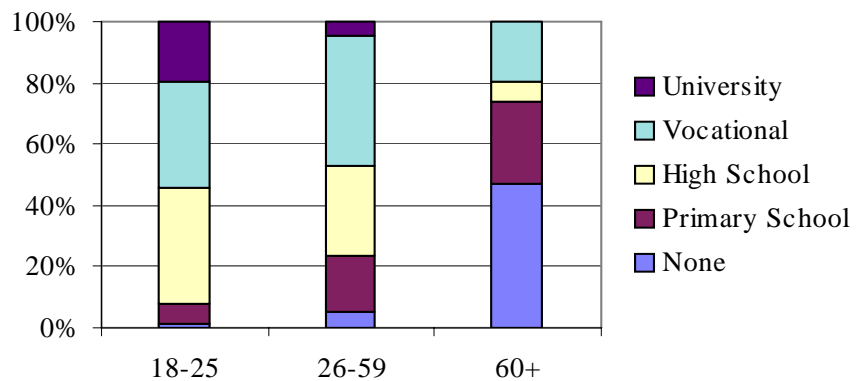
According to the 2002 census, the average household size for the comuna of Roşia Montană is 2.83 individuals per household (Romania: 2.89). Over the 247 households that have been surveyed by RMGC in 2002, the average number of individuals per household is 3.06, with the following distribution:



2.7 Education Status

The education status of 601 adults has been investigated during the survey on 247 households done in 2002 by RMGC. The results are presented by age category (see graph opposite) and show clearly that the younger residents have a much higher educational level.

Education Level by Age Category - 601 Adults



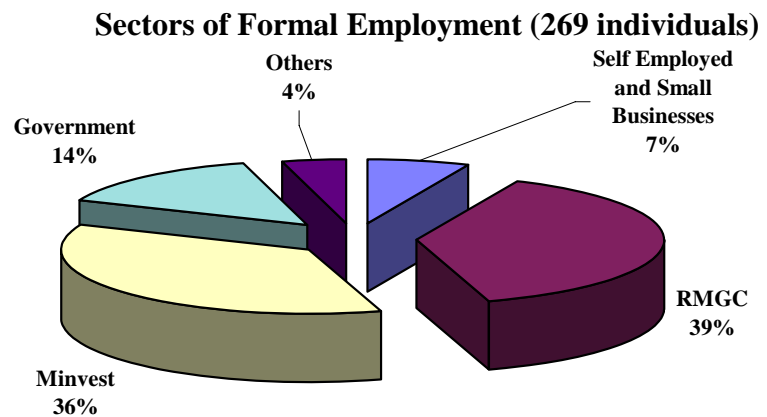
3 ANNEX 3 - Livelihoods

3.1 Overview

The area has industrial activities in a rural setting, and as a result livelihoods are derived from wage-earning activities related to the mining sector, and from some small scale agricultural activities. Also, like in other Eastern Europe societies experiencing transition, non-cash activities play a role in people's livelihoods. Occupations in the formal sector are essential but do not account for all of the livelihoods of all potentially affected people, and informal subsistence-oriented activities are critical as a "safety net" to the poorest in the community.

The two main formal sector employers in the comuna are by far Minvest and RMGC. In general, 350 of the Minvest workers are residents of Roşia Montană comuna, while the total number of households is 1,362: as an average, there is one Minvest employee in one in four households. RMGC has at present about 100 permanent employees from the community, and there is one RMGC employee in about 7% of all households. The state and local governments are also significant employers.

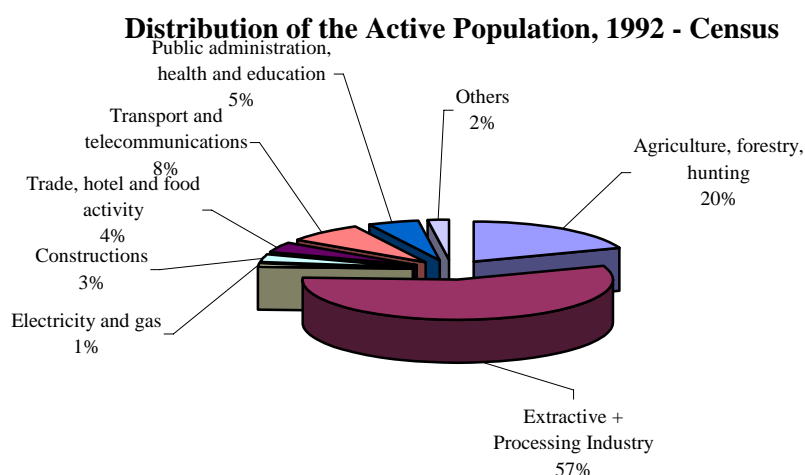
Of the 247 households that were surveyed by RMGC, which include 430 individuals aged between 18 and 60, there are 269 individuals employed in the formal sector, with the following distribution between employers and sectors of activity:



Out of the 247 households surveyed, 189 (77%) keep farm animals of various kinds in various quantities, and 219 (89%) have an agricultural production of variable significance, although only about 15% of households declared themselves as primarily farmers. The importance of these livelihood sources in terms of income streams and subsistence strategy is further investigated in the following sections, but the broad picture is typical of a transition semi-urban society, with survival strategies based on both wage-earning activities and small-scale subsistence agricultural activities.

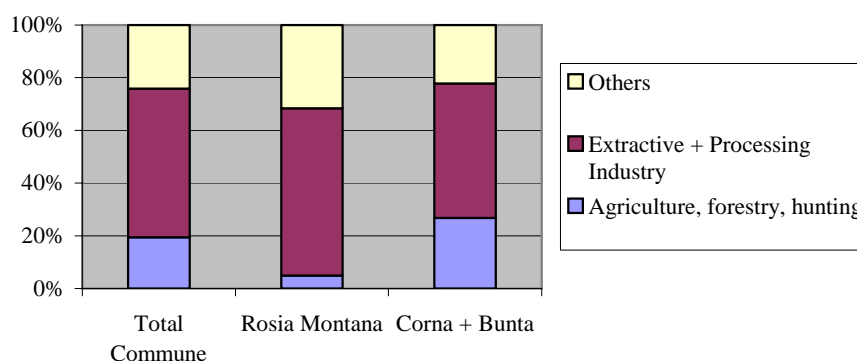
3.2 Sectors of Employment

Information of the 1992 census on sectors of employment is shown on the graph opposite for the whole comuna of Roşia Montană. Almost half of the employed population was employed in the extractive and mining industry.



A significant difference appears in the activities of the population between Roşia Montană locality and Corna valley, as shown by the graph opposite: while agriculture has little economic significance in Roşia Montană, it is the main activity for about one fourth of the active population of Corna and Bunta localities, even if mining related activities are predominant in Corna Valley too.

Distribution of the Active Population - Rosia Montana and Corna Localities - Census 1992



3.3 Agriculture

3.3.1 Crops

Crops in the Project Affected Area are mainly subsistence oriented, with little produce actually sold, except for those households in Corna or Tarina who are primarily farmers. The main crops grown in the area are fruit trees, concerning 85% of all households, vegetables (80%), animal forage (hay – 49%), and nut trees.

Fruit trees provide fresh fruit and fruit preserves for winter, which are mainly self-consumed. Fruit is also used in the production of tuica (a local brandy), which is both an item for sale and for domestic use. Hay is widely produced in the area, beyond local livestock needs, and is therefore marketed. Vegetables and herbs are self-consumed both fresh and preserved. Nuts are primarily self-consumed.

Another source of income is wood, which is used for heating and cooking and furniture production. A significant proportion of households appears to purchase their fuel wood, and the supply is predominantly local, which means that wood is sold by other households who hold forest land.

When asked whether they would be interested in improving agriculture, the majority of respondents (62%) said no. The reasons most frequently cited for an answer in the negative were age and that the area is not suitable for agriculture. Most of the 38% that said they are interested in increasing agricultural production said they would sell the additional produce (72%) to generate extra income.

3.3.2 Livestock and Animal Husbandry

According to the Office of the Mayor of Roşia Montană, there were 1,341 cattle in 2001 in the comuna, which for 1,362 households gives about one cattle per household. According to agricultural statistics from the Mayor's Office, there would be less than 10 households in the entire comuna that mainly derive their livelihoods from animal husbandry. According to RMGC's July 2002 survey, 74% of households have poultry, 33% have cattle, 38% have pigs.

Milk is mainly self-consumed, as fresh milk or transformed into butter, cheese or sour cream. Many households appear to be self-sufficient in dairy products and poultry.

3.4 Mining and Associated Activities

3.4.1 Background

During the communist regime, the government developed many mining resources with little consideration to the economic and environmental costs. This policy resulted in the over-expansion of the mining sector through substantial financial support from the State. After 1989, successive governments have gradually withdrawn this support: subsidies diminished from 528 million US Dollars in 1990 to 100 millions in 1999. As a result, out of 278 mines in operation in Romania in 1989, only 35 are today considered to be economically viable. In August 1999, Romania obtained a credit of 44.5 million US Dollars from the World Bank for a Mines Closure, Environmental Rehabilitation and Social Mitigation Project. This ongoing project aims to establish a financially viable and environmentally sustainable mining sector with strong private sector involvement.

There are 6 state-owned mining companies in Romania. Minvest, with headquarters in Deva, is one of them, currently accounting for 80% of the copper production and 50% of the gold production in Romania. Minvest operates four mines in the Golden Quadrilateral, including Roşia Montană. Between 1995 and 2000, Minvest closed 18 mines and 2 processing plants, and reduced total employment by approximately 65%, from about 36 000 to 12 600.

Artisanal mining, which was still significant before the second World War, completely disappeared after 1948.

3.4.2 Overview of Active Mining Operations

The mining state enterprise (Regia Autonoma a Cuprului Deva) has been exploiting the Cirnic and Cetate deposits in Roşia Montană since 1970, with open pit and underground mining of the Cetate and Cirnic deposits. Underground mining was discontinued in 1985, and Minvest, the successor to Regia Deva, is now only operating the open-pit mine on the Cetate and Cirnic deposits. It has an official production rate of 400,000 tons per annum (t/a) of processed ore, with a goal of about 1,000,000 t/a of processed ore; the actual production could be lower.

The ore is transported by an underground ore pass and conveyor to a crusher and a processing plant both located in Gura Roseii 4 kilometres west of the pit, with the tailings impoundment located in the Salistea valley. Another closed tailings dump between Gura Roseii and Abrud contains approximately 7 million tonnes of tailings, is barren of vegetation and produces acid drainage.

The concentrate from the processing plant in Gura Roseii is delivered for production of gold to smelters located in Zlatna, in Baia de Aries or in Baia Mare.

Minvest restructuring program has affected its Roşia Montană unit. In 1990, there were 1,500 employees. In September 2000, in spite of heavy subsidization by the government (1), the number of employees was reduced to 797. The number of employees is presently (December 2002) 718, some 350 of whom are residents of Roşia Montană. 22 of the employees of Minvest in its Roşia Montană operation are anticipated to retire during 2003.

3.5 Other Wage-Earning Activities

Other wage earners are employed by the Government institutions (14%), and by small and medium enterprises (7%) described in Annex 4.

3.6 Pensions

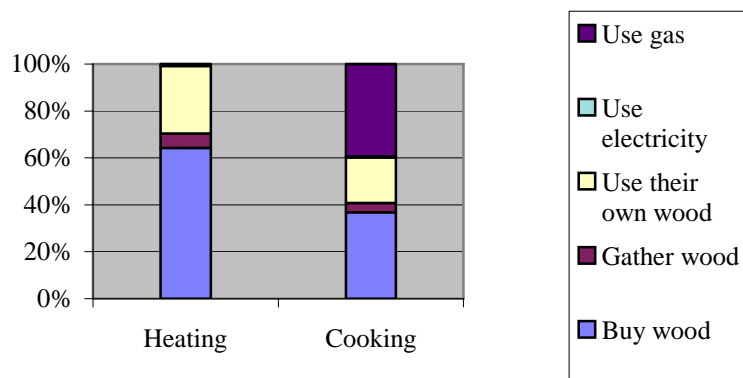
The household budget detailed survey shows that most pensions are in the order of USD 50 to 100 per month. After the beneficiary deceases, the pensions paid to his/her are usually half of the deceased beneficiary's initial pension. Miners' widows' pensions can therefore be as low as USD 25 per month.

3.7 Use of Natural Resources

3.7.1 Wood

According to RMGC's July 2002 socio-economic survey, more than 99% of households in the Project Affected Area use wood for heating, and about 60% use wood for cooking, as shown by the graph opposite. 60% of households need to purchase wood from outside, while others meet their fuel wood needs by collecting it from their own property, or gathering it on public land.

Energy Used for Heating and Cooking



3.7.2 Hunting and Fishing

Hunting does not seem to be notable in the area as either an income-earning or subsistence activity. Some limited fishing activities take place in the small artificial lakes situated in the upper parts of the valleys. Fishing is reported to have been significant before World War 2, in both Abrudel and Roşia Rivers, but both water courses are now far too degraded for any fishing to take place.

3.8 Incomes

3.8.1 Monetary Incomes

Monetary incomes have been investigated during RMGC's survey of 247 households. For the 230 households who gave usable answers, the results are the following:

¹ About 1.4 million US Dollars (or 35 billion Romanian Leis) in year 2000.

Annual Monetary Incomes – 230 Households

	Annual Monetary Income PER HOUSEHOLD		Annual Monetary Income PER CAPITA	
	In Lei	In US Dollars	In Lei	In US Dollars
Minimum	5,400,000	164	2,400,000	73
Maximum	420,000,000	12,730	140,000,000	4,242
Average	59,551,000	1,805	21,560,000	653
1st quintile (2)	20,400,000	618	10,000,000	303
2nd quintile	37,200,000	1,127	14,400,000	436
3rd quintile	60,000,000	1,818	21,000,000	636
4th quintile	85,200,000	2,582	30,000,000	909

The average monetary income per household of those who declare pensions as their predominant source of income is 1,235 USD per annum, which is significantly lower than the average for all households. On the contrary, those with wages as their main source of income declare an average of 2,430 USD per annum. Those predominantly engaged in agriculture or animal husbandry have an average monetary income per household of 1,769 USD per annum.

The GDP per capita for Romania as a whole has been estimated at 1,695 USD (3) for year 2001 (source: World Bank). This is almost three times higher than the monetary average income found for the Project-Affected Area (693 USD per capita).

Monetary incomes are significantly lower in Corna valley than in Roşia Montană valley, as shown in the following table:

² The 1st quintile being 303 USD per capita means that the lower 20% live on less than 303 USD per year per capita. The 3rd quintile being 636 USD per capita means that the lower 60% live on less than 636 USD per year per capita.

³ Not corrected for Power Purchase Parity (PPP). PPP-corrected GDP per capita is in the order of 6,600 USD for Romania, but is not relevant to the comparison here.

Annual Monetary Incomes Per Capita– Roşia Montană and Corna Valleys

	Roşia Montană Valley Per Capita Per Annum		Corna Valley Per Capita Per Annum	
	In Lei	In US Dollars	In Lei	In US Dollars
Minimum	3,000,000	91	2,400,000	73
Maximum	120,000,000	3,636	140,000,000	4,242
Average	23,130,000	701	19,250,000	583
1st quintile	11,520,000	349	8,400,000	255
2nd quintile	16,800,000	509	12,000,000	364
3rd quintile	22,800,000	691	18,000,000	545
4th quintile	30,000,000	909	28,000,000	848

3.8.2 Poverty Indicators

The distribution of incomes per capita is very even as is usual with most transition economies, and is consistent with World Bank macro-economic data on income dispersion. At national level, the share in the total income of the 1st poorest quintile was measured to be 8% in 1998. According to data gathered in Roşia Montană, it is about 6.1%.

Using the Purchasing Power Parity (4) factor established by the World Bank for 2001 (Romania/United States of America = 4.24), the internationally used poverty levels of one US Dollar per day and two US Dollars per day are shown in the following table:

People Living on less than USD 1 and USD 2 per day

	Percentage of people living on less than	
	ONE DOLLAR per day per individual	TWO DOLLARS per day per individual
Project-Affected Area	1.0%	7.0%
Romania	2.8%	-

NB: One "Dollar" is here corrected for Purchasing Power Parity.

Another point of comparison is the minimum guaranteed income provided to people eligible to social assistance, which is currently 630,000 Lei per month for a household of one person, or 230 USD per year. The average monetary income is about three times this amount. According to RMGC's 2002 income survey, 13% of all households live on less than this minimum level of 230 USD per year.

3.8.3 Livelihood Sources

Households surveyed by RMGC in July 2002 have been asked which sources of livelihood they considered "important", with several answers being possible. The following table presents the results:

⁴ This indicator, based on a comparison of consumption baskets and other economic factors, means in simple terms that one dollar of the USA has 4.24 times more purchasing power in Romania than in the USA.

Ranking of Livelihood Sources

	Wage	Pension	Agriculture	Animal Husbandry	Gathering	Other
Percentage of households declaring the following source is important to their livelihood	55%	49%	16%	10%	4%	9%

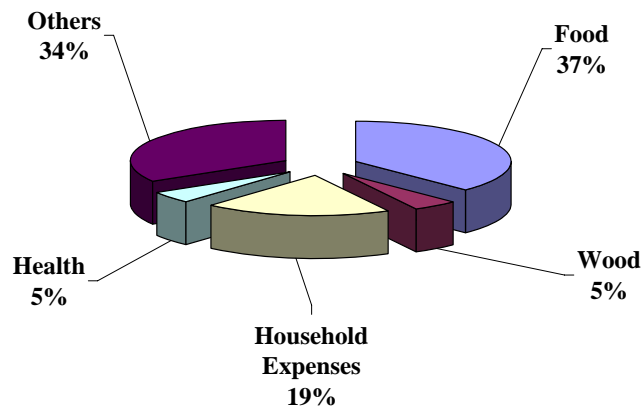
NB: Total is superior to 100% because respondents could give several answers.

3.9 Expenditures and Family Budget

Family expenditures have been investigated in detail by ICCV over 30 households in Roşia Montană, Corna and Gura Rosieii. Expenditures have been categorized under the following items: food, wood, household expenses (ie utility bills and taxes), health and others.

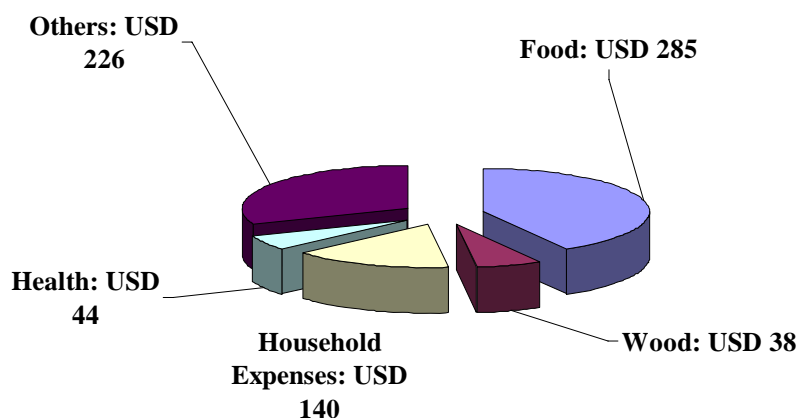
In average, the main item in the family budget is food, as shown by the graph opposite. The percentage spent on food is negatively correlated to the overall cash income of the household: the lower the income, the more people tend to spend on food as compared to other family expenditures. However, other factors need to be taken into consideration, especially self production and self consumption of food.

Household Cash Expenditures: Average Distribution for 30 Households



The graph opposite shows the average amounts spent yearly per capita on the above-mentioned categories. This information (gathered by ICCV) is remarkably consistent with the income information gathered by RMGC: the average of yearly expenditures per capita is here USD 682, while the average cash income as measured by the RMGC survey is USD 653.

Household Cash Expenditures: Average Amounts Spent per Capita Per Annum



The dispersion coefficients (ratio standard deviation / average) are as follows:

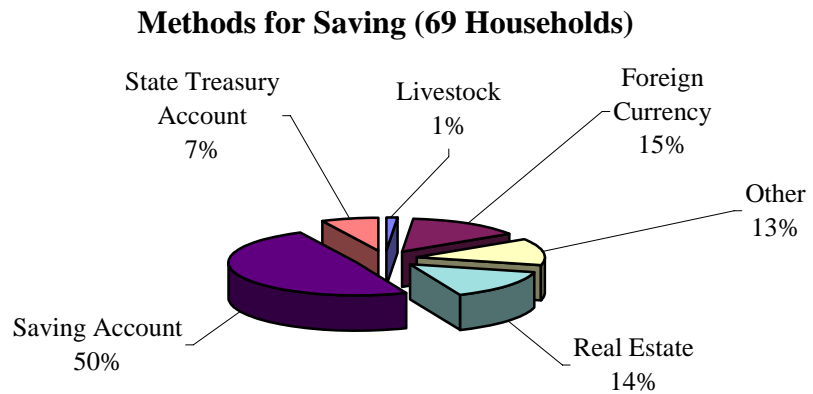
- Food: 63%
- Wood: 89%
- Household Expenses: 132%

- Health: 111%
- Others: 108%

The amount spent on food is less variable than the other items in the family budget. For food, the main factor of variation is whether the family has land and animals or not, but as mentioned above most families do. On the other hand, the amount spent on utilities is highly variable, and is correlated with the overall cash income of the household: the higher the income, the higher the amount spent on utilities.

3.10 Banking Habits

69% of households indicate that they do not have enough to save on a regular basis. The preferred methods for those 31% (69 households) who do save money are shown on the graph opposite. There is no bank outlet in Roşia Montană. The closest ones are in Abrud or Campeni.

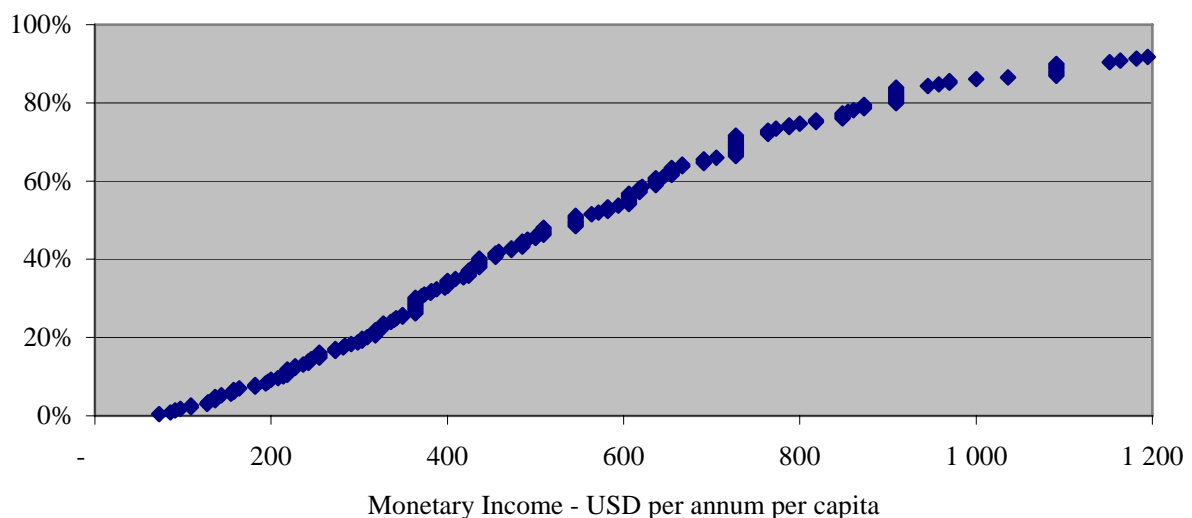


3.11 Detailed Results of Iccv's Detailed Survey on Incomes, Budgets, and Survival Strategies

3.11.1 General Information

The following graph presents the distribution of monetary incomes for the whole Project Affected area (source: RMGC's socio-economic study on 247 households, 229 usable questionnaires).

**Monetary Income Distribution:
 229 Households on the whole Project Affected Area**



3.11.2 Survey of Family Budgets

The results of the survey in terms of assessment of livelihood and survival strategies are presented in the tables in the following pages.

The results with respect to the household expenditures are also presented in the following pages.

RESULTS OF ICCV HOUSEHOLD BUDGET SURVEY: SOURCES OF LIVELIHOOD

Household Identification	Household Head Gender	Location	Age of Household Head	No. of Persons in the Household	Monetary Income USD per Annum per Person	Cash Income Sources	Survival Strategy
112	Female	Corna	50	2	364	1 successor pension - miner 1 seasonal salary at RMGC	The insufficient cash income is complemented with self-consumption from the land around the house and with other produces obtained in exchange of the agricultural work on the neighbours land. (barter)
25	Female	Corna	71	1	327	Pension - Miner's widow	She has 1.3 hectare of land where she grows potatoes and vegetables. Self-consumption is very important as survival strategy. She barter eggs and other agricultural produce. Her principal source of expenses is animal food.
41	Female	Corna	75	4	364	1 miner salary 1 unemployed allowance 1 successor pension	The self-consumption is very high. The barter with neighbors is present.
15	Female	Corna	78	2	182	1 pension	The cash income is small. She helps her nephew. The agricultural land is small, so is the self-consumption as a result. She receives assistance in food produce from her daughter.
121	Male	Corna	39	4	455	2 salaries	The monetary income is consistent, as well as the consumption from their own land (3 ha). Breed also animals. Help their neighbors with clothes and food.
23	Male	Corna	49	4	155	1 miner pension Animals sale 1 child allowance	Monetary income is supplemented with produces and animals sales. The self-consumption is high (many animals and a land of 2 ha).
78	Male	Corna	55	5	1164	3 pensions 2 salaries	Self-consumption covers 90% of the food needs. They do investment and have saving.

RESULTS OF ICCV HOUSEHOLD BUDGET SURVEY: SOURCES OF LIVELIHOOD (continued)

Household Identification	Household Head Gender	Location	Age of Household Head	No. of Persons in the Household	Monetary Income USD per Annum per Person	Cash Income Sources	Survival Strategy
47	Male	Corna	57	2	618	1 pension 1 successor pension (from the mother) 1 scholarship	Cash income is sufficient for the household, because they sell hay produced by 2 hectares of land. There is only little self-consumption, but they still have a pig and some poultry.
16	Male	Corna	57	3	381	1 miner pension 1 salary	The monetary income and self-consumption have the same importance. The parents support the son; his salary is saved to buy a house in Alba Iulia.
50	Male	Corna	58	5	86	1 illness pension 1 RMGC salary	About a quarter of the monetary income is spent on medicine. The children have no income, but participate in the domestic work. They have high self-consumption.
122	Male	Corna	61	2	909	1 miner pension 1 salary	Cash income is used for investments and savings while agricultural self-production covers almost entirely (90%) the food need of the family. They help their children and other families with money and agricultural produces.
30	Male	Corna	64	2	509	1 miner pension 1 successor pension - miner	Cash income is sufficient as it complemented by significant self-consumption (2 ha of land, many animals). They help the daughter with the domestic agricultural work and engage in some bartering.
52	Female	Gura Corneii	62	4	409	1 successor pension - miner 1 miner salary 1 seasonal salary 1 child allowance	Monetary income is the main source of livelihood. Also the self-consumption is high. They save money.

RESULTS OF ICCV HOUSEHOLD BUDGET SURVEY: SOURCES OF LIVELIHOOD (continued)

Household Identification	Household Head Gender	Location	Age of Household Head	No. of Persons in the Household	Monetary Income USD per Annum per Person	Cash Income Sources	Survival Strategy
231	Female	Gura Corneii	77	1	341	Pension - Miner's widow	Small monetary income. Supplements the consumption need from self-production. Cultivates 1 ha of land and breeds animals (1 cow, 10 hens)
134	Male	Gura Corneii	52	5	582	1 RMGC salary 1 salary 1 miner pension	Self-consumption in considerable proportion. Help the neighbours with food and clothes.
119	Male	Gura Corneii	60	3	958	1 miner pension 1 seasonal salary at RMGC	The monetary income is supplemented with produces from the family land of 1 ha (self-consumption). Breed animals.
124	Male	Gura Corneii	66	1	721	1 miner's pension	The monetary income is preponderant. Has 14 ares of land which produce potatoes, hay and vegetables. Barters some of these for food and soap. Saves 2 million Leis a year.
137	Female	Rosia Montana	59	2	545	1 miner pension	Monetary income prevails. There is small self-consumption (a small garden and few animals).
181	Female	Rosia Montana	62	2	418	1 miner pension	Cash and self-consumption in equivalent importance (land – 3 ha, breed many animals)
6	Female	Rosia Montana	68	1	655	Pension - Miner's widow	Monetary income is a small pension of about 2 USD per day. Has a small garden of 300 m2 from where she obtains vegetables and fruits. Raises a few fowls. All her produce is self-consumed and she spends about half of her pension on food.

RESULTS OF ICCV HOUSEHOLD BUDGET SURVEY: SOURCES OF LIVELIHOOD (continued)

Household Identification	Household Head Gender	Location	Age of Household Head	No. of Persons in the Household	Monetary Income USD per Annum per Person	Cash Income Sources	Survival Strategy
151	Female	Rosia Montana	68	1	336	Pension - Miner's widow	Monetary income is a small pension (1 USD per day). Works as a daily labourer for money. Provides different services in exchange for aliments, food and clothes (barter). The children help pay the phone bill and the firewood.
59	Female	Rosia Montana	68	1	590	Pension - Miner's widow	Preponderant monetary income, reduced self-consumption because plot of garden is small (50m2). Works for money at different neighbors'. Her four children help with money and food.
230	Male	Rosia Montana	30	3	485	1 miner salary 1 seasonal salary at RMGC 1 child allowance	Monetary income is preponderant, very small self-consumption.
202	Male	Rosia Montana	30	4	909	2 RMGC salaries 2 child allowances	The family depends on monetary income obtained from RMGC. Have also self-consumption.
198	Male	Rosia Montana	32	1	1273	1 Minvest salary	The monetary income covers entirely the consumption needs. There is no self-consumption, neither barter. Rents his land for money.
219	Male	Rosia Montana	45	2	218	1 miner pension 1 unemployed allowance	The cash income is the main source for existence.
212	Male	Rosia Montana	46	2	436	1 successor pension - miner 1 handicap pension	Cahs income is small. They have a small garden and receive also help from their children in money and produces.

RESULTS OF ICCV HOUSEHOLD BUDGET SURVEY: SOURCES OF LIVELIHOOD (continued)

Household Identification	Household Head Gender	Location	Age of Household Head	No. of Persons in the Household	Monetary Income USD per Annum per Person	Cash Income Sources	Survival Strategy
196	Male	Rosia Montana	46	6	727	2 salaries 3 child allowances 1 aid from a sponsor	The monetary income is very high, without self-consumption. They help their poor neighbours with food, clothes and footwear.
156	Male	Rosia Montana	52	7	2490	2 miner pensions - 3 salaries 1 child allowance	The monetary income is very high, the same the self-consumption. Have 3 cars, 2 shops and act as sponsorship. Help the poorer neighbours with food and clothes.
213	Male	Rosia Montana	62	2	606	1 miner pension	The monetary income is supplemented with some self-consumption from a mid size field. Their son helps them with diverse alimentary produces.

RESULTS OF ICCV HOUSEHOLD BUDGET SURVEY: HOUSEHOLD EXPENDITURES

Household Id.	Household Head Gender	Location	Age of Household Head	No. of Persons in Household	Monetary Income USD per Annum per Person	Food	Wood	Household Expenses	Health	Others
						USD per annum for the whole household				
112	Female	Corna	50	2	364	397	24	160	0	17
25	Female	Corna	71	1	327	64	45	11	109	196
41	Female	Corna	75	4	364	1386	156	36	494	2073
15	Female	Corna	78	2	182	166	106	134	73	30
121	Male	Corna	39	4	455	1127	152	674	0	258
23	Male	Corna	49	4	155	622	18	228	30	500
78	Male	Corna	55	5	1164	821	318	408	182	2448
16	Male	Corna	57	3	381	367	91	275	146	286
47	Male	Corna	57	2	618	398	91	202	9	581
50	Male	Corna	58	5	86	843	91	176	327	18
122	Male	Corna	61	2	909	545	0	140	0	1751
30	Male	Corna	64	2	509	636	91	98	0	15
52	Female	Gura Corneii	62	4	409	1515	91	433	182	735

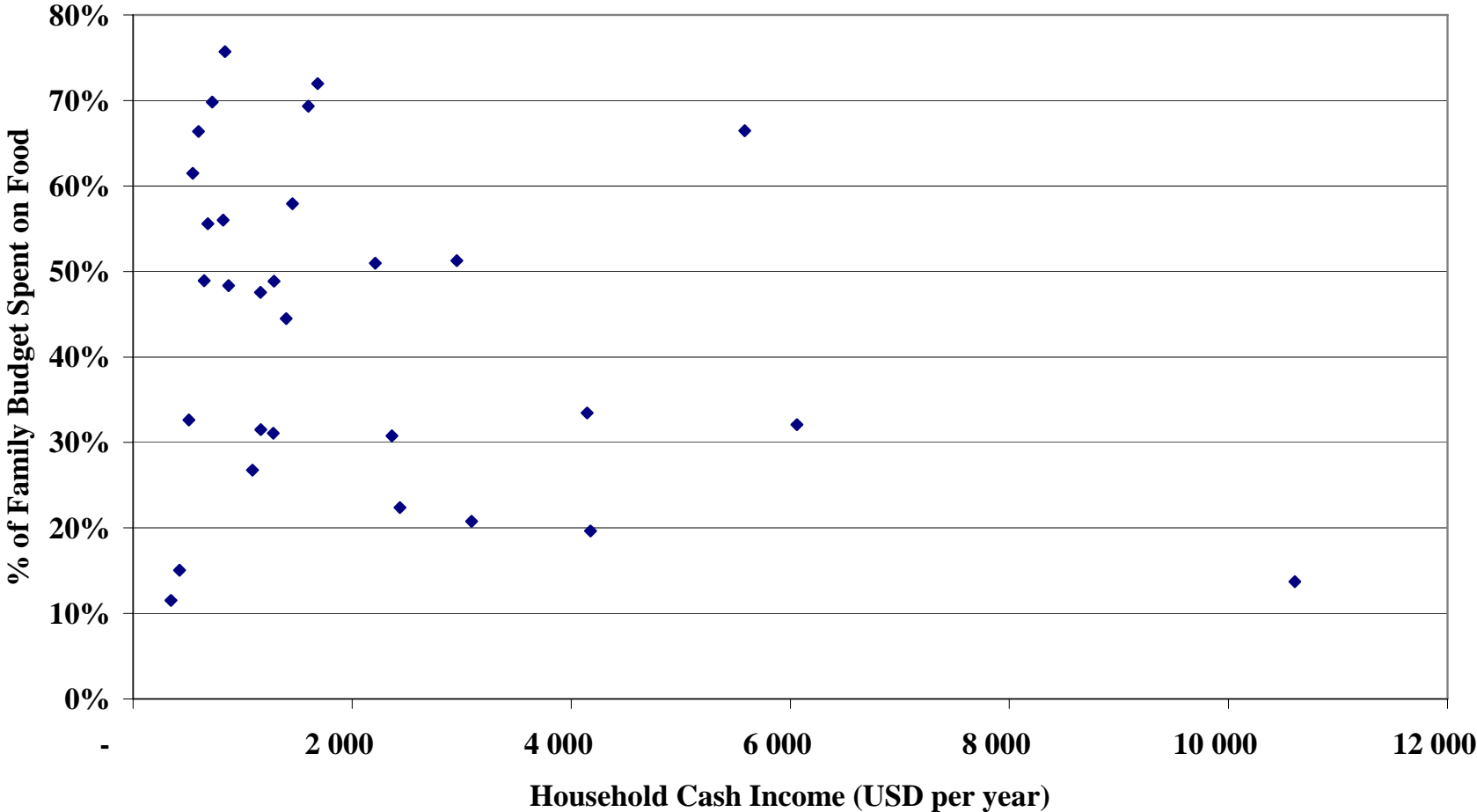
RESULTS OF ICCV HOUSEHOLD BUDGET SURVEY: HOUSEHOLD EXPENDITURES (continued)

Household Id.	Household Head Gender	Location	Age of Household Head	No. of Persons in Household	Monetary Income USD per Annum per Person	USD per annum for the whole household				
						Food	Wood	Household Expenses	Health	Others
231	Female	Gura Corneii	77	1	341	40	91	18	109	89
134	Male	Gura Corneii	52	5	582	642	242	661	364	1182
119	Male	Gura Corneii	60	3	958	1109	91	153	0	247
124	Male	Gura Corneii	66	1	721	504	0	35	44	139
137	Female	Rosia Montana	59	2	545	553	109	326	109	66
181	Female	Rosia Montana	62	2	418	422	0	239	91	121
6	Female	Rosia Montana	68	1	655	379	115	148	0	40
59	Female	Rosia Montana	68	1	590	335	45	68	30	67
151	Female	Rosia Montana	68	1	336	318	76	15	109	132

RESULTS OF ICCV HOUSEHOLD BUDGET SURVEY: HOUSEHOLD EXPENDITURES (continued)

Household Id.	Household Head Gender	Location	Age of Household Head	No. of Persons in Household	Monetary Income USD per Annum per Person	USD per annum for the whole household				
						Food	Wood	Household Expenses	Health	Others
202	Male	Rosia Montana	30	4	909	3713	121	542	182	1027
230	Male	Rosia Montana	30	3	485	1212	6	25	6	435
198	Male	Rosia Montana	32	1	1273	629	182	142	9	325
219	Male	Rosia Montana	45	2	218	727	106	177	0	1352
196	Male	Rosia Montana	46	6	727	1944	91	563	0	3462
212	Male	Rosia Montana	46	2	436	461	91	149	52	70
156	Male	Rosia Montana	52	7	2490	1455	121	5606	0	3424
213	Male	Rosia Montana	62	2	606	292	91	329	305	74

Percentage of the Family Budget Spent on Food as a Function of the Cash Income



ICCV QUESTIONNAIRE

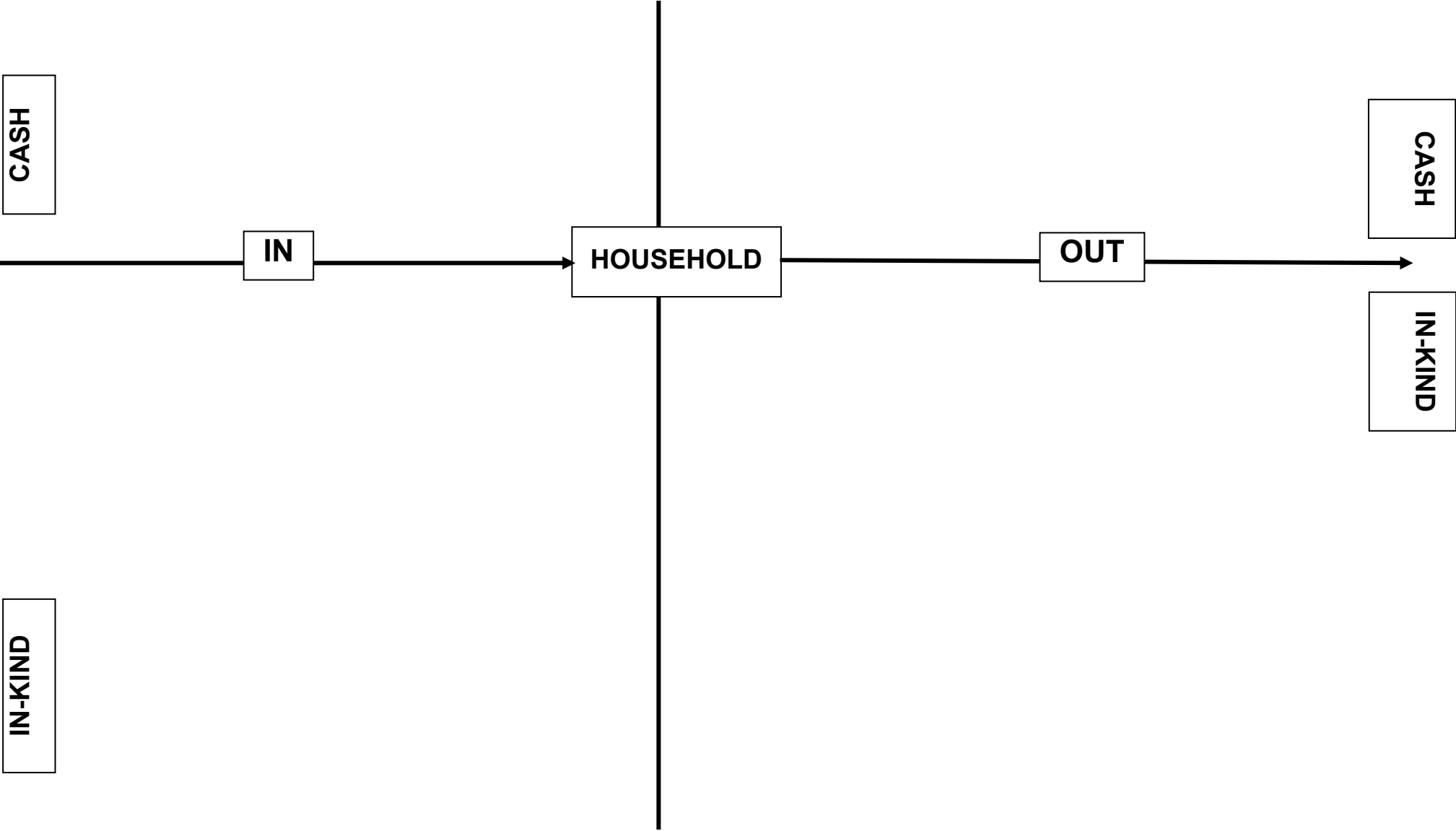
HOUSEHOLD IDENTIFICATION:

LOCALITY: _____ INTERVIEWERS: _____ DATE: _____ VENUE: _____

HOUSEHOLD MEMBERS:

N°	Full Name	Sex	Age	Relationship to HHH	Lives where?
1		M / F			Here at home/Elsewhere: _____
2		M / F			Here at home/Elsewhere: _____
3		M / F			Here at home/Elsewhere: _____
4		M / F			Here at home/Elsewhere: _____
5		M / F			Here at home/Elsewhere: _____
6		M / F			Here at home/Elsewhere: _____

HOUSEHOLD ECONOMIC FLOWS



4 ANNEX 4 – Businesses

4.1 Identification and Number of Businesses

The Tax Inspectorate in Abrud initially provided a list of 36 businesses in the area that are registered and pay taxes. Some of these were in fact found to be outside of the Project-Affected Area, while others had to be added, and the final number of affected businesses is 34. The data on all 34 businesses surveyed can be found in the table hereunder. Some businesses may include several different establishments. For instance, one particular individual has one grocery store, one bar and a combination bar/grocery store in Roşia Montană, all registered under the same private limited company. This has been considered as one single “business” for the purpose of this report.

4.1.1 Type and Activities of Businesses

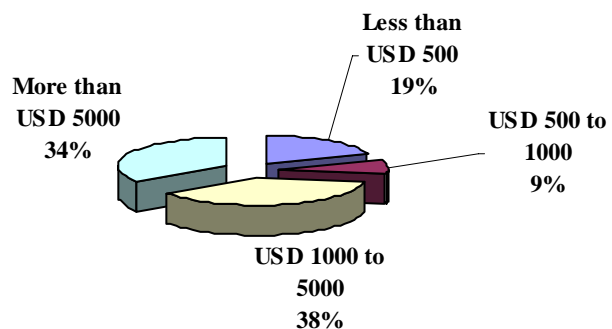
Out of the 34 businesses, 12 are Physical Persons (PF), 9 are Family Associations (AF), and 13 are Registered Limited Companies (SRL).

Most of the businesses are groceries or general stores (16), bars (4), or a combination of those two (3). Other retail and service-based activities are locksmith, hairdresser, car repair, shoe repair, doctor’s practice, second hand clothes store, funeral wreaths, musicians and transportation. Businesses in processing, production and manufacturing include protective work clothing, fish farming, roof tiles and wood plank processing.

4.1.2 Size of Businesses

Businesses surveyed are small, with 66% with a turnover of less than USD 5,000 for year 2001. The graph opposite shows the distribution of businesses by turnover:

Size of Businesses in the Project Affected Area
2001 Turnover in USD



As yet, information on turnover has not been cross-checked with tax documentation and other official data. All business owners have provided RMGC with business turnover data. However, owners usually do not want to provide RMGC with net profit figures. Many of the businesses claimed a substantial increase in turnover for 2002. Some may have experienced a certain growth in activity due to the economic stimulus provided by RMGC, but it is also possible that others have inflated their turnover in anticipation of compensation.

4.1.3 Business-Persons’ Plans

Few of the business owners wanted to or were able to articulate their future business plans and needs. It appears that a number of business owners have expectations of substantial cash compensation from RMGC, that would almost enable their permanent retirement and that they do not focus on making business development plans for the time being.

PF: Physical Person
AF: Family Association
SRL: Limited Liability Company
SA: Private Limited Company

S.C. Roşia Montană Gold Corporation S.A. –
Management of Social Impacts: Resettlement and Relocation Action Plan

#	Legal Status	Owner Gender	Owner Age	Type of activity	Location	Years in business	Turnover 2001 (Leis)	Turnover 2001 (USD)
1	PF	F	46	Hairdresser	Rosia Montana	9	12 200 000	370
2	SRL	M	41	General store; Shop and bar; Bar; Restaurant	Rosia Montana	8	5 431 325 000	164 586
3	SRL	F	59	Pharmacy	Rosia Montana	10	711 591 000	21 563
4	PF	M	78	Shoe repairs		12	4 900 000	148
5	SRL	F		2 general stores ; Corna valley and Corna Sat; Bar	Corna	5	383 107 000	11 609
6	PF	M	75	Carpentry Workshop	Corna	10	8 600 000	261
7	SRL	M	47	General store;	Rosia Montana	7	80 000 000	2 424
8	SRL	M	54	General store; bar Corna	Rosia Montana	N/A	N/A	N/A
9	AF	M	0	Wood / timber storage	Bucium Valea Poieni	3	750 000 000	22 727
10	SRL	M	44	Leather Processing – protection equipment and garments – Car repair service in RM	Rosia Montana	11	306 602 000	9 291
11	AF	M	0	Musician (weddings etc.)	Gura Corneii	8	50 000 000	1 515
12	SRL	M/F	0	General store	Rosia Montana	3	138 000 000	4 182
13	PF	M	70	Car repairs garage	Rosia Montana	12	4 900 000	148
14	PF	M	35	Musician (weddings etc.)	Rosia Montana	7	36 000 000	1 091
15	SRL	M	0	2 General Stores	Rosia Montana	9	681 543 000	20 653
16	SRL	F	37	General store and bar	Rosia Montana	7	62 469 000	1 893

S.C. Roşia Montană Gold Corporation S.A. –
Management of Social Impacts: Resettlement and Relocation Action Plan

#	Legal Status	Owner Gender	Owner Age	Type of activity	Location	Years in business	Turnover 2001 (Leis)	Turnover 2001 (USD)
17	AF	F	0	General store	Rosia Montana	4	70 000 000	2 121
18	PF	F	43	Bar	Tarina	6	51 381 000	1 557
19	PF	F	38	Bar and shop (Closed?)	Rosia Montana	8	68 000 000	2 061
20	PF	F	34	General store	Rosia Montana	8	28 770 000	872
21	AF	F	42	General store	Rosia Montana	2	700 000 000	21 212
22	SRL	F	40	General store + bar	Rosia Montana	5	64 713 000	1 961
23	PF	M	34	2 general stores	Rosia Montana	3	555 431 000	16 831
24	AF	F	68	General store	Rosia Montana	4	70 000 000	2 121
25	PF	M	63	Funeral wreaths	Rosia Montana	9	3 300 000	100
26	PF	M	45	Musician	Rosia Montana	10	120 000 000	3 636
27	PF	M	46	Produces roof tiles	Rosia Montana	9	13 596 000	412
28	PF	F	53	Sale of 2nd hand clothes	Rosia Montana	11	24 486 000	742
29	SA			2 grocery stores	Rosia Montana	1	1 058 970 000	32 090
30	SRL	M	37	General Store; Garment Workshop(+ shop in Abrud and in Baia Mare)	Rosia Montana	7	177 000 000	5 364
31	PF	F	47	Tailor	Rosia Montana	11	3 500 000	120
32	SRL	M	20	Fish ponds and transport	Rosia Montana	1	0	0
33	PF	M	43	Medical practice	Rosia Montana	3	152 671 553	5 254
34	SRL	F	33	Financial audit	Rosia Montana	2	124 883 000	4 297

5 ANNEX 5 – Health Data

5.1 Health STATUS of the Population in the Project Area

According to RMGC’s socio-economic survey of 247 households (July 2002), 62% of households had one or more members who sought medical attention for serious illnesses in the past year. The conditions for which these household members sought attention are, in order priority: lung disease, heart condition, arthritis/rheumatism, hypertension, diabetes, kidney disease, gastrointestinal and psychological conditions. Lifestyle problems identified as causes of the above health problems include occupational hazards (particularly mining), a fatty diet, stress and alcoholism.

The vast majority (89%) of individuals in the affected communities do not have medical insurance and attend conventional hospitals and clinics for treatment.

The main health problems faced by the community and their underlying causes as listed by key leaders match very closely those identified by household respondents.

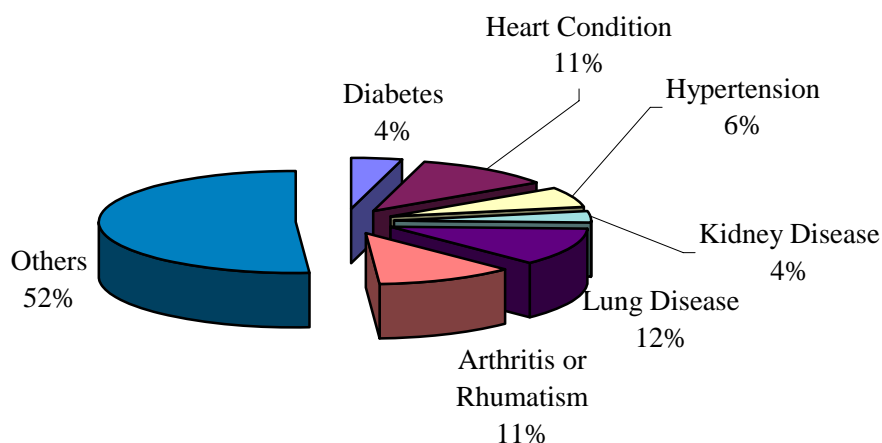
The main health care problems identified by key leaders included lack of equipment, lack of medicines and lack of personnel (shortages as well as training).

A report by the Abrud public hospital also indicates that the health professionals in the area believe that health in general is deteriorating. This is consistent with national trends and could be in relation with the degradation in the quality of public health services and their increasing cost.

Existing mining and ore processing facilities are in poor condition and pose safety hazards to workers, but occupational diseases and incidents are not distinguished in the available health data.

5.2 Reasons For Medical Consultations

The following sketch results from treatment of the information collected by RMGC (247 questionnaires in the Project-Affected Area):



5.3 Summary Report by the Hospital of Abrud

The Abrud Hospital provided the following sketch of the health situation in the area:

- The hospital serves approximately 20 363 people in the area. About 43.3% of this population is actively employed and 56.7% are retired, students or unemployed.

- An analysis of temporary work disability over the last five years shows an increasing trend in the number of people reporting to the hospital for such, while the average number of employees is decreasing. The top ten reasons for temporary disability in 2001 were: trauma, tuberculosis, pulmonary chronic obstructive diseases, chronic pulmonary cord (heart) diseases, circulatory system diseases, osteoid-articulation system diseases, digestive system diseases, genital- urinary system diseases, renal insufficiency, mental and behavioural problems and skin diseases.
- In the past five years, general mortality and infant mortality (0-1 year) have increased considerably. By the hospital's estimates, the natural increase of the population went down. Most of the deaths were caused by respiratory system diseases and circulatory system diseases. The highest rate of infant mortality was registered in 2001 (9 cases) of which the main cause was congenital malformation.
- On average, women give birth to 170 children and there are 30 deaths per year in the hospital.
- On average the hospital conducts 16 000 consultations and some 6 100 - 7 000 patients are admitted to the hospital per year.

6 ANNEX 6 – Non Governmental Organizations and Community-Based Organizations

6.1 Non Governmental Organizations

6.1.1 International Organizations

Some foreign NGOs are active in Abrud in providing financial aid to the three social assistance institutions of the city (institution for disabled children, orphanage, institution for aged persons).

Greenpeace, an international environment activist organization, has an international on-going campaign on East European water courses and has been active in Romania in this perspective, with various actions targeting the mining sector as a follow-up to the Baia Mare incident. Greenpeace has organized several anti-Roşia Montană Project demonstrations in 2002, and is linked to the local opposition to the Project.

6.1.2 Local Organizations Non Related to the Project

Albamont, an environment-oriented NGO from Albă Iulia, organized an environment clean-up action in Roşia Montană (garbage collection), but has not developed a permanent presence in the area or cooperation with a local organization.

Several local associations have been identified:

- *Eco Punct* is an environment oriented association initiated by two schoolteachers from the Abrud high school. The pupils from this school participated to the activities like cleaning the environment (in the Abrud neighbour area), and the arrangement of a park in the court of the high school;
- The *Sportive Association Montana*, initiated by a schoolteacher, aims at assisting children from Abrud in training for skiing;
- The *Non - Profit Organization for Mountain Tourism Abrom* is an NGO set up in 1997 with the objective of developing rural tourism in the area, combined with a charity-oriented component. The association developed periodic actions like helping poor families and offering gifts for school children on important Christian holidays (Easter, Christmas). It also organizes a competition for children on June 1st every year;
- The *Sportive Association Fair Play* is an NGO set up by a former car race pilot from Abrud, with the objective of organizing car and motorcycle races in the area;
- The *Charity Association Judica* set up by a family from Abrud, with the purpose of helping the poorest families from the city, but it appears that the activity of this NGO substantially decreased.

All these organizations have rather small scale activities, not beyond the immediate area, reduced number of active members and are dependent on the founding leader/leaders.

The *Association of Bovine Breeders* has been created in 2002 in Abrud to stimulate bovine breeding in the area, taking into account that the cattle tend to decrease in numbers.

6.1.3 Local Organizations Related to the Project

The development of a large foreign investment in the area has triggered more local activism. Three new NGOs were set up and one is waiting to become effective:

- *Alburnus Maior* was set up in Roşia Montană village in 2000 in reaction to the information delivered by the Project which was perceived as unfair by Alburnus Maior

and with the proposed intention of protecting the rights (especially those related to real estate) of the affected inhabitants. Alburnus Maior is now clearly and consistently opposing the Project.

- *Pro Roşia Montană* Association appeared later as a reaction to Alburnus Maior, and represents, as the name suggests, the supporting position for the Project. The members of this association are generally young people, some of them employed by RMGC.

Neither of these two organizations seems to have a large audience within the general population of Roşia Montană.

- The *Employers' Association of Abrud and Roşia Montană* is a businesspersons' association that will shortly become effective (legal documentation has already been submitted). It aims at protecting and advocating for the business community from Abrud and Roşia Montană, in the perspective of the future opportunities in the area.

6.2 Community-Based Organizations in Abrud and Roşia Montană

According to research accomplished in Romania in 2000 ⁽⁵⁾, the CBOs from rural areas can be classified into three main categories:

- Organizations associated with state institutions, a category including mainly the parents committees organized around schools,
- Organizations associated with specific projects developed by different institutions like the Romanian Social Development Found, PHARE programs, international or national NGOs,
- More or less traditional associations, unrelated with state institutions or specific projects, like religious chorals, parish committees, neighbourhood communities etc.

For Abrud and Roşia Montană area, only CBOs from the first and third categories were identified: the parents committees around schools and the parish councils seem to be the only active organizations.

The parents committees include one for each class and one for the entire school. They are elected yearly. Their activities are related to the school (like changing the benches in a classroom, or organizing repairs to the school building etc) and take place mainly at the initiative of the school directors or teachers, responding to the schools' needs.

The organizations around the churches are generally involved in activities related with religious life, specific projects related to the church (like repainting the building etc), sometimes charity purposes, under direct coordination of the priests.

⁵ D. Sandu, M. Stanculescu, M. Serban (2000), "Social Assessment for Rural development project", World Bank: 31

7 ANNEX 7 – Results of Focus Group Discussions

7.1 Assessment of RMGC's Information

As a general tendency, the majority of interviewed subjects perceive the information regarding RMGC Project and the Company itself as insufficient, unclear and, sometimes, contradictory. Between subject categories, the best informed are businesspersons, and especially those from Alba Iulia. In order of importance, for most of the subjects, the informative sources are the followings:

- information networks (neighbours, acquaintances, friends, etc);
- media channels (television, radio and newspapers, especially the local press);
- public meetings organized by RMGC or meetings with local personalities (Mayors, Company Directors).

The majority of subjects either did not hear of, or did not consider the Roşia Montană Information Centre as a real source of information regarding the RMGC Project. A few subjects which have a relationship/friendship with local authority representatives (Mayors) or with company representatives, had more knowledge about this centre than the others. The subjects did not spontaneously mention Roşia Montană Information Centre as an information source. Some subjects consider that this centre, due to its location, has a limited audience and is intended for Roşia Montană inhabitants only. A few subjects are considering this centre as a low credibility source, because it is sustaining "Eurogold's" interests⁶. Most of the subjects are considering that the best way to obtain credible information about RMGC Project would be through public meetings with the company and some local authority representatives. Moreover, some subjects suggest that trusted public persons (such as the Minister of Environment or Romanian scientists and specialists on environmental problems) could disseminate credible information about the Project.

The trust of the majority of the subjects vis-à-vis the media sources is low. A higher trust rate is accorded to informative networks. In subjects' perception, national newspapers are more trustworthy than the local newspapers.

Need for information is mainly felt in two directions: the potential environmental impacts of RMGC's Project and the way in which this investment will involve the local working force. Other specific themes of interest for subjects can be summarized as follows:

- the technology that will be used,
- ore extraction methodologies;
- potential environmental risks: pollution effects (pollution rate and forms) and areas affected by this pollution;
- Minvest and its employees' future.

7.2 Perception of RMGC and the Project

The Company's image is reflected in different ways in the perception of discussion participants.

- Youths have, generally, a positive image of the Company, based on the following: it is a big and strong company, which offers good salaries, it has considerable financial

⁶ Many participants in the FGDs are referring to RMGC under its former name of Eurogold.

capital⁷ and qualified personnel. However, youths perceive as strongly negative the employment procedures which they perceive as unfair.

- Adults, males and females, have a negative impression of the Company. The way the hiring is perceived to have been done is the basis for this negative image (short term employment, perception that promises regarding employment are unkept, etc.). A notable exception is the Roma population, who have a positive image of the Company, perceived as a potential employer. The Romas have high expectations regarding employment opportunities.
- Pensioners have an ambivalent image of the Company: on the one hand, they appreciate the Company's involvement in local social life (road rehabilitation, bus for children, help for the local council, etc.) and, on the other hand, the foreign origin of the investor makes them reserved.
- Businesspersons generally⁸ have a good image of the Company, in strong correlation with the expected level of investments that will most likely take place in the area.

Some subjects are raising, as an argument against the company, the fact that it has caused high pollution in countries like Turkey, Ethiopia, and South Africa.

7.3 Expectations vis-à-vis RMGC's Project

There are two criteria through which subjects are judging RMGC's Project:

- perceived balance of benefits and risks, and
- longer term perspectives versus short term perspectives.

As a general tendency, the youths, the Romas and the businesspersons are favourable to the Project.

The Romas are favourable to the Project if the company will employ a certain number of them (in this case, the environmental issues become of secondary importance to them). The youths - especially males – indicate that they are favourable to the Project if there is a “rational exploitation” of ore, in a long term perspective. They have high expectations from RMGC Project. They hope to obtain well-paid jobs, and are of the opinion that this area has no other development perspectives. With all these, especially female subjects are considering that the development of RMGC Project involves long-term social and environmental risks (less population in the area, social polarization). Roma youths put forward some environmental risks but they prefer to stay in the area and get jobs. However, they fear that they might be disadvantaged and discriminated against in terms of employment.

Businesspersons consider RMGC Project as an opportunity in an area with otherwise few development perspectives and poor business environment. Small investors believe that the investments in this area could affect positively the business, mainly through the growth of locals' incomes and increased spending. New jobs and the resulting growth of living standard represent for them the main benefit. With all these, businesspersons (both smaller and larger ones) are reserved about the long-term destiny of this area.

A majority of the subjects aged between 30-50 years consider that in the short term the project will be beneficial to this area (people will have jobs, area will develop), but, after the end of the project, the area could be environmentally and socially “dead”. Females from both age categories investigated are perceiving RMGC's project in a negative way, especially the loss of the Roman heritage and the local natural landscapes. For pensioners, the pollution problem is a central one in acceptance of any development of a mining project in Rosia

⁷ For instance, events sponsored by the company are mentioned as positive benefits, as well as other benefits given by the company to the public benefit: high school youths ball, help (food supplies) for holidays (Easter), etc.

⁸ Exceptions are businesspersons with smaller businesses.

Montana. Long-term environmental risks seem to place the pensioners in an unfavorable position regarding the project. Some of the pensioners are of the opinion that the State should keep the monopoly over the Rosia Montana's resources. The majority of the subjects are prepared to accept RMGC Project's environmental impacts, as long they are dealt with according to Romanian and international (EU) standards. Regarding social impacts, and especially resettlement, the subjects are prepared to accept them as long as RMGC's Project brings otherwise benefits to them or their families. Most subjects would prefer RMGC's Project to be staged in such a way that it could last longer (over 20 to 30 years).

7.4 Participants' Suggestions

The following have been expressed by the participants in the FGDs as suggestions to RMGC:

- Continuous and truthful information by the company regarding RMGC Project development;
- Employment of the work force from the neighbouring localities, with a transparent human resources policy, based on equity and abilities;
- Involvement in RMGC's Project, through public or personal benefits (sponsorships, jobs), of persons from the whole neighbouring localities (including Abrud and Cămpeni) and not only from Rosia Montana;
- Compliance with international environmental standards;
- RMGC should assist in the development of alternatives to the mining activities (e.g. agrotourism development) to prepare the area for RMGC's closure in about 20 years from now.

The Roma community of Daroaia specifically makes the following proposals:

- Establishment of a written and signed "protocol" between the Company and Roma community leaders, including commitments regarding the employment of a minimum number of Roma;
- Employment policies, as far as Roma are concerned, should be based on capacity and qualifications but could also prioritize the poorest, with the involvement of local community leaders;

The poorest Roma from Daroaia community could be employed in salvaging of the construction materials (especially timber) available after demolition due to the relocation/resettlement process.

8 ANNEX 8 – Focus Group Discussions Methodology

8.1 The Framework of Focus Group Discussions

8.1.1 Introductions

- Thanks for the attendance
- Introduction of the moderator and the assistant
- Rules and time-frame for discussion
- Tape-recording of the discussion, confidentiality
- Introduction of the participants

8.1.2 Framework for Discussions

1. How is the life of the people here, in your area? Give me examples. (People have jobs?, What they live from?, How they understand each other? Etc.)
2. What is your opinion about the Rosia Montana Project? (What do you know about....? What have you heard about ... ?)
3. From where did you hear about this project for the first time? Somewhere else?
4. From the information sources you mentioned, which is the most trusted for you? Why? What information centers do you go to/ you went to? Why yes /no?
5. The information that you have about the project are sufficient/clear for you? Why yes/no?
6. What will be usefully for you to know about the project? (What would be most interesting to find out?)
7. What do you think/feel in relation with the project? Would it be good/bad? Why do you think/feel like that?
8. What do you think about the company that will invest here, in your area?
 - Where is this company from? From what country?
 - How are the people/employees of the company?
 - You think it is a trusted company? Why yes/no?
9. What do you think will happen in the area, in the future, as the project develop? Give me examples (of changes)? What else could happen /change?
 - Living standards
 - Jobs
 - Social relations
 - Business environment
 - The development of the community. Concrete, in what way?
10. Something will change regarding the environment after the beginning of the project? (If yes) What? Which will be the main changes? Examples. Anything else? What are the actual circumstances of the environment now?

11. What projects/future plans the people in your area have? Why?
12. If you would have a leadership position in the company, what would you do (for the area)?
13. How/ through which ways could your suggestions reach the leadership of the company? What would you like to tell them?

8.2 Interview Guide for Business People – Face-To-Face Interview

1. Presentation/Introduction

- Activity domain
- The location of the business
- Dimension (business turnover, number of employees)
- The dynamics of the business
- Future plans related to the development of the business

2. Rosia Montana Project

- Information about the project:
 - Source
 - Trust in source/information
 - Need for further information
- Perceptions on the project:
 - General perception
 - Perception on:
 - The company
 - Possible effects on the environment
 - Possible social effects
 - Effects on his/her own business

3. Effects on the business environment

- Actions related to the project:
- Actions related to his/her own business to capitalize on the changes/ opportunities offered by the project in the area (in case such actions exist, their description)
- Actions of other local business people to capitalize the changes/ opportunities offered by the project in the area (in case such actions exist, their descriptions)
- Actions plans for the forthcoming future related to his/her own business to capitalize on the changes/ opportunities offered by the project in the area (justification for the negative answer – justification for the positive answer, description of the future plans)
- Actions plans for the forthcoming future of the local businessman to capitalize the changes / opportunities offered by the project in the area.

4. What other information related to the project would be necessary / useful for the businessman in the area (any suggestions related to the possible actions of the company in this regard).

9 ANNEX 9 – Examples of Focus Group Discussion Summaries

9.1 Minvest Workers

Moderator: Mihnea Protesi (ICCV)
Assistants: Mihai Surdu, Monica Serban (ICCV)
Location: Minvest enterprise
Date: November 22, 2002

Participants:

UG, married, 2 kids, works in Minvest for 11 years
NM, married, one kid, works in Minvest for 23 years
MC, 30 years
RM, 39 years, married, one kid
ML, married, works for 12 years in the company
BD, married, 3 kids, 56 years
ZV, married, 2 kids

Summary

The information interviewees have is uncertain and insufficient, because their principal source of information are the fellow workers, the villagers, and not the official sources. On the other hand, the subjects declare that they don't have trust in any information source. The subjects think that the Information Center in Rosia Montana is provided for them. The participants at the discussion wish to be better informed than they are now.

Most of the subjects are afraid most of all of the pollution that will follow the beginning of the project. They consider that the pollution level will be higher because the scope of the operations (topsoil stripping etc.) is contemplated to be much bigger than now. A few subjects think that the pollution could not have such a high level, because the work will be done with modern equipment and technology. The pollution is specially problem for those persons that will not be displaced (the interviewed subjects are in this category).

The special concern of the Minvest workers is the job problem. Because of the high level of technology that will be used in new operations, subjects appreciate that the company (RMGC) will hire less workers, and that those hired will need higher level of qualifications to handle the work duties. The subjects are putting the lay-off (disponibilizare) problem through the emergency ordinance from the Government, but this situation is neither convenient nor clear to them. Some subjects considers that the main labour force needed for the work in the RMGC project will not be hired from the Rosia Montana and neighbouring villages. Those subjects think that RMGC will have contracts with big companies (of constructions, installations etc.) from towns/ the residence county, or from other regions of the country. A few think that the number of the jobs for local population will grow, but in the short time frame only.

The subjects think that, after the beginning of the project, "Eurogold"(the first name of the company) employees will have a higher living standard then the persons that will not be hired in the company.

The subjects consider RMGC being a trustworthy company. The company resources (advanced technology, European standards etc.) are at the base of this trust.

Some subjects think that the Romanian state should be more involved in the regional and local resources management.

Generally people are waiting to see what will happen in the area. Their future plans are not well outlined.

Conclusions

Generally, the workers from Minvest are afraid that they will lose their jobs. In their opinion, those who will work in the company will have a relatively high living standard, at least for a period of time (duration of the project).

The group has criticized the lack of involvement of the Romanian government in the take-over and administration of the Rosia Montana mine.

The pollution is considered a problem, especially for the persons from the Rosia Montana neighboring villages. A few subjects consider that the pollution level will not exceed the permitted limits and the pollution standards, because of the use of the modern equipments.

9.2 Gura Rosieii Pensioners

Moderator: Laura Surdu
Assistant: Monica Serban
Location: Public School Gura Rosieii
Date: 12.11.2002

Participants:

7 participants: 5 men, 2 women

D: male, 49 years old, married, 3 children, working at the Rosia Montana plant for 30 years, will retire in January 2003

I1: male, 76 years old, married, 2 children, pensioner, former mining foreman

N: male, 65 years old, married, 1 child, pensioner, former mining foreman

A: male, 71 years old, married, 2 children, pensioner, former driver

I2: male, 55 years old, married, 2 children, pensioner, former driver

F: female, 61 years old, married, 3 children, pensioner

I3: female, 64 years old, pensioner, former nurse

Observations

The discussion took place in one of the classrooms of Gura Rosieii School. The research team members' recruited the participants. One of them is not yet a pensioner (although he initially declared the contrary) but he will be retired in a short time (January 2003). The participants exhibited interest for the discussion, a part of the questions (aspects related to the pollution, the Rosia Montana Project economic effects) rising disputes.

Summary

The discussion about Rosia Montana Project seems to be marked by the lack of clear information related to the Project and the pensioners' distrust in information sources. Although they mention multiple sources of information: newspapers (including the local one), television, public meetings organized by the Company, the participants in the discussion do not have trust in any one of them. The suggested solution is the selection of a representative of the Commune inhabitants to whom they will have trust because he/she will represent their interests. (A representative of the mayorality is initially mentioned, but all participants in the discussion agreed the best solution would be a specialist or specialist committee directly supervised by the Government/one of the Ministries.) "The specialist/specialists solution" means not only access to credible information (regarding the environmental issues for example) but would also mean the protection of the interests of the natives living outside the directly impacted area, or control of the initial commitments assumed by the Company (regarding the environment protection for example). The declared support of the

Government seems to be the key element in the attitude of participants to the discussion towards the Project.

The possible effects on the investment are issue of controversy within the group. If there is a concordance about the job creation positive role in the area, the problem of the Project duration, pollution and indirect effects on certain social categories (pensioners) and on social structure in general leads to divergent opinions. A part of the participants in the discussion appreciates that the “moderate” exploration of the deposit (40-50 years) would reduce the pollution risk and would ensure the future of young generation. The concern that everything will end in a few years, and that afterwards the area will become a “dead” one, is counteracted by the optimism that, in the way that they always finds solutions, the people will find other living resources after the closing of exploitations.

The perspective that a category of employed population will benefit from high salaries has the disadvantage of an expected rise in the prices in the area, under the conditions that, for pensioners at least, the incomes will remain at the same level. The high salaries offered to those who worked at archeological diggings (themselves a motif for distrust) are anticipation of the probably high salaries of the future employees of the Company. In the opinion of the participants in discussion, this will inevitably lead to the accentuation of the inequalities at community level: in the area will appear very poor and very rich people.

The incertitude related to the Project future evolution is accentuated by the controversial image of the Company. Although the participants in the discussion appreciate the assistance accorded to the community (school, mayoralty, and the road repairs), the association between Company and the environmental accident from Baia Mare; the rumor that a similar project (of the same corporation) was stopped in Turkey because of the damaging effects on the environment and the image of Frank Timis (no longer with the company since 2003) presented in a TV show as a former drug trafficker, are elements that sustain the suspicion towards the Project.

9.3 Rroma Community, Daroaia

Location: Held in Gura Rosie General store / bar “Daroaia”
Date: November 11, 2002
Duration: approximate 1 hour

Participants:

6 persons – 5 men and 1 woman:
D, 40 years, Vice-president of the Christian Rroma Associations
V, 47 years, The President of the Christian Rroma Associations
D, 48 years, unemployed (Illness pension)
C, 40 years, temporarily employed
F, 35 years, housewife (social assistance beneficiary)
C, 25 years, unemployed

Observations

The Focus Group was held in the community bar. The owner of the bar, one of the Rroma leaders himself, offered the space for the discussion.
The Vice President of the Rroma Association has facilitated our introduction to the Rroma community, organized recruitment of the participants for the FGD and ensured good working conditions during the meeting.

Six 6 persons participated at the discussion (5 men and 1 woman):
Several other people were present during the discussion, but they did not intervene or disturb the discussion in any way.

The Rroma insisted the Team makes pictures of the community and the houses they live in, in particular the most poor ones. About 30 photos were taken in the Community of Daroaia.

Information

3 information sources were mentioned: public meetings organized by the company, discussions between people and mass media:

- Public meetings: the participants of the group are talking about “Director Timis” as the main information provider;
- The discussions between people, “heard information”, represents another information source mentioned in the discussion.
- Mass media: written press, television and radio.

The level of information provided is generally considered unsatisfactory by Rroma. Only a few of them participated in the public discussions about the Project. One of the ways to communicate with the company is using the Town hall as intermediary. They think that this type of communication is difficult, and that the Mayor’s office may not have provided the Company with true and relevant information regarding the real size and problems of the Rroma Community.

One of the subjects thinks that the Company’s credibility as information source is questionable because of some unkept promises. Otherwise, the Daroaia Rroma Community consider that two practical ways of providing improved and true information from/to Rroma Community are:

- Through a Rroma Councillor within the local council;
- Through direct meetings between the Company leadership and the Rroma Community representatives.

They also asked to be informed by Company’s management when the Company is hiring people.

Perception of the project

The Rosia Montana project has been seen as an opportunity to create new jobs. The disagreement between the participants at the discussion appeared when they discussed the effect of the project on the environment.

Generally, the subjects consider that even before RMGC’s Project takes place, there are many environmental problems. Some of the problems mentioned during the discussion and repeated after the meeting during the visit to the village as well, are the following: community drinking water source; medical problems such as loss of hair and teeth because of the pollution; and negative effects of the pollution on vegetation in the area.

Regarding the perception on the pollution in the future, opinions are divided. Some think that the development of the mining exploitation will cause an increase in the pollution; others, on the contrary, consider that modern and better-performing technologies that will be used in the new development will probably reduce the pollution under the current levels.

As a general tendency, the attitudes towards the project are in relation with the anticipated benefits. In concrete terms, the Rroma agree with the project if a sufficient number of them will be hired by the Company (in this case the pollution problem becomes of a secondary importance). There is in the same time a fear that jobs offered to the Rroma are just for a short period of time, or temporary (1 to 3 months). Starting from 1989 to present, the Rroma consider that they have been discriminated against regarding work opportunities in the state mining company (the discrimination problems also appear when talking about the Rroma Community relation with the local government or the school.). They tend to look more positively at RMGC’s employment record to date, especially in relation with the

archaeological investigations, where some of their community were employed. In case that the Project does not solve discrimination and improve Roma employment when compared to Rosiamin, the attitude of the interviewees would be much more reserved.

Suggestions

Apart from some general suggestions, such as “to develop the mining exploitation in the way that would maximize the job opportunities”, the participants at the discussion had some concrete suggestions:

- They propose a protocol (“portocol”) written and signed by the Company leadership and the Roma Community representatives, in which the firm arrangements regarding the minimum acceptable levels of Roma hired by the Company would be stipulated. The hiring process would be overseen by the Community leaders, who would establish the income levels of each household and provide the preferential hiring to those in the greatest need for income and those with the qualifications for the specific job.
- To make the demolition materials from the houses that will be removed from the project area available to the poor Roma from the Community (“colony” part of the Community). The Roma are specially interested in timber and less in other demolition materials.

Conclusions

- The main problem perceived by the Roma Community is the lack of jobs. The solution to this problem is linked exclusively to Eurogold Project Rosia Montana (the name Roma Community uses for the Project).
- One of the problems raised by participants is what they call “ethnic discrimination” regarding job-hire. There are differing opinion as to the extend and gravity of this problem, but it was unanimously agreed that the discrimination exists.
- The general attitude of Roma regarding the Project is rather favourable.

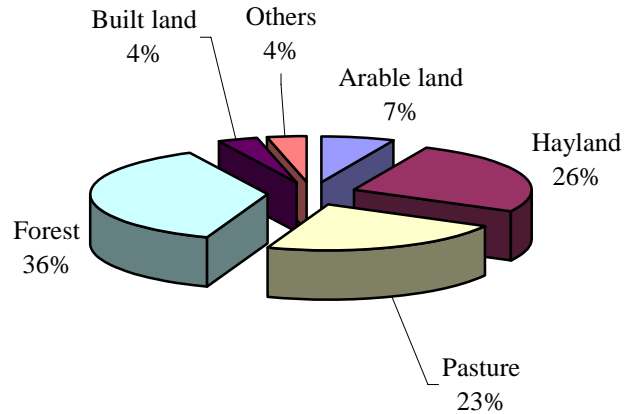
The pollution problem, when it appeared in the discussion, seemed to be secondary in relation with the serious economic and social problems that their community is facing.

10 ANNEX 10 – Land Use in the Project Affected Area

10.1 Land Use and Land Ownership

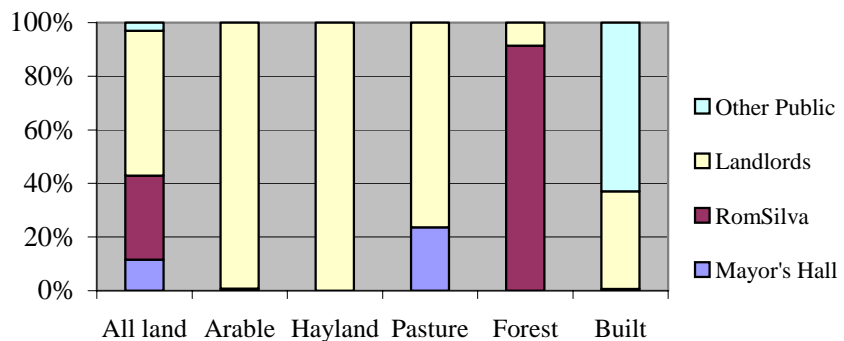
Land use in the comuna of Roşia Montană is shown on the graph opposite (PUG, 2001).

Land Use in the *comuna* of Rosia Montana



The distribution among the main types of landowners of the different categories of land is shown on the graph opposite. Mininvest (included in "Other Public") is a significant owner of Built Land. The Local Councils (Town Halls) hold Pasture Land in significant surfaces, while most of the Forest Land is owned by RomSilva, the state forestry company.

Main Land Users by Category of Land



10.2 Size of Land Holdings

The average surface of one agricultural plot is in the order of 4,800 m². One household can hold several agricultural plots.

Many households own property for grazing and other agricultural uses, which is located elsewhere in the comuna. The area of this land can be estimated from the data for the whole of the 2001 PUG. The 2,222 hectares owned by the approximately 1,523 households in the comuna represent an average of 14,590 m² of land (both homestead and agricultural land) per household. With an average homestead plot size of 1,314 m², the average agricultural or other use land could be 13,276 m² per household (1.3 hectare).

10.3 Regime of Tenure

10.3.1 Ownership Titles

The Land Book system is used where property transactions have been legalized by a notary public. However, the more common system of land ownership transfer is based on a letter of agreement between the two parties involved, which is not legalized by a notary. There are many cases of property for which the legal title dates to the Austro-Hungarian Empire, and even though the land has changed ownership, several times in some cases, there are no further titles.

Most of the properties do not have up to date land cards. This requires that the ownership has to be ascertained and legalized either by order of the Prefect or through court. This is a major challenge to the resettlement and compensation process undertaken by the Project.

10.3.2 Tenancy - Sharecropping

There is no significant tenancy of agricultural land. Informal sharecropping has been documented as existing by the different socio-economic surveys undertaken in the communities. It seems to belong more in a small-scale bartering practice than in a well-established manner to use agricultural land. There is some more formal sharecropping for hay, which in some instances is mowed and purchased by people from Abrud or other places.

According to the Mayor's Hall in Rosia Montana, there are only seven tenants within existing residential houses. In the apartment blocks, the vast majority of the previous tenants have acquired ownership titles.

11 ANNEX 11 – Present Housing in the Affected Area

11.1 Organization and Size of Homesteads

The vast majority of homesteads in Roşia Montană comprise at least 2-3 buildings, typically including a residential building, a summer kitchen building, and an additional structure to store wood and shelter livestock. More elaborate homes may also include a garage or additional residential floors. In addition, most homes include a garden area used for both ornamental flowers and shrubs, and orchard or vegetable producing areas and a wood cutting area.

In Roşia Montană locality, homesteads occupy only 20% of the area categorized as “built-up”. Based on the inventory work carried out as part of the 2001 PUG, an analysis of all these households (homesteads) indicates that 70% occupy small plots of less than 1,000 m². Average homestead plot size is 1,140 m².

In Corna, homesteads occupy only 17% of the “built-up” area, and 55% are less than 1,000 m² in area, with the average homestead plot 1,712 m² in surface. The range of sizes is wide with a minimum for residential plots of less than 200 square metres and a maximum of almost 7,500 square metres. Most larger plots (greater than 750 m²) comprise a combination of residential (i.e. “courtyard”) and garden lands with additional arable and/or hay lands

The average homestead plot size for all the communities is 1,314 m².

11.2 Housing Characteristics

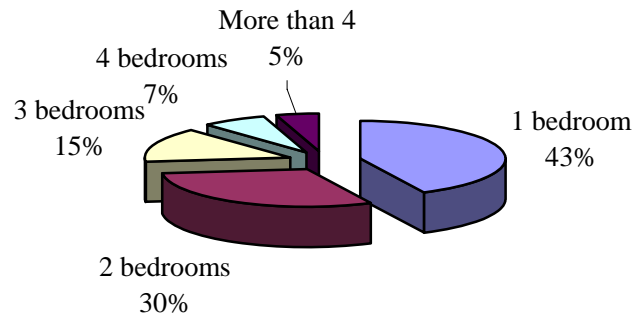
Houses typically consist of 1 – 2 bedrooms (usually very small), a kitchen and living room, the latter of which is often used as a bedroom, during wintertime or year-round. Some houses have in-door toilets, and baths, discharging to a holding tank or septic tank. The majority have outdoor pit latrines. The food storage area is typically placed in the basement, created as a result of the inclined relief, where temperatures are typically cooler. Prevalent heating systems comprise terracotta wood burning stoves, usually found in each inhabited room of the house. The average cost to heat a 3-bedroom house with wood is about USD 40 per month (or 1.3 Million Lei). There are approximately 10 central heating systems (wood fired boilers and distribution system with radiators).

There are four groups of apartment blocks in Roşia Montană: one next to the Stadium comprising of one single building, one opposite the town hall that includes seven separate buildings, and two near the central Piata, one of which includes the local pharmacy and medical centre.

Based on the survey work carried out as part of the 2001 PUG, an analysis of the residential buildings (homes) in the four localities of the Project Affected Area (Roşia Montană, Tarina, Corna and Bunta), demonstrates that the total surface of almost 50% of houses is less than 100 m². The average surface area in the four localities of the Project Affected Area is 119 m², ranging from 79 m² in Bunta to 125 m² in Roşia Montană. 92% of homes have annex buildings, with an average surface area of 53 m², or 44% of the average house surface area. The average residential floor area/person in each of the four localities ranges from 56 m²/person in Roşia Montană houses to 27 m²/person in Bunta. The comparable area for apartment buildings in Roşia Montană is 30 m²/person.

95% of all houses have 4 bedrooms or less, with the distribution shown on the graph opposite:

Distribution of Houses per Number of Bedrooms



There is a wide range of house sizes: for instance one-bedroom houses range in size from 10 to 190 m², and three bedroom houses range from 20 to 340 m². Approximately 90% of all one-bedroom houses are between 58 and 100 m² in size; approximately 78% of all two-bedrooms are between 82 and 130 m², and 80% of all three-bedrooms between 102 and 160 m².

House designs are relatively consistent and are characterized by two generic types – a single-storey, ground-oriented detached type; and a two-storey detached type. Older houses are characterized by single large roofs, and more modern types by dormers and open gables.

12 ANNEX 12 – Public Networks

12.1 Water, Power, and Telecommunication Networks

12.1.1 Potable Water Supply and Distribution System

The water system serving the localities of Roşia Montană comuna includes two separate networks:

- Network 1 was built by Centrala Minereurilor Deva in 1950 and has been upgraded (most recently in 1984) and maintained by Minvest. It supplies water for the Minvest offices and buildings and many of the houses in the Roşia Montană valley, from Brazi Lake above Roşia Piata to Gura Mineii. 18 springs are fed into 5 gravity systems with tanks. According to the license, this network can provide a Maximum Daily Flow of 30 l/s and an Average Daily Flow of 12 l/s.
- Network 2 was also built by the state mining company and supplies water for the Processing Plant at Gura Roseii, including the pre-crushing station and the Gura Roseii locality. It consists of three groups of springs, and can provide a Maximum Daily Flow of 6 l/s and an Average Daily Flow of 4 l/s.

The springs are either connected to storage tanks or discharged directly into the distribution system. Chlorine is added to the collection chambers at the springs and the storage tanks, usually once a year after the rainy season. The storage system includes tanks with volumes of 3 x 150 m³; 2 x 100 m³; 1 x 50 m³. From this storage system, 108 m³ are reserved for fire demand. The distribution network is approximately 35 km in length and consists of PVC or galvanized iron pipes with diameters ranging from 25 mm to 150 mm.

Localities within the comuna not served by this water system include Bunta, Corna, Blidesti, Garda Barbulesti, Vartop, Coasta Hentii, Curaturi, Daroiaia and Soal. Tarina and Carpinis are partly supplied with water from Network 1. Households not connected to a centralized water supply and distribution system obtain water from local springs or wells. Investigations by RMGC indicate that many of these water supplies do not comply with drinking water quality standards.

In Roşia Montană locality (and the served portions of Tarina and Carpinis) there are 600 connections to households (those with an indoor plumbing system) or to the household property (those with a standpipe). There are also 6 standpipes located on public property. Consumers pay an annual fee to Minvest. The rates for water for 2001 were:

- 45,000 Lei/year/person, for kitchen use only (\$1.80);
- 135,000 Lei/year/person for the houses with kitchen and bathroom use and for the apartments (\$5.40).

The rates charged for the water supply do not cover the operation & maintenance cost, and there is no reserve for upgrading the system. Many consumers have an irregular and unreliable supply of water. Given the treatment modalities and the absence of control, the quality of the water is questionable.

12.1.2 Sewerage System

The majority of the households in Roşia Montană use pit latrines. Those with indoor plumbing and flush toilets discharge the wastewater to a septic tank or holding tank. The sewage from the apartment blocks adjacent to the Stadium and the Mayor's Hall, discharges to a tank (possibly a septic tank), and the effluent from this discharges to the Valea Roseii. The sewage from the apartments near to the Piata is discharged into a holding tank. The holding tanks are emptied by a vacuum tanker service from Abrud, which used to be part of the municipal services of the town of Abrud, but appears now to be possibly privatized. The sewerage system was built by the state mining company in the sixties with the last addition in 1987 for the Stadium apartments. The system is maintained by EGCL Abrud

(Local Communal Housing Company – Abrud Branch) but the apartments are now privately owned and maintenance is irregular.

In Abrud, the sewage treatment plant appears not to be operational and would need additional pumping capacity and upgrade works. The entire town has currently no treatment.

12.1.3 Electrical Supply and Distribution Systems

Roşia Montană comuna is connected to the national electrical grid operated by Electrica SA (formerly Conel SA). Power is distributed from several transformer stations at 110 kV and 20 kV. The distribution lines include 35 kV, 20 kV and 6 kV and all consumers are metered. All the localities are electrified. Electrica SA has a bill collector in Roşia Montană. The typical household electrical cost is on average 350,000 Lei/month (about USD 10). The facility called “Social Subscription” allows poorer people to prepay or purchase a fixed amount of electricity.

12.1.4 Storm Water Collection and Disposal System

Storm water runoff from most localities within the comuna and the open pit of Cetate flow into the Valea Roseii and then to the Abrudel river. There is an underground collector tank in the Piata in Roşia Montană for the runoff from the surrounding area and hills. The local Council is responsible for the maintenance and construction of the storm water system. In December 1997, extensive rainfall caused the collector tank to overflow and downstream properties in the Valea Roseii were flooded.

12.1.5 Solid Waste Collection and Disposal System

There is no formal domestic waste collection system in Roşia Montană. A few metallic containers are located outside of the Mayor’s Hall and near some of the apartment blocks. The Mayor’s Hall has contracted with private companies to collect these (possibly to take to the Orasul Abrud solid waste dump) but it does not seem to work on a consistent basis. The containers are neither of adequate size, nor collected frequently enough, to prevent overflowing. As a result, solid waste is also deposited in the Valea Rosieii. A recent development in Abrud, consisting of a transit-station storage will improve the situation.

12.1.6 Telephone Network

Many households in Roşia Montană are connected to the national telephone network via a manual exchange located in the Post, Telegraph and Telecommunications Office building located in Roşia Montană. The telephone system in the area is reported to be in the process of being upgraded to a fibre optic system. The whole area receives cellular phone signals and mobile phones are used.

12.2 Transport Infrastructure and Services

12.2.1 Road System

Access roads in the area include National Road DN 74A that connects the County capital of Alba Iulia to Abrud and Campeni through Zlatna, and County Road DJ 742 which connects Gura Roseii to Roşia Montană, as well as Corna to Gura Corneii. These roads are paved and in good condition. The County Road is maintained and repaired by the County Road Department in Alba. They contract with a private company in Campeni to clear the road of snow in winter.

The condition of local, or access, roads within the comuna varies considerably, from dirt tracks inaccessible to motor vehicles, to gravel surfaces that are accessible to 4-wheel drive motor vehicles. The latter include DC 146, 147, 148 and 127. These are maintained by the Local Council. Horse and oxen-drawn carts are used on local and other roads throughout the comuna. The road network is not currently used for ore transportation as crushed ore from the existing mine is transported from the open pit to Gura Roseii via an underground

conveyor and then an above-ground rail system. The railway is not normally used for transporting people.

12.2.2 Transport Services

The narrow gauge railway system that served Abrud and Campeni from Deva is not in operation any more. Public buses provide service between Campeni and Deva on a daily basis, with a stop in Gura Roseii. “Maxi-taxis” also operate from Abrud to Deva, Cluj and even Bucharest.

Minvest operates five buses and four vans for the collection of mine workers from the Campeni and Abrud areas. Their schedules match the work shifts. Local people are allowed to travel on these buses for free. RMGC donated a school bus to the Local Council of Roşia Montană for transporting older children to the school in Abrud. There is no transport service from or to Bunta, Corna or Tarina. People walk to Roşia Montană locality, which can be up to 2 km from Corna through the mining area, or they walk directly along the Campeni - Abrud road, which can be up to 7 km long.

13 ANNEX 13 – World Bank Group Safeguard Policies

13.1 Od 4.30: Involuntary Resettlement

The World Bank Group OD 4.30 on Involuntary Resettlement is applied as a safeguard by international banks signatory to the “Equator Principles”. Its main provisions are the following:

- All viable alternative project designs should be explored to avoid or minimise the need for resettlement and when it cannot be avoided, to minimise the scale and impacts of resettlement;
- Resettlement measures are to be conceived and executed as development activities providing sufficient resources to give the persons displaced the opportunity to share in project benefits. Assistance should be given to the community in their efforts to improve former production levels, income earning capacity and living standards or at least restore them to the levels they would have without the project;
- Displaced persons should be:
 - compensated at full replacement cost prior to the actual move;
 - assisted with relocation;
 - assisted and supported during the transition period.
- Particular attention should be given to vulnerable groups;
- Communities should be given opportunities to participate in planning, implementing and monitoring their resettlement;
- Resettlers should be helped with integration into their host community;
- Resettlement should be linked to the main project implementation schedule, so that Project Affected People should be resettled and/or compensated before being affected by the construction or other activities;
- There should be adequate monitoring and evaluation;
- The project sponsor should be encouraged to offer replacement land. Cash compensation may be appropriate when residual land holdings are economically viable. For households who lose assets / income large enough to make the remainder unviable, compensation should be provided as if entire holdings had been taken;
- For losses that cannot easily be valued or compensated in monetary terms e.g. access to public services, customers or suppliers, fishing, grazing land or forests, attempts must be made to establish access to equivalent and culturally acceptable resources and earning opportunities.

13.2 Od 4.20: Indigenous People

Indigenous peoples are defined as social groups with a social and cultural identity distinct from the dominant society that makes them vulnerable to being disadvantaged in the development process. Indigenous peoples can be identified by the presence in varying degrees of the following characteristics:

- A close attachment to ancestral territories and to the natural resources in these areas,
- Self-identification and identification by others as members of a distinct cultural group,
- An indigenous language, often different from the national language,

- Presence of customary social and political institutions,
- Primarily subsistence-oriented production.

The Directive sets out policy objectives, guidelines for the design and implementation of project provisions and processing and documentation requirements if indigenous people are affected by a project.

Other World Bank Group Safeguard Policies are applicable to the Project. As they appear not to be relevant to Compensation and Resettlement, they are not commented here but details are given in the EIA main volume.

13.3 Opn 11.03: Cultural Property

The Operational Policy on Cultural Property Management (OP 4.11) is in preparation; therefore until it is issued the provisions of Operational Policy Note (OPN) 11.03 apply. It gives a definition of cultural property as well as policy and procedural guidance.

Cultural property is defined as including sites having archaeological (prehistoric), paleontological, historical, religious and unique natural values. Cultural property therefore encompasses both remains left by previous human inhabitants and unique natural features such as canyons and waterfalls.

The World Bank's general policy regarding cultural properties is to assist in their preservation and to seek to avoid their elimination. More specifically the Bank declines to finance projects that will significantly damage non-replicable cultural property and will only assist those projects that are sited or designed so as to prevent such damage. The Bank will assist in the protection and enhancement of cultural properties encountered, rather than leaving that to chance.

The OPN states that in some cases the project is best relocated in order that sites and structures can be preserved, studied and restored intact in situ. In other cases, structures can be relocated, preserved, studied and restored on alternate sites. Most such projects should include the strengthening of institutions entrusted with safeguarding a nation's cultural patrimony. Deviations from this policy may be justified only where the expected project benefits are great and the loss of or damage to cultural property is judged by competent authorities to be unavoidable, minor or otherwise acceptable.

14 ANNEX 14 – Compensation Rates for Building Special Features

14.1 Annexes

All annexes are compensated on the following basis:

- Wood structure: EURO 50 per square meter,
- Masonry structure: EURO 70 per square meter,
- Three phase power connection: EURO 300 per unit, subject to the power range.

14.2 Outdoor Special Features

SPECIAL FEATURES	UNIT	RATE IN Euro / UNIT	OBSERVATIONS
Alley	Sqm	5.06	
Concrete, stone handrail	Sqm	20.00	
Simple metal handrail	Sqm	35.00	
Ornamental metal handrail	Sqm	50.00	
Carpet cleaning support	Meter	9	
Water tank	Sqm	41	1.5m standard depth
Water tank + water tap	Sqm	41	1.5m standard depth
Catching basin	Sqm	41	1.5m standard depth
Clearing tank	Sqm	41	1.5m standard depth
Wood basin	Sqm	5.3	1.5m standard depth
Concrete kerbstone	Sqm	6.00	
Kerbstone	Sqm	10.00	
Inspection channel	Sqm	41	
Concrete gutter / channel	Sqm	15.00	
Stone gutter / channel	Sqm	8	
Concrete dugout for water tap	Sqm	41	
water supply pipeline	Meter	14	
Oven a	Piece	452.00	worn down
Oven b	Piece	753.00	
Ceramic tiles	Sqm	14	
Fountain	Piece	44.00	
Fully equipped concrete fountain	Pcs	400.00	/2.25 sqm, up to 4 m depth
Fully equipped stone fountain	Pcs	300.00	
Stone+concrete fully equipped fountain	Pcs	350.00	
Marble flooring (regular forms)	Sqm	54.00	
Marble flooring (irregular forms)	Sqm	27.00	
Individual foundation for swing	Pcs	5.00.	
Concrete foundation for individual gate	Pcs	15.00.	
Concrete foundation for fence	Sqm	15.	
Stone foundation for fence	Sqm	8.00	
Stone+mortar fence foundation	Sqm	10.00	
Septic tank	Sqm	50.00	
Chimney	ml	10.37	if separate
Concrete flower box	pcs	15.00	
Swing	pcs	156.00	
Mill	pcs	100.00	
Pool	pcs	4185.30	
Concrete platform	sqm	5.00	
Concrete and mosaic platform	sqm	8.00	
Stone platform	sqm	9.00	
Stone + concrete platform	sqm	10.50	

S.C. Roşia Montană Gold Corporation S.A. –
Management of Social Impacts: Resettlement and Relocation Action Plan

FENCES	With wood pillar – Rate in Euro per meter of fence	With metallic pillar – Rate in Euro per meter of fence
CONCRETE		
Concrete fence	15.00	15.30
METAL		
Chain fence	9.00	9.30
Metal fence	15.00	15.30
Ornamental metal fence	15.00	15.30
Simple metal fence	11.00	11.30
Wire mesh fence without frame	9.00	9.30
Wire mesh fence with frame	16	17
Barbed wire fence	2.60	3.00
Pipe fence with wire	1.93	2.23
Flat metal fence	11.00	11.30
WOOD		
Solid wood fence	8.99	9.29
Wood fence	0.60	0.90
Plank fence	5.30	5.60
Prefabricated carved fence	50	

14.3 Lakes & Fish Ponds

Land under water surface Euro/sqm	Casing for lake protection Euro/sqm	Arranged borders Euro/sqm
0.60	0.74	0.74

14.4 Gates

Gates	Secondary gates Euro/sqm	Gates for main entrances in the courtyard Euro/sqm
Picket gate	5.30	11.20
Solid wood gate	9.00	19.00
Metal gate	15.00	31.70
Ornamental metal	15.00	31.70
Simple metal gate	11.00	23.20
Wire mesh gate	9.00	19.00
Wood gate	0.60	1.30
Barbed wire gate	2.60	5.50
Plank gate	5.30	11.20
Flat metal gate	11.00	23.20
Pipe gate	1.90	4.10

14.5 Bridges – Foot Bridges

Bridges/foot bridges	Euro/sqm
Bridge	55.00
Concrete foot bridge	25.00
Bricks foot bridge	20.00
Wood foot bridge	18.00
Stone foot bridge	15.00
Stone+mortar foot bridge	18.00
Flat metal foot bridge	15.00
Metallic profile	1.93
Metallic auto grade	1.93
metal tank	11.00

14.6 Outdoor Stairs

	Stair body							
	wood	concrete				metal	stone	
stair body price	5.3	44Euro/sqm				18Euro/sqm	15Euro/sqm	
Step/backstep		concrete	mosaic	metal	Wood	metal	stone+mortar	wood
Step/backstep	0	2Euro/sqm	3.5	2.5Euro/sqm	15Euro/sqm	2.5Euro/sqm	1.2Euro/sqm	15Euro/sqm
Step/backstep			30.26		30Euro/sqm			30Euro/sqm
Step/backstep			53.52		40Euro/sqm			40Euro/sqm

14.6.1 Sidewalks

Sidewalk	euro/sqm
sidewalk	6.6
sidewalk's cover	
mosaic	3.5
Mosaic+marble	42.36
marble tiles	24.76
stone	1.2
concrete	2

14.6.2 Walls

Walls	euro/sqm
Concrete	15.00
BCA	15.00
Stone	7.84
Bricks	18.00
Stone+mortar	10.37

14.7 Indoor Special Features

	UNIT	Euro/UNIT
Wood handrail	sqm	5.30
Oak, cherry, nut tree handrail	sqm	32.46
Ceramic tiles	sqm	13,11
Marble flooring (regular forms)	sqm	54
Marble flooring (irregular forms)	sqm	27
Flooring ceramic tiles	sqm	17.53
Stratificate Wood window	Sqm	160.00
PVC window	sqm	140.00
AL window	sqm	120.00
Hydrofore	pcs	100.00
Central heating	pcs	800.00
Heaters	pcs	100.00
Wood paneling - fir	sqm	15
Wood paneling - cherry	sqm	60
Wood paneling - pine	sqm	50
Wood paneling oak	sqm	60
Blinds	sqm	40

14.7.1 Miscellaneous

	UNIT	euro/UNIT
Rail/sleeper	ml	1.93
Green house	sqm	1.93
Green house with metallic support	sqm	9.00
Blinds	sqm	40.00
Covered terrace	sqm	50.00
Terrace	sqm	42.36
Painted Concrete Pool	sqm	100.00
Phonic and Thermal Isolation	sqm	20.00
Windowflower box	sqm	15.00
Beech Parquet	sqm	25.00
Wan Parquet	sqm	20.00
Oak Parquet	sqm	35.00
Marble Plywood	sqm	38.52
Mosaic Plywood	sqm	3.50
Asphalt Foothold	sqm	5.00
Metallic Door	pcs	250.00
Oak Door	pcs	126.39
Porch Closure	sqm	35.00

15 ANNEX 15 – Analysis of Alternative Resettlement Sites

15.1 The Process Followed

The first objective of the resettlement site selection process was to identify acceptable sites for the construction of new houses and communities for resettlers. To meet this objective, a three step process was followed: first, a number of alternative sites were identified; second, these alternatives were evaluated using a detailed assessment methodology; and, third, a short-list of preferred sites was identified for further study (i.e., detailed planning and design). Public consultation played a critical role in this process.

15.2 Geography

The comuna of Roşia Montană and the orasul of Abrud are located in the Apuseni Mountains, characterized by steep mountainous terrain cut by narrow “V”-shaped valleys with small rivers or streams flowing in them. The larger rivers in the area, in this case the Abrudel and Aries Rivers, cut through the terrain forming “U”-shaped valleys. These valleys, while slightly broader are generally not more than 500 metres wide at their widest points. The valley floors are flat, relatively fertile, flood plains.

Albă Iulia, the County Capital, lies in a different type of terrain, approximately 80 kilometres east of Roşia Montană comuna. This town of 66,000 (2002 census) is situated within a broad, fertile plain in the Mureş Valley, between Apuseni Mountains and South Carpathians. This area is characterized by gently undulating terrain, with much lower relief than the Carpathian Mountains.

In the mountainous terrain of the Roşia Montană comuna and the orasul of Abrud, the river valley floors have traditionally been the corridors of transportation. This continues to be the case today, and both the highway and rail network are on the valley floor. Homes and towns have been built along these transportation routes, the junctions of rivers have become important crossroads and the sites of many towns in the area. Because the river valleys in many cases are very narrow, towns have grown up in linear patterns. On the valley floor, where land is relatively level, the building pattern is quite dense. On the steep hillsides fewer homes are built and the pattern of occupation is scattered. The land on the hillsides has traditionally been used more for growing hay and grazing animals. The result of this land use pattern is that now very little open land exists on the valley floor.

As a result, most families have built their houses in the valleys between hills, where they have also had access to regional roads and fresh water taken from the streams moving through these valleys. Typical settlements assume a linear pattern with roads running parallel to both sides of a central river. Lower slopes are used for arable crops and certain livestock farmers live higher up in the hills, where they have more direct access to the highland pastures.

15.3 Identification of Alternative Sites

The comuna of Rosia Montana and the orasul of Abrud are the two administrative districts directly affected by the proposed mine development. One of the original principles accepted by the owners of RMGC regarding resettlement was that, in order to minimize the impact on the existing political entities, people should be resettled in the districts where they are presently living. As a result, the search for possible resettlement sites was originally limited to these two districts.

The best estimate of the total land required for urban resettlement sites is between 80 and 120 hectares, depending on the percentage of resettling households and including typical institutional, religious, commercial and infrastructure area allocations.

Attempts were made, at the outset of the planning exercise, to identify a single large resettlement site capable of accommodating all or most of the resettlers within a single new community, in light of the fact that most of the affected households reside within Roşia Montană comuna. Working closely with the Mayor's Office in Roşia Montană, two potential large sites were identified, both located at the top of Piatra Alba Hill, within 5 kilometres from the existing Roşia Montană community, but 100-200 metres above it. RMGC commissioned soils investigations and the preparation of a detailed survey of the most southerly of these sites, encompassing some 60 hectares above Gura Roseii.

Following discussions with the Mayors and Councils in both Roşia Montană and Abrud, and in light of the fact that a number of people declared outright that they would not move to the hilltop locations – which would be expensive to access and to occupy during colder winter periods – the planning team undertook an extensive investigation of all other potential sites located within the Roşia Montană Valley, Abrud Municipality and the Abrud/Campeni corridor. One important objective of the entire site-selection process is that resettlers should be offered a choice of resettlement locations. To this end, the team therefore strove to identify a number of different alternative sites.

The site identification process began with a review of existing documentation and an examination of the work of a previous consultant (SPO) who had undertaken a similar process. Subsequently, a map overlay exercise was used to identify suitable areas. Suitability was defined as: relatively flat (i.e., with slope not exceeding 20%), appropriate zoning (i.e., for residential development), ease of construction, proximity to existing infrastructure and services, minimal natural hazards, ease of acquisition, and acceptability to the people who may live there. Overall, larger sites were preferred to smaller one, and level terrain was considered preferable to hilly or steep terrain. This is because flatter terrain implies a denser housing pattern and a reduction in the costs due to the earthworks and shoring associated with slope stabilization. Building houses on flat terrain more closely approximates the existing land use that has developed in the region over the years. The result of this historical pattern of land occupation, however, is that very little flat, open land was found that could be considered suitable for large-scale development, and none that could be considered ideal. All of the sites identified were either small, steep, subject to natural hazards (principally occasional flooding), inaccessible, not suitably zoned, or a combination of these factors.

In addition to offering potential sites in the immediate area, RMGC and the Town Council of Roşia Montană agreed that should a significant number of households wish to move to another area, then the possibility of an "outside" resettlement site would be studied. Following a sufficiently large expression of interest from households considering resettlement, it was agreed to expand the scope of the search for potential resettlement sites to include Albă Iulia, the county capital, and its environs. RMGC has subsequently identified potential sites there for further consideration. These sites typically meet many more of the suitability criteria

15.3.1 Sites Identified in the Comuna of Roşia Montană

The following sites were identified in the comuna of Rosia Montana:

- *Balmosesti* is a large flat site located above the town of Rosia Montana. It was identified in a preliminary PUG proposal. Although large, flat, and communal land (and as such easy to acquire) it was not popular with potential resettlers, probably too far from existing infrastructure and eventually fell within the boundary of the affected area when it was modified.
- *Piatra Alba* - is a large area above Gura Roseii. This site was also identified early in the preliminary PUG proposal and was supported by local politicians. It is communal land and as such easy to acquire. The site is steep and remote from existing

infrastructure. The Mayor of Roşia Montană strongly supported this site for the re-establishment of the community. As a result, RMGC accepted to consider the development of this site.

- *Henta Hill* – is located a short distance north and west of Gura Roseii. This was the third site identified in the preliminary PUG proposal. The site is medium size (about 7 hectares), rolling, but removed from existing infrastructure. It was not supported by local politicians and was eventually dropped from the list.
- *Henta North* - consists of 2 small parcels north of Carpenis along Highway 74a. The northernmost site is mostly bush and low-lying. The other site is hay-land between the highway and the Abrudel River. Each site is small with a capacity of no more than 4 or 5 plots each. The sites are adjacent to existing infrastructure. Local officials rejected the sites because of their proximity to the river. The sites were rejected due to existing zoning (flood susceptible) and their small capacities.
- *Henta South* - is another small area of level hay-land adjacent to the river, the highway and an existing water main. Again, it was rejected as too small, and susceptible to flooding.
- *River West* - was a moderate-sized site of level hay-land on the west bank of the river near Gura Roseii. Zoning conflicts with a proposed railway removed this site from consideration.
- *Second Street* - is a small site of rolling meadow at the foot of the hill near Gura Roseii. This puts it between Gura Roseii and Piatra Alba. The site is small, and may prove difficult to acquire because the owners of this land are not anxious to sell. The site is popular with potential resettlers and remains a potential resettlement site.
- *Rosia River* - is a small piece of open land on the south bank of the Rosia River. Not popular with potential resettlers and not supported by local politicians or consultants, it has been dropped from the list.
- *Plant Site* - is the area presently occupied by the RosiaMin processing plant. The area is flat, but probably contaminated by years of industrial activity. It has not been supported by local politicians. The unknown timeframe for closing the RosiaMin operation and the necessary environmental cleanup has removed this site from consideration.
- *Vartop* - is a small village north of Rosia Montana. This area had previously been identified as a possible resettlement site. However, the area was deemed to be too small, too steep, and too inaccessible for development.

15.3.2 Sites Identified in the Orasul of Abrud

The following sites were identified in the orasul of Abrud:

- *Varianta* - lies on the southern edge of the town of Abrud fronting onto the highway that serves as the “ring road” around the city. The site is fairly large (20 hectares +), rolling to steep terrain, and close to some infrastructure (notably paved road, treated water, and power lines). This site was adjacent to another site considered for resettlement. This site is still being considered as a potential resettlement site.
- *Park* - (so called because the land to the east of this site was zoned for winter sports development) is adjacent and to the east of the Varianta site. Large, at about 25 hectares, the site is rolling and steep, close to infrastructure, and with relatively few owners. Originally zoned for construction, zoning was later changed to park-land for the development of a ski resort.
- *Dan's Hill* - is at the northeast edge of the town of Abrud, above Gura Corneii. The site is rolling hill relatively close to infrastructure and along the proposed route of the

main road to the proposed processing plant. The new road would make the site impossible based on zoning restrictions.

- *Abrud River North* - is a large, flat site along the Abrudel River. Parts of the site are flood-susceptible, and there are many owners. The site is close to all infrastructure. The site was deemed unacceptable due to the possibility of flooding.
- *Hospital* - is an area identified in the proposed PUG, located behind and somewhat east of the Abrud Hospital. The area is relatively small, and very steep, the reason why it was eventually dropped from the list.
- *Cemetery Hill* - is an area behind (above) the town cemetery to the west of the Hospital site. The site is small and the area is rolling or steep. Zoned for construction and close to most infrastructure, the site was rejected due to its size and slope.
- *Army Hill* - is the area above the Varianta site up to the existing army camp. The area is now considered as possible agricultural land as it is not zoned for construction.
- *Gura Corneii* - is mostly level terrain with some steep and rolling terrain located south and west of the village of Gura Corneii. The area is of medium size and close to some infrastructure. This site is still under consideration as a resettlement site, partly for housing and partly for commercial and institutional space. Some resettlers have expressed concerns about parts of the site because of its proximity to the proposed tailing dam.
- *South TAG* - is a small area in southern Abrud. The site is level but close to the river. The site is close to existing infrastructure, but also to the existing landfill site. This site was rejected due to its size and because of zoning issues.
- *Army Base* (not to be confused with Army Hill) - was an attempt to combine the best parts of the Cemetery and Hospital Sites. This site included parts of each, each section on either side of the existing Army Base. Close to existing infrastructure, this site was still deemed too small and too steep compared to other sites that were available at the time.

15.3.3 Sites Identified in Alba Iulia

Sites were also identified in Alba Iulia when it became clear that a significant number of affected owners expressed interest in resettling there.

- *Micesti-Pool* - seemed to be an ideal site. Large, level, adjacent to existing infrastructure, it suffers from a plurality of owners and a relatively high price. Further, archaeological concerns created zoning issues.
- *Micesti-Northwest* - is located between Albă Iulia and Micesti to the northwest of the highway. Again the area is large, flat, and with good infrastructure nearby. Prices are similar to Micesti-Pool area. This site is still a possibility for development, but cheaper sites are preferred.
- *Vintu de Jos* - refers to a large, relatively level area immediately north of the town of Vintu de Jos. The site is not presently under consideration because of the new infrastructure required and its distance from the city of Albă Iulia. This site is about 8 kilometres from the city, whereas the other sites are adjacent to the city or within the urban area.
- *Furcilor Hill* - site is a large, primarily level site close to all existing infrastructure. This is the preferred site in the Albă Iulia area because of its price – estimated at slightly less than 50% of the price of the land at the Micesti sites. There are approximately 30 owners for the site, but this is the case for all of the sites around Albă Iulia. Agricultural land is available adjacent to this parcel.

- *Farm* - is the smallest of the Albă Iulia sites, and is located adjacent to the Furcilor Hill site. If required, this site may be acquired in addition to the Furcilor Hill area. The site is an abandoned poultry operation and does include buildings that would have to be demolished. This site includes rolling terrain and is close to existing infrastructure.

15.4 Evaluation of Alternative Sites

The site-evaluation process includes several steps: site inspection, zoning verification, and a quantitative evaluation.

A quantitative evaluation system was devised to score site suitability against a number of important determining factors. This system quantified all relevant factors and weighted them according to their relative importance. The sum of the weighted scores for each site constituted its evaluation rating. Sites were then ranked according to their evaluation ratings. The main criteria used were the following:

- **Area:** the gross planar area for each site, measured in hectares. Bigger sites received higher ratings. This reflected the economies of scale applicable to the installation of infrastructure in larger sites as opposed to several smaller sites.
- **Legal Title:** the percentage of the parcel that is publicly owned (i.e., owned by the local Town Council). The rest of the site may be owned privately by one or by many owners. Sites that are publicly owned received a higher rating because public land is likely cheaper and easier to purchase, since ownership is well defined and parcel-size generally large.
- **Existing Land Use:** the urban percentage of the site. Sites with existing urban use were rated higher, under the assumption that some municipal infrastructure is present.
- **Proximity to Existing Settlement:** the distance to a centre of existing urban activity. In the Rosia Montana area, the point of reference was the Gura Rosieii intersection. In the Abrud area, the Abrud piata was the point of reference. Shorter distances were preferred and given a higher score.
- **Estimated Purchase Price:** a rating from 1 to 5. A higher numerical value was given to less expensive sites. The estimation considers current land use, number of owners and location.
- **Liveability:** combined several aesthetic factors, such as exposure to noise pollution, air pollution, and weather (e.g., wind and sun), the form that community development might take considering the terrain, and the type of views and site environs. Sites with positive features were given a higher value.
- **Estimated Cost of Site Development:** rated from 1 to 5 the price of developing a given site. This included rough estimates of earth-moving, infrastructure, drainage, and any other remedial work required for site development. Sites with lower estimated development costs received higher values.
- **Hazards:** a rating from 1 to 5 of the susceptibility of sites to natural hazards such as floods, earth-slides, erosion, and isolation (winter storms). Sites that are relatively free from exposure to hazards received higher scores.
- **Slope:** was broken down into 4 sub-items, categorizing each site by the percentage areas of specific slopes. Sites with steeper slopes (>8% and 5%-8%) were considered disadvantageous, and lower values received lower scores. Sites with flatter slopes (2%-5% and <2%) were considered more advantageous and higher values received higher scores.

- Urban Development Capacity: a function of the area of a site, based on 57.5% of the site being used for residential plots and an average plot size of 1310 m². Sites with more capacity received higher scores.
- Depth to Water Table: was used as an indicator of ease of construction and excavation. Sites with greater depths to water table received higher scores.
- Distance to Rail: the distance, measured in kilometres, to the nearest railroad. For sites in Abrud and Rosia Montana, Albă Iulia was considered to be the closest significant railway station. The Abrud-Campeni-Turda line is not functioning at the present time. Sites with shorter distances to a rail station received higher scores.
- Distance to Paved Road, Availability of Potable Water, Surface Water Availability, Distance to Power Supply Lines, and Availability of Piped Sewerage: were all measured in kilometres, and shorter distances received higher scores.
- Proximity to Existing Social Services: referred to the distance – in kilometres – to hospitals, schools, and public institutions. Shorter distances received higher scores.
- Suitability for Solar/Wind Power: sites were rated from 1 to 5. Higher values indicated sites considered more suitable for these types of alternative energy generation.
- Planned/Projected Infrastructure: indicated, with a rating from 1 to 5, how each site may be integrated into infrastructure that will be constructed in the future. Higher values were given to sites located close to areas where infrastructure development is planned.
- Location of sites in relation to areas of employment. Specifically, site proximity in kilometres to the proposed RMGC mine site and to other industrial, agricultural, and commercial areas were compared. Sites closer to these areas of potential employment received higher scores.

As a result of this exercise, a “short-list” of technically feasible and affordable development sites in both Roşia Montană and Abrud was identified for presentation to affected households.

15.5 Selection of Preferred Sites

Following identification of this “short-list” of acceptable sites, the next phase was to consult with households interested in resettling regarding their preferences. To this end, a series of five focus group meetings, each with 20 households, have been held to date with resettlers. During these meetings, CDD staff presented the location and description of the identified sites and noted any opinions and concerns. Detailed descriptions of the Albă Iulia sites could not be given during the meetings, because of problems with land speculation in that area. Often the invited people for a specific meeting shared a common situation (e.g., apartment dwellers preferred a particular site, as did owners of large homes). In this way specific points-of-view could be examined and discussed thoroughly.

These meetings have provided valuable direction regarding which sites to concentrate on for design work, as well as other issues of concern. Specifically, attending households professed a high degree of interest in moving to three specific sites:

- Piatra Alba (in Roşia Montană *comuna*),
- Varianta (in Abrud),
- Furcilor Hill in the Albă Iulia area.

As a result, RMGC has commissioned the preparation of more detailed surveys and soils investigations for these sites, as well as commenced preliminary discussions with concerned owners of these sites. The total area of these four sites amounts to approximately 100 hectares.

In addition, future occupation of all resettlement sites is subject to their being included within the approved PUG and more detailed PUZ. The PUGs for Roşia Montană, Abrud and Albă lulia are approved, and the Resettlement Planning Team is currently working with the local municipalities and the County to seek approval for the relevant Zonal Urban Plans for the preferred resettlement sites.

16 ANNEX 16 – Romanian Legislation in Favor of Vulnerable People

16.1 Law 416/2001: Minimum Guaranteed Income, Ammended by GD 2302/2004

This is a Local Council responsibility. The amounts for this grant currently are:

- 920 000 lei/month for single people
- 1660 000 lei/month for a two-person family
- 2310 000 lei/month for a three-person family
- 2870 000 lei/month for a four-person family
- 3410 000 lei/month for a five-person family
- 230 000 lei/month for every other person in a family of more than five people

Social aid is calculated as the difference between the above minimum income entitlement levels and the actual income of the family or single person. Families and single persons with net monthly income less than the minimal guaranteed income benefit from a 15% increase of the social aid if at least one member of the family can prove that he or she has an individual work contract or a civil convention for services.

According to statistics provided by the Mayors of Rosia Montana and Abrud, there were 155 people in the two Comunas who received this grant in the last 12 months (please note that not all of these are living in the Project-Impacted Area). It is probably significant to note that during the winter months, more people applied for and received this grant than in the summer months.

16.2 Law 61/1993 Modified By Law 261/1998: State Grant for Children

This is a National Government responsibility. This is currently an amount of 225.000 lei per month paid to the parents or legal guardian for every child under 16 years old or up to 18 years old if the child is still in school as indicated by GD 2392/2004. This amount is paid regardless of how much money the parents or legal guardians make. It includes first and second degree handicapped children. Payment is not made to parents or legal guardians of children who are over the age of 7 years and are not in school. Payment is also not made if children are in social institutions for more than 15 days a month. This amount is not taxable.

16.3 Law 114/1996: Social Housing

This is a Local Council responsibility. Social housing is defined as subsidized rented housing for persons or families whose living standard is low and who cannot afford a private or rented dwelling under free market conditions. A social dwelling can involve construction of new or rehabilitation of old housing.

The guidelines for social housing are that it is to be rented to families or persons whose average net monthly income during the last 12 months is 20% below the net monthly income per person established by the Minimum Guaranteed Income. Proof of income is based on tax documents.

Beneficiaries are established by the following criteria:

- Newly wed of maximum 35 years old,
- Young people from social educational institutions and who are 18 years old,
- Disabled suffering from category 2 or 3 degree of disability,

- The retired,
- War veterans and widows benefiting from Law 42/1990 and Decree-Law 118/1990.

The rental contract is concluded between the Local Council and beneficiaries for 5 years with the possibility for renewal based on income declaration and supporting documents. Rent is not to exceed 10% of net family income calculated for the last 12 months. The difference is covered or subsidized by the budget of the Local Council where the social dwelling is located.

The renter is obliged to advise the mayor within 30 days of any change in net monthly income so that the rent can be modified accordingly. Sale of the dwelling is not allowed. Categories of families and persons not eligible for social housing are those who already own a dwelling, have sold a dwelling after January 1990, or benefited from state support through credits and execution of dwelling construction. Beneficiaries cannot sub-lease, transfer the lodging right or modify the destination of the rented area.

16.4 Law 17/2000: Social Assistance for the Elderly

This includes a host of community services (temporary or permanent care at home or in a variety of social institutions) and other social provisions. It does not include monetary assistance as elderly persons in need are entitled to old age pensions or the Minimum Guaranteed Income.

16.5 Urgent Government Decision 102/1999: Protection of Mentally Ill and Handicapped Persons

This is a state responsibility, which includes a variety of community services such as home care assistance or institutional assistance, special health care provisions, etc.

17 ANNEX 17 – 2006 RRAP Evolution Report

17.1 Acquisition Status

About 42% of affected dwellings have already been purchased by RMGC, between the end of 2002 and May 2004, when the company stopped purchasing properties to reconsider its resettlement / relocation strategy.

A first resettlement and compensation strategy was developed by RMGC in 2002 and documented in a preliminary Resettlement and Relocation Action Plan, which was released to the public in early 2003. This strategy was consistently applied until June 2004. At that time, RMGC evaluated the approach and identified the need for changes.

The new approach considers the need to:

- adjust compensation to address several economic changes including the recent application of VAT to real estate constructions
- the change from the US Dollar to the Euro as the reference currency of the National Bank of Romania
- cash brought into the country by Romanian citizens working abroad, the introduction of mortgaged credit
- the perspective of EU adhesion, and the changes to Constitution securing private property,
- update consultation with community representatives, with support from external consultation specialists.
- revise compensation bases and resettlement assistance.

RMGC initiated specialist studies on the evolution of the real estate market within a 250 km radius around Rosia Montana, given the fact that the majority of the relocatees chose a location in this area.

Agricultural experts and authorized evaluators in the mean time contributed to reanalyze the compensation principles for land, crops and fruit trees. These were refined during the course of year 2004 and the whole compensation and resettlement package was eventually revisited, in terms of eligibility criteria, compensation amounts and resettlement assistance. This 2006 RRAP is based on these revisited principles.

17.2 Unit Prices Compensation Calculation

The company employed two external consulting companies to assist on the real-estate market analysis in order to identify the market replacement value which is the fundamental element in the "willing to buy-willing to sell" approach taken by the company.

These consulting companies produced two sets of statistics, the first one mid of 2004 and the second one late 2005, which indicated the trends and the levels of unit prices to be used to trade the properties.

The compensations paid covers two types of properties, the residential ones and the land used for small agricultural activity as arable, hay, pasture, non-productive, forest, garden.

The unit prices calculations considered the price of the land including the transaction taxes,

the value of the lost crops, the cost to bring the newly acquired land to the potential of the previous ones left behind.

The same principles applied to the fruit trees compensation. The old versions of the RRAP did not deal with the newly planted or grown fruit trees.

This missing element caused a lot of misunderstandings among the members of the community and a lot of energy was wasted to avoid buying the latter ones at the price of mature trees, although the newly planted trees have a certain but lower value related with the labor spent, the cost of the seedlings and the minimum agricultural works.

17.3 Resettlement Approach

At the end of first quarter of 2005, a new management team took over the responsibility of the company. One of the first objectives, publicly declared, was to consider the development of the resettlement site of Piatra Alba as priority of the company.

The approach taken was not only to meet the resettlement basic requirements, but also to highly improve the life standards as the outcome of the design. Therefore, a team of specialized architects in mountain areas development and planning was employed, whose scope of work had been to develop a new concept for the centre of Piatra Alba in order to meet the social, cultural, educational needs of a growing community at very high standards. These new development elements and also a higher flexibility in choosing the resettlement houses offered by the company in exchange to the houses under the project foot-print, will make the Piatra Alba resettlement site a place where people would enjoy to live.

The development of the site will start during the summer of 2006 and the first construction phase will cover the internal roads, utilities, public buildings that will accommodate the public functions of the Rosia Montana, currently in the impacted area.

17.4 Options Program

RMGC initiates at the beginning of December 2005 an Options Program in order to purchase the properties within the Project affected area, similar with the “delay payment” already used three years ago.

RMGC paid an additional 3% of the properties value as a delay payment and bought the properties when payments re-started.

The origins and need of this program stay with the extended time-lag in properties acquisition which has not happened continuously during the life of the project and the requests on this subject that have come from the community.

The main elements of this program are:

- 3% will not be deducted from the value!
- Started on December 1st 2005
- Supports the commitment of RMGC to develop and implement the Project
- The community within the Projected affected area wanted a reliable connection with RMGC
- For the final payment the “first arrived first served” principle will be applied.
- The 3% contract is applicable to all the unsold properties of each owner listed by the company.

- The value of this properties is calculated by using the new prices and can be affected by the prices movement on the real estate market
- The measurements will be re-done according with the new compensation principles
- When payments will restart, after getting the EIA approved, the company will revise the prices of the moment when the options contract was signed.
- If the prices rise, then the prices used will be the new ones; however, if prices on the market decrease, the Company will pay the prices indicated in the option contracts already signed.
- Options program can be signed also by the persons who opt for resettlement

The program uses the new compensation rates and methods and was presented during a comprehensive information and disclosure program to all interested parties in Rosia Montana and Abrud : local administrations, general public, Pro Rosia Montana (at its request). The feed back got during the meeting was used for the current 2006 version of the RRAP.

17.5 Options Program and the Grievance Mechanism

During the public meetings the company organized to inform and consult the community on this program, the company representatives intended to get from the community its proposals on the grievance and ombudsman officers, in order to implement this mechanism as presented in all the previous versions of the RRAP. Unfortunately, this approach did not reach any result, the common public view being that each owner would deal on an individual basis with the company, without any third party interfering.

The company registered the opinion, but, when the currently signed pre-contracts will start to turn into final acquisition agreements, the company will again make publicly the proposal to choose the two representatives among reliable members of the community in Rosia Montana and if the result is the same, these two individuals will be recruited by the Company.

17.6 Evaluation and Monitoring

The current version of the RRAP indicated that the first monitoring report will be made available when the percentage of the population relocated or resettled would reach 50%. The change in the initial approach is caused by the acquisition process which has experienced long breaks in its implementation and could not produce a large base-line of the study. If the EIA approval takes more than 8 months, this process will start at the current acquisition number.

So far, as an intermediate step, the company staff has visited the majority of the relocatees in order to identify major issues as a follow up program after relocation and the information will be used for the report.

The monitoring process is going to be made internally, while the evaluation will be the scope of work of an external organization.

The evaluation, done externally will follow the same pattern for the first stage 50% of the population resettled or relocated while the second stage will be 2 years after full implementation

17.7 Contractors/Individual Experts/Resources Involved in the 2006 RRAP Development

Frederic Giovannetti	Stantec/Independent resettlement expert
Kerry Connor	Stantec/Independent World Bank/IFC expert – IFC Resettlement Manual Co-author
Colliers International	Real-Estate market survey
Axa Consult	Real-Estate market survey/evaluation
Gheorghe Pasca	Agricultural Expert – Alba County
Proiect Alba	Piatra Alba Resettlement main urbanism documents
Genesis	Piatra Alba site development
Musat & Associates	Legal advisers
Anca Dragoman	Legal advisers
Aneta Nascu, Bogdan Puiu, Cornel Dinu, Cristian Albu, Elena Cutean, Elena Lorincz, George Beleiu, Jordan Bilan, Liviu Popa	RMGC Community Relation Department Team
Max Smith	EIA overall revision/integration