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## **4.8. The Social and Economic Environment of Roşia Montană**

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## 1 Potential Impacts – Overview

The following chapter provides an overview of potential impacts, proposed mitigations, and related management plans concerning socio-economic aspects associated with the Roşia Montană Project (RMP) currently being developed by SC Roşia Montană Gold Corporation SA (RMGC).

Socio-economic impacts resulting from the project can be divided into two components:

1. Direct impacts. Socio-economic impacts related with land acquisition (physical and economic displacement) and are addressed in the Resettlement and Relocation Action Plan (RRAP).
2. Indirect impacts. Socio-economic and environmental impacts not related with land acquisition and are addressed in the Community Sustainable Development Programme.

The Community Sustainable Development Programme (CSDP) includes measures which will help strengthen and develop local communities' socio-economic circumstances and reduce or mitigate potential negative impacts from changes to the current social and economic condition.

Socio-economic impacts and effects will be considered and addressed taking into account the specific circumstances and context of Roşia Montană and its regions. As with all aspects of the Environmental Impact Assessment (EIA), the socio-economic aspects will be developed and managed in compliance with Romanian legislation, European Union (EU) legislation, the Equator principles, and international best practice. These are described in detail in the CSDP.

The following table provides a brief summary of potential impacts, proposed mitigations, and related management plans for the construction, operation and closure phases.

**Table 1-1. Summary of Socio-Economic-Related Impacts**

Topic	#	Action / activity	Potential impact	Prevention / Mitigation measures	Applicable management plans
Land, infrastructure & demography	1	Acquisition of land for purposes of mining operations	Physical and economic displacement of people: the acquisition of about 1,600 hectares of land, and displacement of about 970 households, mostly from the localities of Roşia Montană (circa 577 households and 136 apartments), Corna (ca. 150 households), and Gura Corneii (ca. 111 households).	Land and immovable assets acquired from owners by RMGC on the basis of "willing seller – willing buyer" transactions. Displaced households are eligible to one of the following two options: Resettlement, including allocation of a residential plot and reconstruction of residential houses in resettlement sites developed by RMGC in Piatra Alba, Roşia Montană <i>comuna</i> - or in Alba Iulia, and other assistance as detailed in the RRAP. Relocation, whereby the displaced household purchases their new residence themselves, using the compensation of the affected assets at full replacement value. Relocation also includes other assistance as detailed in the RRAP. Different livelihood restoration measures are put in place as detailed in the RRAP and the CSDP. Displaced people have access to a specific grievance management mechanism. Vulnerable people are addressed through a specific assistance package. Resettlement and relocation measures are implemented by RMGC. The budget of resettlement and relocation is about USD 80 M.	Resettlement and Relocation Action Plan (RRAP)  Community Sustainable Development Plan (CSDP)  Cultural patrimony protection plan (CPPP)
	2	Loss of public infrastructure in Roşia Montană	Current public infrastructure and facilities in Roşia Montana are destroyed in order that mining operations may commence.	The construction of the resettlement site in Piatra Alba will include the replacement of all public infrastructure, including the Town Hall, police station, post office, cultural house, new piata (town centre), healthcare centre and pharmacy. A school will also be constructed at Piatra Alba Piped water, waterborne sewerage, electricity and telephone connections will be provided to all resettlement houses Most churches and cemeteries remain unaffected as a result of the protection measures that will be implemented in the designated historical patrimony protection area. Those congregational structures that may be affected will be either reconstructed or compensated, at the congregation's choice. Cemeteries and graves will be relocated in accordance with Romanian legislation	
Work force	3	Impact on local infrastructure,	Potentially detrimental to locals via reduction in access to and quality of local services. Competition for services.	Hiring Policy giving priority to locals for recruitment by RMGC, EPC contractors and sub-contractors. Including emphasis in equal opportunity employment to increase numbers of women in workforce	Community Sustainable Development Plan

Topic	#	Action / activity	Potential impact	Prevention / Mitigation measures	Applicable management plans
		housing, basic commodities and services	Improvements in local services etc, through increased demand for access to and quality of such services by workers; through increase in wealth leading to more investments Increased cultural diversity and social revitalisation: new energies, new initiatives – sports, commercial, social	No mitigation measures necessary	Community Sustainable Development Plan
		Social impacts related to interactions with local population	Improved and increased social diversity by integration of 'foreign' workers with local population, directly (e.g. via marriages) or indirectly through demand by the workers +/- their partners for services in the local/regional communities Risks of disruption and (cultural) conflict with locals Potentially living alone, risks that diseases, including sexually transmitted diseases, including HIV/AIDS, may spread		
Workforce	4	Reduction in local/regional workforce as a result of Minvest closing down its operation	Risks of increased unemployment and social/economic vulnerability Release of skilled, mining related workers available for employment. Magnitude depends on how many can be directly employed by RMGC or sub-contractors	Hiring Policy prioritising ex-Minvest/Rosiamin workers for re-employment by RMGC, EPC contractors and sub-contractors	Plan to be developed by Minvest
	5	Rejuvenated and improved employment market and possibilities	Improved cash incomes and increased standard of living. Increased opportunities for individual and family development, including comfort (better insulation, etc), education, recreation, & future investments	No mitigation measures required.	Resettlement and relocation action plan
Social fabric & quality of life	6	Adult education, vocational training, on the job training	Increased opportunities to exploit employment openings, develop own enterprises, fill service-demand gaps	Development, implementation and execution of programmes to maximise these benefits contained within various management plans.	Community sustainable development plan
	7	Improved health services and facilities	Better health possibilities particularly for elderly & disadvantaged groups		
	8	Renovation or construction of new infrastructure and services, including waste, electricity, water, sewage & roads	Improved basic & common infrastructure, & associated health improvements. Improved incentive to access region or stay in region due increase in comfort factor. Beneficial to tourist possibilities		

Topic	#	Action / activity	Potential impact	Prevention / Mitigation measures	Applicable management plans
	9	Exposure to new cultures (other Romanians & expatriates)	Cultural reinvigoration and revitalisation, introduction of new cultural dynamics. Stress & conflict due to change, uncertainty & negotiations. Resentment, distrust, fear of new & unknown cultures, persons	Hiring Policy giving priority to locals for recruitment by RMGC, EPC contractors and sub-contractors.. Emphasis in equal opportunity employment to increase numbers of women in workforce	
	10	Resettlement (of a part) of the community	Disruption to the local social fabric and solidarity networks. Mainly detrimental to the most vulnerable individuals such as the elderly and disabled Loss of family homes, area and memory' association. Loss of established support networks and neighbourhoods Improved living conditions through new buildings, better infrastructure, improved access to (better) community services	Vulnerable People Policy, included in the RRAP People have an option to resettle (rather than relocate) on a community resettlement site where all community facilities are going to be reconstructed  Plot and house allocation on the resettlement sites will attempt to maintain neighbourhoods and solidarity networks	Resettlement and relocation action plan  Community Sustainable Development Plan
Access	11	Demand for local services, infrastructure including homes, land, other local resources & properties.	Increased wealth to local property owners / operators. Opportunities to liquidate assets or convert tangible assets to intangible assets. Possibility to invest in opportunities otherwise denied locals.	No mitigation measures required	
	12	The Project construction and operation temporarily or permanently interrupts or limits access to residences and businesses	If residence, resident must move either temporarily or permanently (resettlement). If business, potential of significant loss of business. Business must relocate or close. Possibility to re-open if access is temporarily restricted.	Identification of all access roads used by the community prior to construction / operation Implementation of permanent or temporary alternative access solutions, including financial	Resettlement and relocation action plan  Community Sustainable Development Plan
	13	The Project construction and operation restricts either temporarily or permanently access to fields, pasture, forest and other natural resources	Possible significant impact on subsistence agricultural livelihood of people. Interruption to seasonal agricultural practices and animal husbandry.	Identification of all access roads used by the community prior to construction / operation and implementation of permanent or temporary alternative access solutions Compensation paid for damages resulting from temporary restriction of use. Compensation rates as per the RRAP	Resettlement and relocation action plan  Community Sustainable Development Plan
FCOM	14	Improved transport infrastructure to locality and region via upgrading road link & logistical support	Easier ingress & egress of region by people including tourists. Promotion of region for (tourist/alternative) development, leading to sustained social-economic development	No mitigation measures necessary	
	15	Increase in fiscal resources available to local Governments via taxes	Increased budget of local governments, improved ability to develop local civic services: education, health, transport, etc.	Capacity building to enhance local governments' capacity to adequately plan and disburse increased resources	Community Sustainable Development Plan

Topic	#	Action / activity	Potential impact	Prevention / Mitigation measures	Applicable management plans
	16	Increase in fiscal resources available to central Government via taxes & royalties	Contribution to national development by increased income available.	No mitigation necessary	
	17	Risk that taxes and revenues are not primarily used for local development	Contribution to central government unlikely to be earmarked for local development. Chance that priorities of local government do not reflect specific population-related needs and wants	Work in cooperation with local authorities on projects of benefit to local communities & region. RMGC to co-finance aspects of project development / implementation.	
	18	Risks related with potential non equitable distribution of Project benefits throughout community	Elderly, older workers being unable to maintain employment after Minvest closes down the Rosiamin operation, disadvantaged people lacking capacity (intellectual, educational, physical) to exploit new opportunities	Identification of specific individuals at risk. With local authorities identify employment opportunities, what (re-training is required, assist in retraining, etc	
	19	Increased direct & indirect employment	Flow on effects of presence of major economic investment throughout community, to national level. 1-4 direct/indirect employment; job creation.	No mitigation necessary	
	20	Increased income	In comparison to a 'no-mine' scenario, incomes will rise in region		
	21	Loss of trained staff from other organizations & businesses to RMGC	Capacity drain to fill higher-paying/better benefits position with RMGC. Reduced capacity available to other businesses	Demand for labour will drive higher salaries & better conditions increasing overall capacity in region by encouraging suitably qualified workers to the region. Skills enhancement, adult education & vocational training to be conducted by RMGC supported initiatives leading to increased capacity level	
	22	Increased income for those engaged in small business	Requirements of supply of a diverse range of services, materials & products for the RMP drive demand for sourcing services, etc, locally, leading to increase income to local businesses. Also provides incentive to develop local businesses to supply RMP & related/spin off demand.	No mitigation necessary	Community Sustainable Development Plan
	23	Disruption to businesses located in the Project-Impacted Area	Temporary to permanent loss of business revenue. Loss of income and occupation to business people.	(Business) resettlement / re-establishment assistance to affected businesses. Compensation for loss of business. Skills enhancement, adult education & vocational training available for affected business aiding in re-establishing businesses.	RRAP Community Sustainable Development Plan

Topic	#	Action / activity	Potential impact	Prevention / Mitigation measures	Applicable management plans
	24	Increased visibility of Community and region for other investments (i.e. regional development)	Increase in confidence for Foreign Direct Investment locally in Rosia Montana, nationally based on confirmation major business investment is possible, to regional including neighbouring countries.	No mitigation necessary	
	25	Trained labour force	Skilled, multi-disciplinary labour force following capacity building and experience required to work in the mine and ancillary industries		
	28	Inflation & rise in cost of living	Caused by overall increase in economic activity & wealth of region. Potentially detrimental to the poorest in the community	Workers' Accommodation Policy aimed to reduce impacts by employing locals, increasing rate of employment; accommodation to be spread throughout community; specific actions to assist poorest & most vulnerable in the community to offset affects of inflation.	Community Sustainable Development Plan
	29	Construction period – a short period of relatively more intense activity	Increase in local economic activity following commencement of construction, the most active phase, including employment	Local procurement policy: procurement of services, supplies and maximized Local Procurement Policy intending at enhancing capacities of local small businesses The CSDP includes small business development measures to enhance the business environment in a long term perspective, and alleviate the potential impacts of the depression resulting from the end of the construction phase	
	30	Economic risks related with eventual mine closure	Contraction of local economic activity at the end of construction, including retrenchments	Development of a range of measures & initiatives over the lifespan of RMP such that net welfare continues to increase following closure of mine operations.	
	31	Increased traffic, particularly at construction phase	Inappropriate or insufficient planning & preparation for alternative sustainable economic activities during mine life leads to significant economic impacts following mine closure. Significant volumes of traffic, particularly large machinery, increases risks to people. Risk most acute for non displaced people, pedestrians, cyclists, young and the very old.	Workers Code of Conduct, speed limits, physical measures, and safety awareness in local schools	Health and safety plan
Community safety	32	Mine construction and operation	Significant industrial operations, such as a mine, creates new safety hazards for communities particularly to non-displaced people. Increased levels of noise will be experienced as a result of traffic to and from the site, in addition to noise from the site itself	Fencing of all work sites. Security services to avoid third-party intrusion. Safety awareness	
Community amenity	33	Noise from increased traffic especially during construction		Efficient silencing of vehicle engines and operation of plant within the approved design parameters; adherence to agreed routes and timing of deliveries.	Noise and vibration management plan

Topic	#	Action / activity	Potential impact	Prevention / Mitigation measures	Applicable management plans
	34	Dust from site operations especially during construction	Dust raised by site operations may be blown towards adjacent settlements and settle, giving rise to a dust nuisance issue	Application of dust avoidance measures, principally by regular watering of unsurfaced roads during dry weather and by avoidance of dust raising activities in adverse weather conditions, where possible	Air quality management plan

## 2 Methods to Assess and Predict the Impacts on the Socio-Economic Environment

### 2.1 Establishment of the Baseline Situation

The Project organized several campaigns aimed at gathering social and economic baseline information on the affected population:

- Physical and cadastral survey of buildings, land, and census of affected households (first round of field work in 2000 by Strajan Planning Office (SPO), updated in 2002 by RMGC);
- Household socio-economic surveys carried out in 2002 by RMGC, including the administration of a questionnaire to 247 households representing about 25% of affected households, and the use of qualitative instruments including focus group discussions and key leader surveys;
- Qualitative socio-economic surveys done in late 2002 by the Research Institute on Quality of Life ICCV <sup>(1)</sup> for RMGC, including the administration of a detailed questionnaire on livelihoods, incomes, and household expenses to 30 potentially affected households, and Focus Group Discussions in localities around the Project;
- Survey of potentially affected businesses, carried out in 2002.
- Qualitative Survey regarding the attitude of population directly affected by the Project; carried out in October 2004 by TNS/CSOP.
- Comprehensive baseline survey of the health condition and risks in Roşia Montană.

The following table presents the summary description of each of these campaigns.

**Table 2-1. Socio-Economic Baseline Surveys**

Study	Period	Issuer	Objectives	Instruments
Physical & cadastral survey – Census of affected household	2002	SPO (Strajan Planning Office) then RMGC (internal)	Establish a baseline of physical assets, prepare cadastral map, identify ownership, ascertain eligibility	Topographic survey of affected plots, census of household members
Socio-economic survey	Mid-2002	RMGC (internal)	Establish a socio-economic baseline in view of the development of the first version of the RRAP	Questionnaire (see hereunder) administered to a stratified sample of 247 households Key-informant surveys
Detailed survey on livelihoods Focus groups on expectations vis-à-vis RMGC's project	End 2002	ICCV (external)	Obtain detailed information about income streams, survival strategies	Detailed questionnaire administered to 30 households Focus group discussions

<sup>1</sup> *Institutul de Cercetare a Calitatii Vietii (ICCV), a public Romanian research institute linked to the University of Bucharest.*

Study	Period	Issuer	Objectives	Instruments
Qualitative analysis of local stakeholders' perception regarding the project	September-October 2004	TNS/CSOP	Obtain the information about the perceptions and expectations of stakeholders from affected areas regarding the PUZ	Interviews of 456 household heads who could be resettlers or re-allocatees; 331 household heads from Abrud and 317 from Rosia Montana comuna
Health Baseline Study	2005	Environmental Health Centre, Cluj Napoca, Romania	To determine the overall health baseline in Roşia Montană, and compare it to other areas	Interviews with health workers in the region, review of health statistical data

## 2.2 Prediction and Assessment of Impacts – Design of Impact Prevention / Mitigation Measures

To define the socio-economic circumstances of Roşia Montană and surrounding areas investigations included the following:

- The local context of Rosia Montana and surrounding areas such as the current sources of livelihoods, demographics, the present mining operations and plans concerning them, present economic activities, and present investment inflows, as well as the social and political / administrative organization, the status of civil society, etc.
- Available best practice documentation in relation with social impact assessments and resettlement planning, particularly that issued by the World Bank Group.

The information obtained was then used to predict the socio-economic impacts of the RMP. As well to assess the significance of the impacts and to design appropriate methods for avoidance or mitigation of negative impacts and enhancement of the positive impacts.

A complexity regarding the RMP and assessment of the socio-economic impacts (both negative and positive) and mitigation strategies is that:

- There is no precedent in Romania for a major extractive project implemented in conformance with Romanian regulations and transposed EU legislation and standards;

There is no precedent in Romania for a major extractive project implemented in conformance with International Finance Institutions' and the Equator Principles' requirements.

### 3 Legislative Context

The Romanian legislation conforms with the EU legislation and the WB guidelines and supporting documents.

In October 2002 the IFC convened a meeting of banks in London to discuss environmental and social issues in project finance. As a result the banks present decided to develop a banking industry framework for addressing environmental and social risks in project financing. The Equator Principles<sup>2</sup> are the result.

The Equator Principles are directly linked to various WBG/IFC Guidelines and Safeguard Policies. Therefore in complying with the Equator Principles an investor complies with the relevant WBG/IFC Guidelines and Safeguard Policies.

Both Romanian and European Union legislation are in general more stringent than the Equator Principles and are more important for the project in terms of its technical and social impact and its mitigation / prevention measures.

Romanian EIA legislation addresses socio-economic issues. Ministerial Order nr. 863/2002.09.28 of the Ministry for Water and Environmental Protection concerning the approval of the methodological guide of procedures for the evaluation stages of the environmental impact assessment, includes requirements concerning the content of the socio-economic baseline to be presented in an EIA, including the potential impacts of the project/proposed activity on:

- The demographic/local population characteristics;
- The local economical conditions, labour market, unemployment dynamics;
- The living conditions in the zone.

Law no.350/2001 for Urban and Territorial Planning establishes the goals, competences and measures concerning urban and spatial planning with the aim of ensuring the fair and sustainable development of human settlements and the national territory, the protection of the environment and increasing the quality of human life. This law is applicable to governmental authorities.

Under the Aarhus Convention on access to information, public participation in decision-making and access to justice in environmental matters which Romania has ratified by Law no.86/2000, the right for public participation is backed by law. A key provision of the Environmental and Social Impact Assessment process in Romania is to enable stakeholders to participate in environmental decision-making associated with projects subject to a review process.

The most significant socio-economic issues that result from the Project are direct impacts related to the resettlement of local residents. Involuntary resettlement is not specifically addressed by the Romanian legislation. However, various provisions of the Romanian law are relevant to RMGC's Resettlement and Relocation Action Plan, such as:

- acquisition of land for mining,
- expropriation for public interest,
- guidelines for compensation,
- land tenures regimes, land titles, and real estate transactions,

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<sup>2</sup> <http://www.equator-principles.com/principles.shtml>

- urban planning and zoning,
- permitting processes for urban developments, construction and demolition,
- resettlement of graveyards and churches,
- residential requirements.

These provisions are summarized and analyzed in the Resettlement and Relocation Action Plan.

## 4 Overview of the Baseline Socio-Economic Conditions

### 4.1 General Outlines

The main socio-economic characteristics of the Project area can be summarized as follows:

- The population is ageing and decreasing at Community and regional level;
- Out-migration of job seekers and young, capable people are in part responsible for the ageing population;
- Massive mining redundancies have had a significant negative impact on the Community;
- Health risk is high and attendance at schools is in decline in the Community, and related infrastructure is low;
- The mining sector remains the main source of employment;
- The two existing state-operated mining operations are planned to close in 2007;
- More than 50% of the people in the Community receive government support;
- The proportion of income earners in the population below the poverty line in the Community is high;
- Investment inflows are low, except in mining;
- The condition of infrastructure – roads, water supply, waste, energy - and housing in the Community is very poor;
- The environmental condition is very poor with significant pollution and ongoing environmental risks and impacts.

### 4.2 Geographical and Administrative Situation

The Project is situated near the village of Roşia Montană, approximately 50 km northwest of Alba Iulia the regional capital, and 65 km north-northeast of the city of Deva. The project is located in a region known as the Golden Quadrilateral in the Metaliferi Mountains, which belongs to a larger, regional mountain unit, called the Apuseni Mountains of Transylvania.

Romania has been subdivided into seven development regions, each including several “*judeturi*” or counties. Alba county is part of the “Centre” Region, which also includes Brasov, Covasna, Harghita, Mures and Sibiu counties. Roşia Montană is located in the Centre Region. This is explained further in section 5.2.

The Project area includes three different administrative entities, all contained within *Judet Alba* (Alba county):

- The *Comuna* (rural commune) of Roşia Montană, which has a surface of approximately 42 km<sup>2</sup>, and includes 16 localities in total with a combined population of 3,865 people according to the 2002 census. The largest village in the *comuna* is Roşia Montană.
- The *Orasul* (urban commune) of Abrud, which includes, in addition to the town of Abrud, three more villages: Abrud Sat, Gura Cornei and Soharu, and contains a total population of 6,213 inhabitants (2002).

- The *Orasul* of Câmpeni, which includes the city of Câmpeni and 21 villages, with a total population of 8,096 inhabitants (2002 population census).

The location of human settlements in the area results from a combination of factors, mainly access to agricultural land, water, and mineable resources. Settlements concentrate in the three valleys of Roşia Montană, Corna and Abrud - Câmpeni.

### 4.3 Characteristics of the population in the impact zone

#### History

The history of Roşia Montană is closely related to gold, with a documented history of mining of almost 2000 years dating back to the Roman conquest of Dacia and the creation of a network of galleries in the hills behind Roşia Montană, then called Alburnus Maior. The progression of mining technology from that age to the present represents a valuable chronology of industrial mining heritage, in particular the role that it has played in the formation of Roşia Montană's cultural heritage.

#### Ethnic characteristics and Religion

The diverse ethnic groups who have in-migrated to partake in the gold resource exploitation of Roşia Montană have had good relations and no ethnic separation has occurred. According to the Alba County statistical department about 90% of the population regard themselves as ethnic Romanian, 1.4% as Hungarians and 7.5% Roma.

Most Roma reside in a locality called Dăroaia next to Gura Roşiei in the Abrud valley. In comparison with the national level and county average, the community average of Roma people are higher; see table below:

**Table 4-1. Ethnic distribution of population**

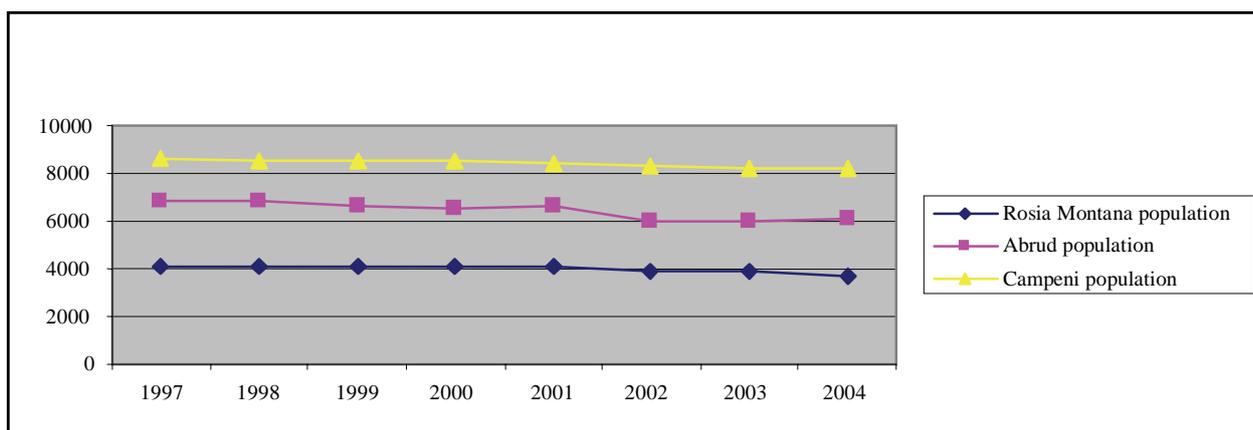
Ethnic distribution of population in Romania and Alba county in 2002 In Roşia Montană, 2005			
The difference from 100% regards other ethnic groups			
	Romanian (%)	Hungarians (%)	Rroma (%)
<b>Romania</b> <sup>1</sup>	89.5	6.6	2.5
<b>Alba county</b> <sup>1</sup>	90.4	5.4	3.8
<b>Roşia Montană</b> <sup>2</sup>	90.1	1.4	7.5
1] Source: National Statistical Yearbook, 2003			
2] Source: Alba County Statistic Department, 2006.			

While there is a majority of Romanian Orthodox Christians as in the rest of Romania, several other Christian denominations are also present: Greek Catholics, Roman Catholics, Protestants, Unitarian Christians, Baptists, and Pentecostals.

#### Demographical profile

The population is ageing and decreasing in the Community with an average annual decrease of 0.8% per annum. Massive mining redundancies are in part responsible, plus low birth rate and out-migration. This trend is observable in Roşia Montană, Abrud and Câmpeni, indicative of a regional trend.

Figure 4.1. Community population dynamic



Source: Alba County Statistic Department

This negative demographic trend at the community level can be explained by several factors:

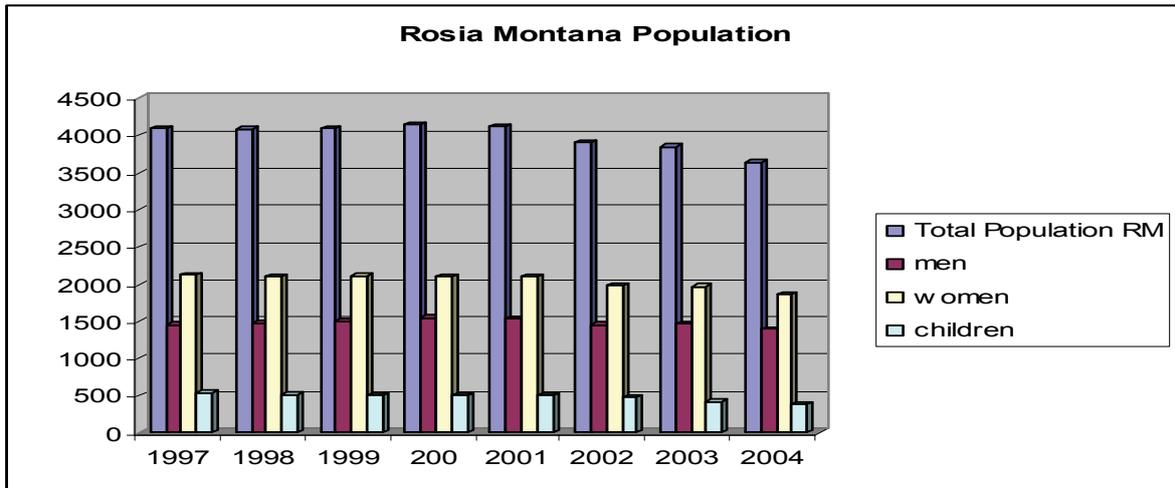
- General regional rural depopulation trend since 1990;
- Restructuring of the mining sector including mass-redundancies in the Community and the region;
- Depressed socio-economic conditions following the end of communism.

(Elderly) Women predominate in the Community, averaging 58% in Rosia Montana, 44% in Abrud and 72% in Câmpeni of the total adult population.

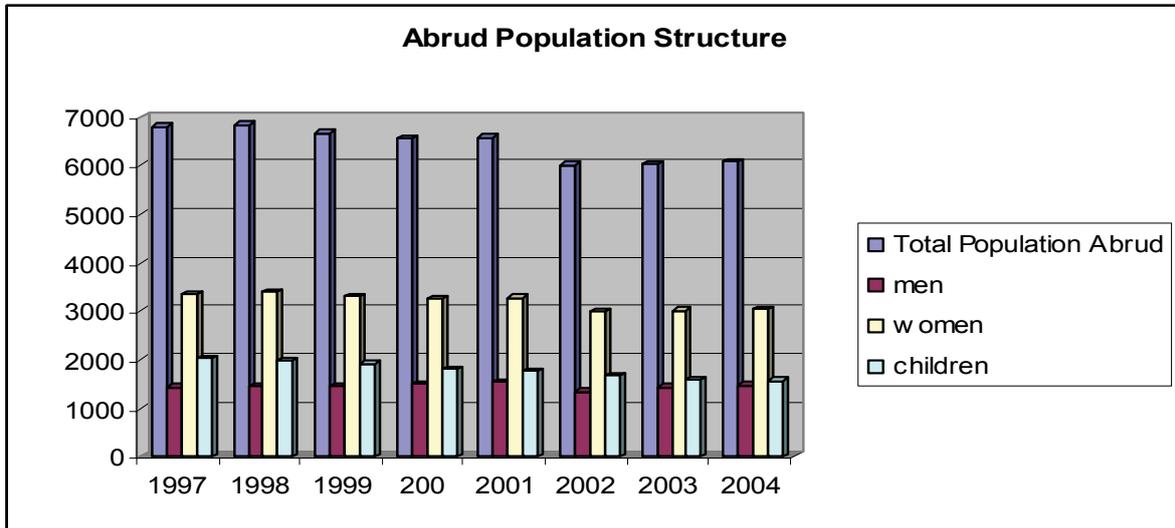
Young active people are leaving the Community in search of improved employment opportunities and better living conditions, such as in: Alba Iulia, Arad, Oradea, Timișoara, Cluj Napoca, Deva. Limited opportunities in agriculture also impact, causing people (again mostly young) to migrate to urban areas.

The population graphs on the following page show trends as well as gender and age.

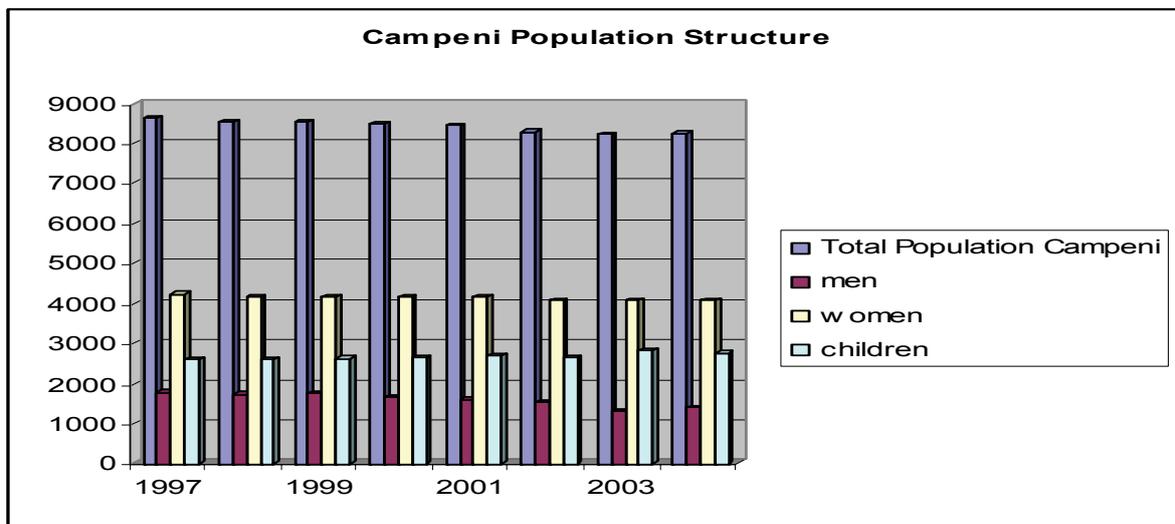
**Figure 4.2. Community population dynamic and trends**



Graphic: Gender Distribution of adult population in Rosia Montana  
 Source: Alba County Statistic Department

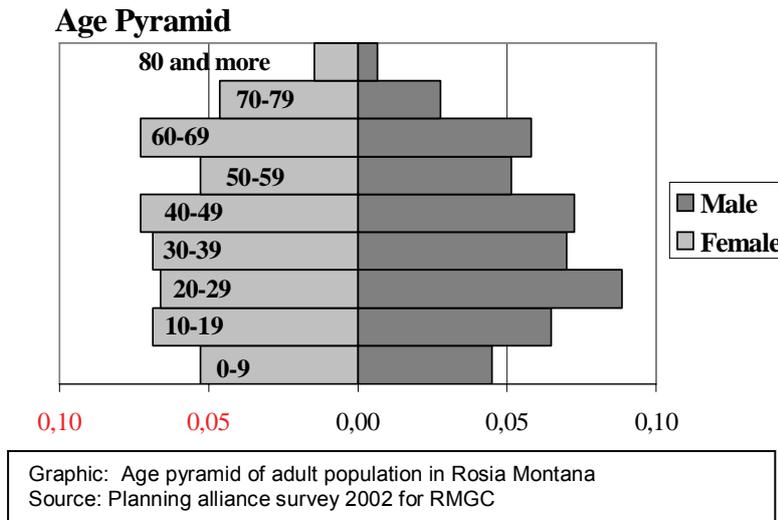


Graphic: Gender Distribution of adult population in Abrud  
 Source: Alba County Statistic Department



Graphic: Gender Distribution of adult population in Campeni  
 Source: Alba County Statistic Department

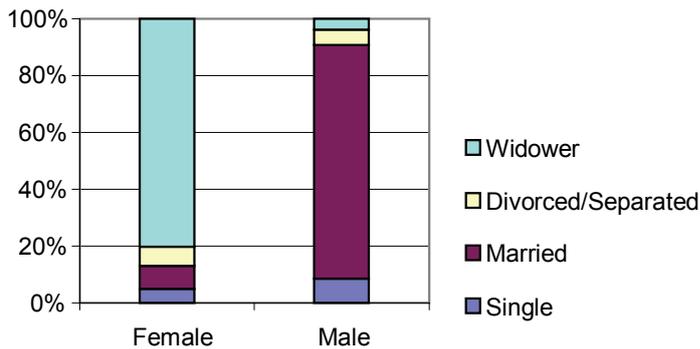
**Figure 4.3. Roşia Montană age pyramid**



The largest population groups are elderly widows, and married men (2002 RMGC survey).

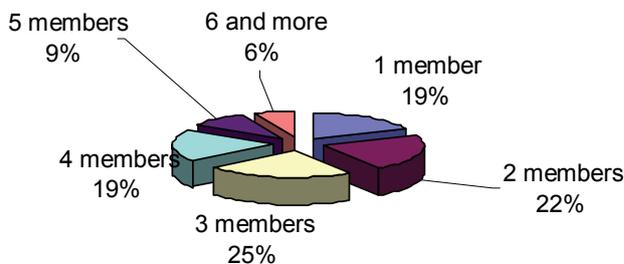
The gender distribution of household-heads are 25% female & 75% male. Female household heads are predominantly widows, while married male household heads are about 80% (2002 RMGC socio-economic survey).

**Figure 4.4. Marital status of household heads**



As shown by the graph opposite, female household heads are predominantly widows, while the proportion of married male household heads is about 80%.  
 Source: Planning alliance survey 2002 for RMGC

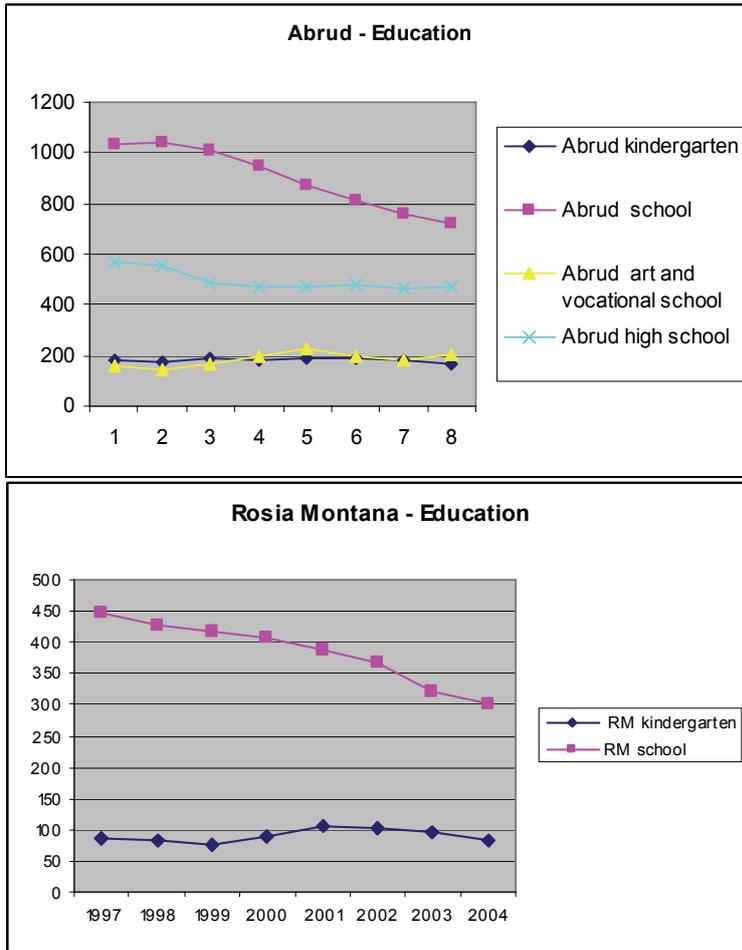
**Figure 4.5. Household by number of members**



According to the 2002 Romanian National 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 (see graph on the right):

**Figure 4.6. Education trends in the Community**

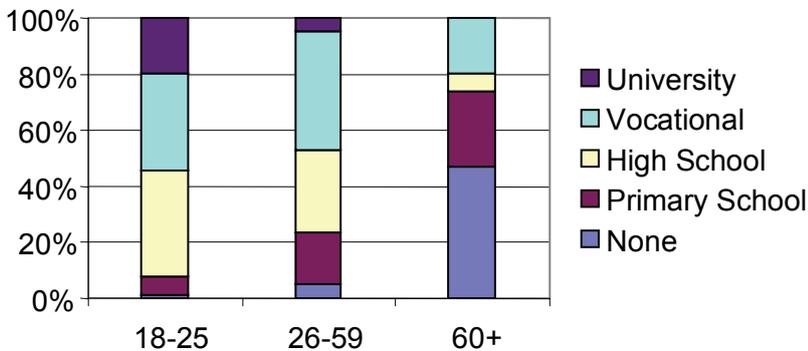


Source: Both charts - Alba Iulia statistical department,

In keeping with regional trends concerning population decline, out-migration of young people and an increasing proportion of elderly people, there is a distinct decline in the Community in school numbers (see graphs for Abrud and Roşia Montană Education).

Equipment in the schools is dated, in poor condition and local authorities have limited budget to improve conditions. The number of education professionals in the Community is also in decline.

**Figure 4.7. Education level by age in Roşia Montană**



The education status of 601 adults has been investigated during the survey on 247 households carried out 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.

## 4.4 Local economical conditions and labour market

### Employment and unemployment dynamics

Roşia Montană has pre-modern industrial activities in a rural setting, and as a result livelihoods are derived from jobs in the mining sector or pensions, and from some small scale agricultural activities. Occupations in the mining sector are essential in global terms. Subsistence-oriented agricultural activities are critical as a “safety net” to the poorest in the community, predominantly female pensioners. They do not frequently take part in cash transactions and consequently are not engaged in the cash economy.

Concerning contribution to the economy, a population can be broken down into two groups, as defined in the table below.

**Table 4-2. Description of population types in the Community**

Population type	Description
Active Population <sup>3</sup>	People or group of people who contribute to the registered economy. They may be employed, pay taxes, receive unemployment or other employment-related benefits. They are officially registered by various government agencies and play a role in the official/cash economy
Inactive Population <sup>4</sup>	People or group of people who are not contributing directly to the registered economy. They are not registered as unemployed, do not have official employment, do not pay tax, do not receive unemployment benefits, may receive pensions or sickness-benefits, and may be involved in unregistered economic activity

The percentages of the active and inactive populations in the Community are given in the table below:

**Table 4-3. Percentage of active/non-active population in the Community**

	Roşia Montană	Abrud	Campani
	In % of total population		
Active	39	42	44
Inactive	61	58	56
Ref: Alba County statistical department 2006			

<sup>3</sup> Definition: Economically active population comprises all persons of either sex who furnish the supply of labour for the production of economic goods and services as defined by the United Nations System of National Accounts during a specified time-reference period.

Source Publication: International Labour Organization (ILO) Resolutions Concerning Economically Active Population, Employment, Unemployment and Underemployment Adopted by the 13th International Conference of Labour Statisticians, October 1982, para. 5.

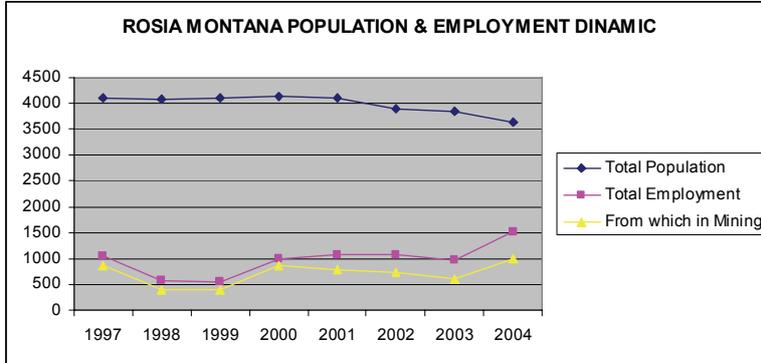
<sup>4</sup> Definition: The economically inactive population comprises all persons who were neither "employed" nor "unemployed" during the short reference period used to measure "current activity". This population is split into four groups:

- Attendant at educational institutions;
- Retired;
- Engaged in family duties;
- Other economically inactive.

Source Publication: Eurostat, 1999, Guidelines and table programme for the Community programme of population and housing censuses in 2001, Vol. 1: Guidelines, Office for Official Publications of the European Communities, Luxembourg.

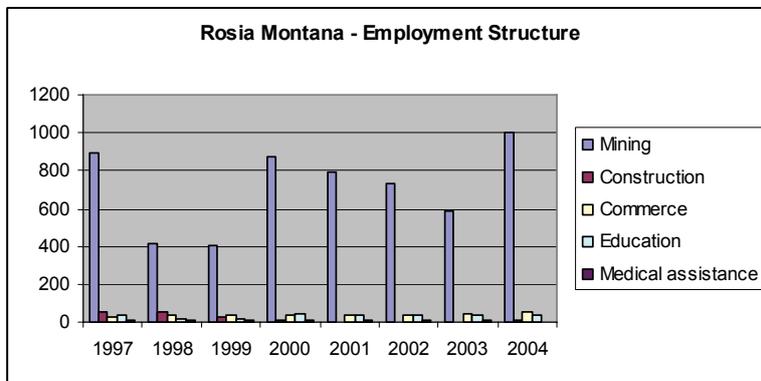
## Roşia Montană Employment Dynamic

Figure 4.8. Community employment dynamic

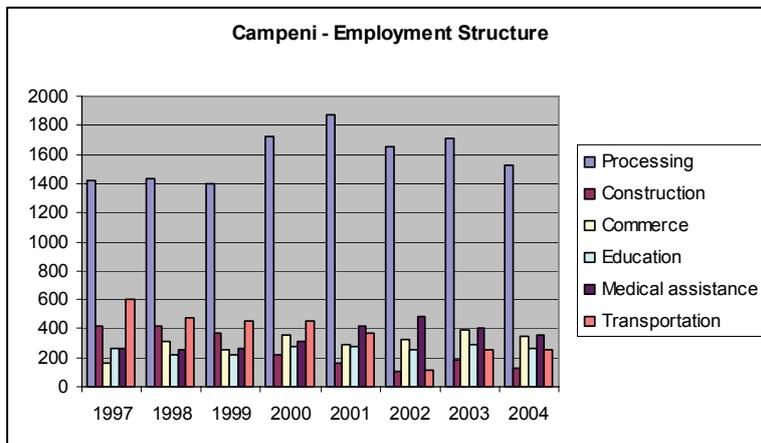


Mining is the predominant source of employment in Roşia Montană and Abrud.

Despite the decline in population, the percentage of the population employed has increased (decreasing unemployment, see graph top left). This is specifically related to the activities and presence of RMGC.

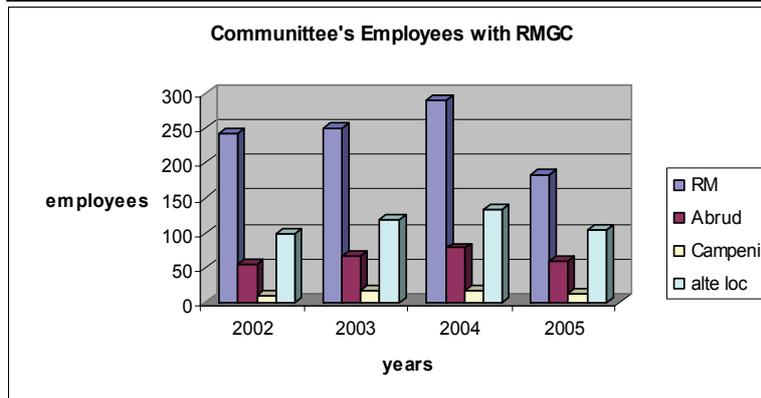


The two state owned mining companies Rosiamin in Roşia Montană and Cuprumin in Abrud remain the main sources of income for those localities, with 1002 and 1286 employees respectively in 2004.



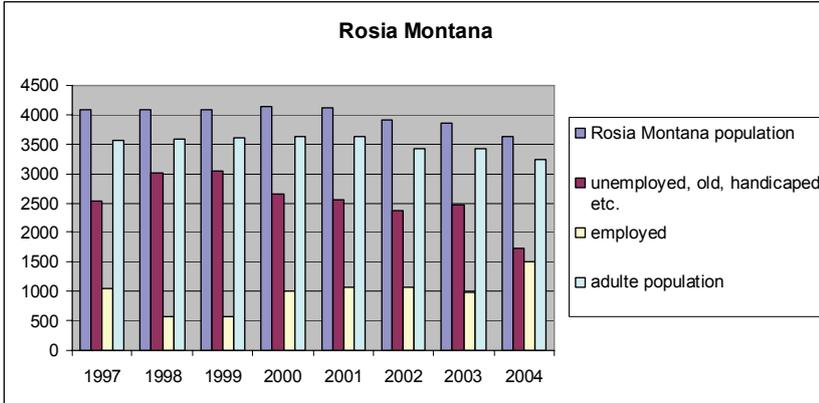
RMGC employs locally an average of 450 people per year including casual, temporary, part and full time employees.

Source for information in graphs except the bottom one: Alba Iulia Statistical Department, 2005.



Source: RMGC's employment records

**Figure 4.9. Roşia Montană definition of population and trends**

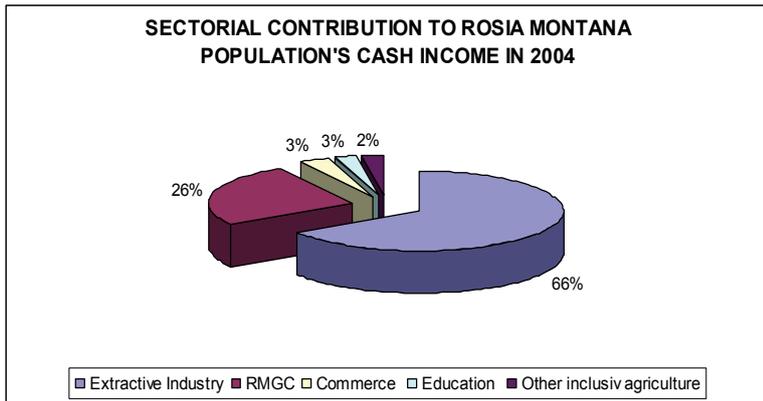


The percentage of vulnerable people (unemployed, elderly, handicapped people) is consistently higher than employed one, but in 2004 the gap is less notable, possibly reflecting increased employment in RMGC.

**Economic activities**

*Industry*

**Figure 4.10. Roşia Montană income source**

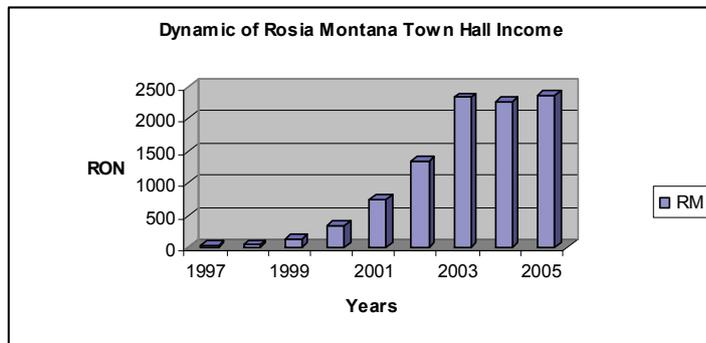


Mining is the predominant industry in Roşia Montană and Abrud.

Campeni has several small companies active in textile, furniture, timber, reflecting a more diversified economic base.

Both Abrud and Campeni have increased public services (transport, commerce, juridical assistance, post, telephones) due to increased demand created by RMGC in the area.

Source: Alba Iulia statistical department, 2005

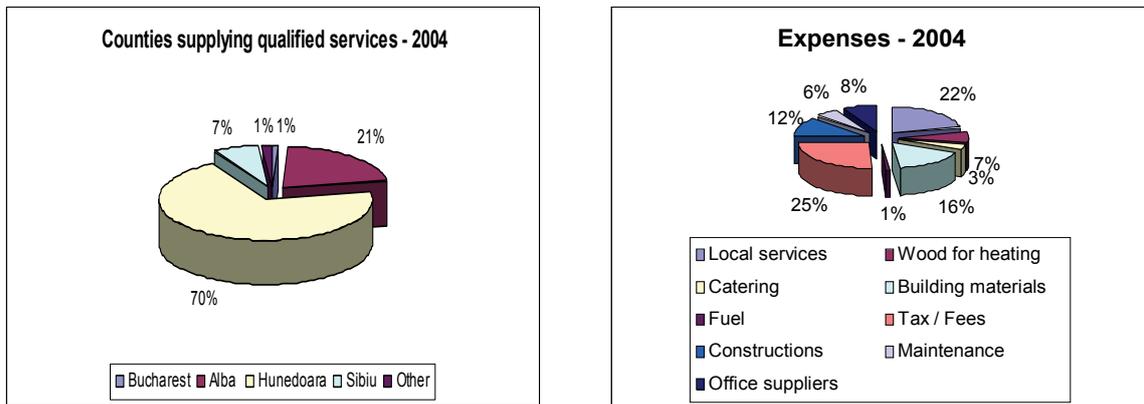


RMGC provides significant income to the Rosia Montana Town Hall (Mayor's office), as foreign investment to the Community, demonstrated in the graph Dynamic of Roşia Montană Town Hall Income (see graph left).

Source: Rosia Montana Town Hall records.

During the pre-construction phase RMGC has stimulated the development of local businesses from Rosia Montana, Abrud, Campeni, spending ROL 101.3 bil. in 2003 and ROL 124.4 bil. in 2004, see charts and table below.

**Figure 4.11. Procurement dynamics of Roşia Montană Gold Corporation in the Community**



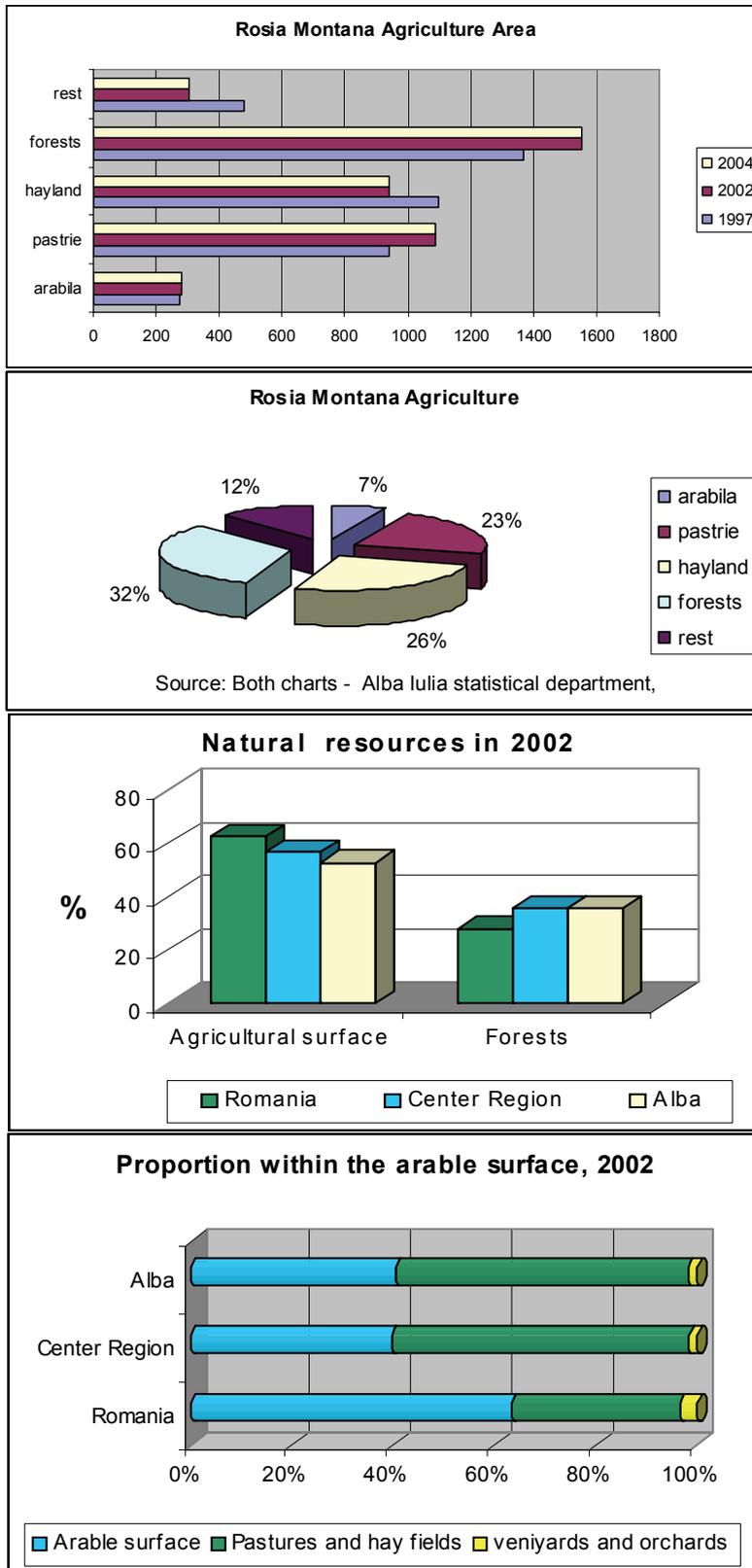
Benefits of this include: increased employment; increased household income; improved supply of goods and food in the markets; increased in hospitality industries; and increased public accommodation services and spending. These activities increase revenue available to local government budgets and stimulate economic development in the region.

**Table 4-4. Value of procurement to Roşia Montană Gold Corporation**

Suppliers / Destinations	Expenses of Roşia Montană Gold Corporation In percentages	
	2003	2004
Construction companies	17.1	11.5
Office supplies	7.7	7.8
Building materials	13.6	16.3
Local services	40.3	21.7
Tax / fees	12.4	25.9
Catering	3.5	3.4
Fuel suppliers	1.3	1.1
Cars and office maintenance	1.5	5.6
Total value, in Lei	101.3 billion	124.4 billion

Agriculture

**Figure 4.12. Agricultural characteristics of Roşia Montană**



Crop production in Roşia Montană is mainly subsistence with little produce sold. The main crops are fruit trees, including walnut trees (85% of all households) and animal forage (49% of all households). Agriculture is small scale potato growing, pasture and hayland.

Land suitable for small scale agriculture (potatoes and vegetables) is low, some 7% in Roşia Montana, 6% in Abrud and 7% in Câmpeni.

Access for farm machinery is severely limited due to the terrain and most work is done by hand with transport by horse drawn cart. No synthetic fertilizers or sprays are used, largely due to the impracticality of their application.

The share of agricultural land from the total surface area is lower in Alba county and the Center Region 7 than the national level. The situation is different regarding the proportion of forest of the total surface (see graphs left). Pastures and hay fields are better represented in the county and Center Region in comparison with the national level.

The proportion of the private sector in the agricultural sector is high (96.3% in Romania, 98.7% in Alba county, in 2002) and increased in the last years (National Human Development Report, 2004)

99% of households use wood for heating, and about 60% for cooking. Repeated harvesting of immature forest damages the resource and causes environmental problems. Small agricultural fields are used mainly for grazing and hay production. Much of the area is unsuitable for agricultural production but is suited to animal husbandry and forestry/wood.

#### *Tourism*

The tourist season in Roşia Montană runs from May through to September. Apart from a number of small convenience shops (9) and bars (5) there is no tourist-related infrastructure available in Roşia Montană, such as cafes, restaurants, supermarkets, hotels, pensions, hire car facilities, petrol stations, entertainment providers, or activities and services. There is a mining museum and an initiative concerning walking tours.

#### *Investments*

Roşia Montană area is a disadvantaged zone. Investments in the area are concentrated in Campeni, whereas in Roşia Montană there is lack of investment inflows except in mining. The table below describes the principle reasons why investment in Roşia Montană is low:

**Table 4-5. Main investment disincentives concerning Roşia Montană**

Category	Description
<b>Demographic</b>	Aging population dominated by elderly women
<b>Financial</b>	Significant poverty & lack financial capacity to develop businesses
<b>Skills</b>	Population skills set dominated by mining and subsistence agriculture
<b>Isolation</b>	Roşia Montană is relatively remote, situated in a small valley at the end of a road
<b>Infrastructure</b>	Utility & transport infrastructure are poorly developed and/or in poor condition; the condition of buildings is generally poor
<b>Environment</b>	Roşia Montană's environment suffers from considerable historical mining impacts
<b>Development costs</b>	Costs, including environmental, infrastructure, buildings, etc. are high, in particular to deal with existing pollution legacies
<b>Other centres</b>	Other centres, both urban and rural are better positioned regarding the above issues and (would) attract investments over Roşia Montană, such as Campeni

Applicable development funding which Roşia Montană may benefit from comes from the Romanian government, the EU and the World Bank. However, Romanian government, EU and World Bank development priorities do not favor nor particularly support socio-economic development in Roşia Montană. Principal reasons are as follows:

- World Bank funding are designed to close unprofitable mines, reduce government direct involvement in mining activities, provide only a limited duration of social support. Additionally their policy is to seek private investors for potentially profitable operations;
- Romanian government development priorities do not include Roşia Montană;
- Government, EU and the World Bank would prefer private sector investment to address development in Roşia Montană based on the presence of an economically viable mineral resource in Roşia Montană.

#### **Land prices in Roşia Montană**

Land and property prices in Rosia Montana have increased since RMGC commenced exploration and development activities. Changes to land and property prices have been driven by the need for RMGC to gain surface rights. This differs from property prices driven by general consumer demand based on the subjective desire to live in one place with respect to another. The Resettlement and Relocation Action Plan (RRAP) describes in detail changes to land and property prices due to RMGC's surface rights acquisition program.

Since land prices are heavily influenced by RMGC's program, changes to land prices are not an effective indicator concerning the socio-economic condition of Rosia Montana.

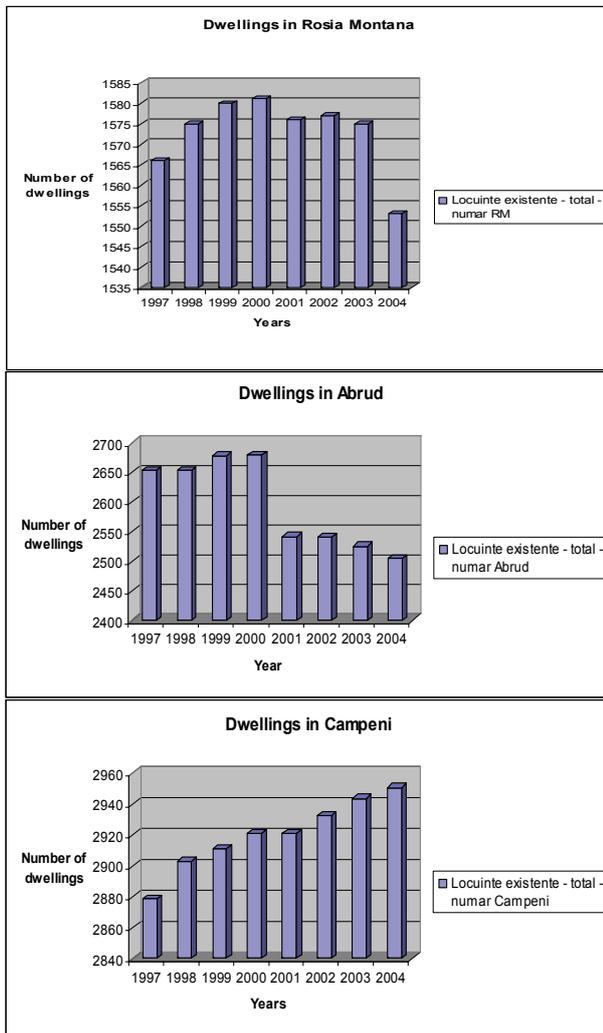
## 4.5 Living conditions in the area

Environmentally the area is of low conservation value – water resources (streams, etc) are, by and large, polluted, habitats fragmented, landscape scarred, and on-going anthropogenic impacts occur. Environmental management systems (waste, wastewater, water) are still very weak, poorly developed and sometimes even non-existent<sup>5</sup>. All these affect the living conditions of the population in the Roşia Montană area.

### Home ownership

**Figure 4.13. Community home ownership trends**

<sup>5</sup> Socio-economic survey, 2002.



Source: All charts - Alba Iulia statistical department, 2005

Home ownership is a proxy indicator of the wealth of an area (urban, inner city, suburban, rural, town, etc) as well as population dynamic – whether an area has a growing population or a declining one.

Between 1997 and 2004, the number of owned dwellings in Rosia Montana decreased by 0.83% overall. Home ownership rose between 1997 to 1999 following RMGC commencing exploratory activities. A significant drop in ownership occurred between 2003 and 2004 as a consequence of RMGC's property acquisition program (See RRAP).

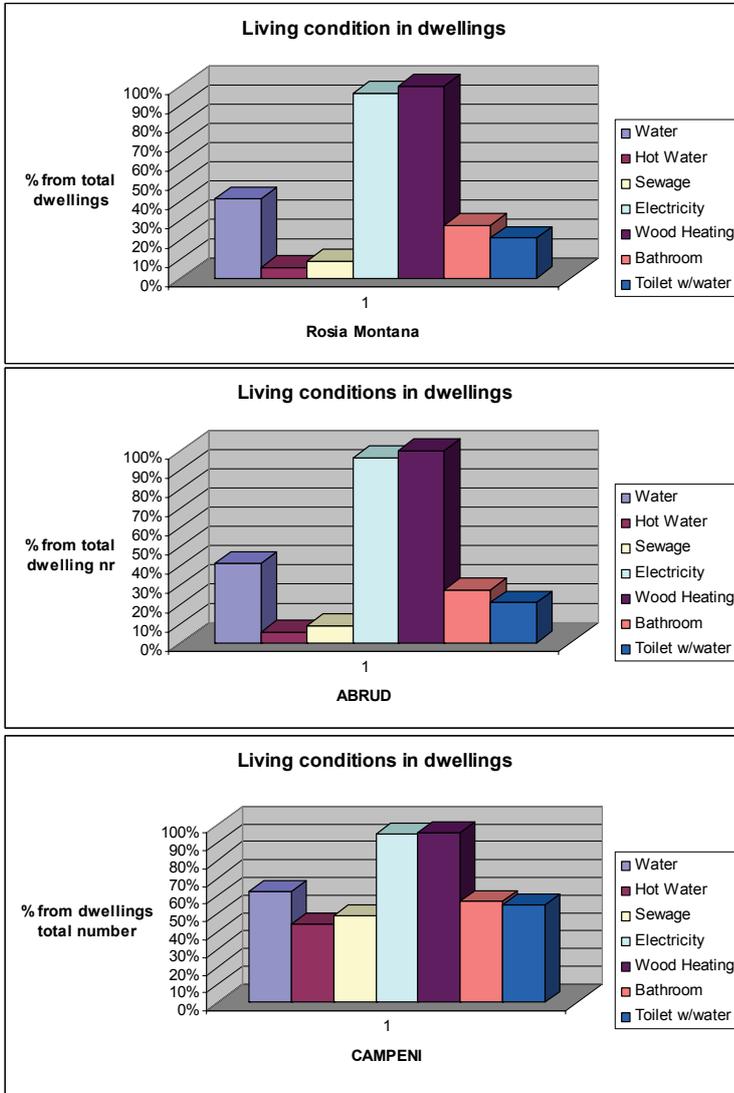
However, in Abrud the decrease in ownership was even more severe at some 5.58%. RMGC has no property acquisition program in Abrud. The decline is due out-migration following economic depression and large-scale mining redundancies particularly affecting Abrud.

In Campeni the number of dwellings has steadily increased over the same period. This is most likely because Campeni has a more stable labor market in processing, transportation, education, and public services and which supports a more stable population.

See graphs at left. Source of information is the: Alba County Statistic Department)

*Dwellings – living conditions*

**Figure 4.14. Community living conditions in homes**



Current living conditions in the Community are far below EU standards. Basic services such as potable water supply, waste water collection & treatment, reliable energy supply, waste collection and treatment are all poorly developed, if at all, especially in Roşia Montană & Abrud, though less in Câmpeni.

Very few households have an inside bathroom and toilet. Electricity is present almost 100% but inhabitants cannot afford to use it for heating. Even in Abrud and Câmpeni, the vast majority of the population use wood for heating, even in the apartment blocks.

In Câmpeni, living conditions are higher than in the rest of the Community. The more diverse and higher income base and the population structure have led to a higher degree of development. Consequently this attracts more investment which leads to even further development.

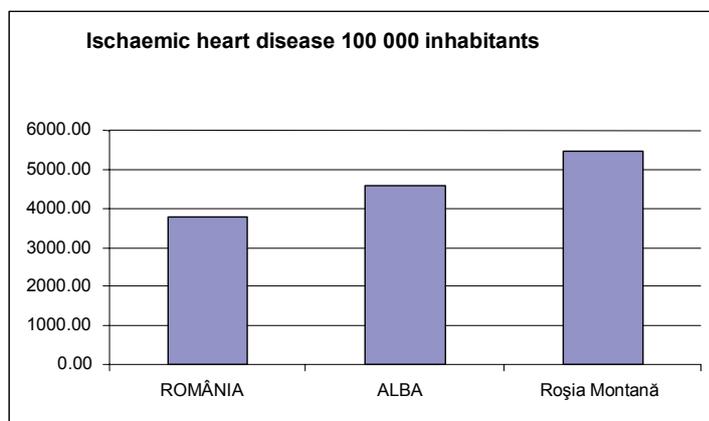
Source: All graphs - Alba County Statistic Department,

## 4.6 Health status

### *Information on the disease rate at the inhabitants' level*

According to the socio economic survey in 2002, 62% of households interviewed in Roşia Montană had one or more members who sought medical attention for serious illnesses in the past year. Causes of health problems could include occupational hazards (particularly mining), as well as a fatty diet, stress and alcoholism. Also, existing mining and ore processing facilities are in poor condition and pose safety hazards to workers and risks to the environment.

**Figure 4.15. Incidence of Ischaemic heart disease in the Community**



Source: \Romania & Alba – Romania Ministry of Health website;  
Roşia Montană – EHC health assessment, 2006.

A health baseline study conducted in Dec 2005 and Jan 2006<sup>6</sup> concluded that the health status of the population living in Rosia Montana is worse compared to that of people living other areas both in the vicinity and regionally. For some diseases risks are higher for people in Bucium and Certej

The table below summarises the principal findings regarding health risks along with estimated costs of a medical check up.

<sup>6</sup> Environmental Health Centre, Cluj Napoca, Romania.

### Health risks in Roşia Montană

Acute disease is of short duration, rapidly progressive, and in need of urgent care. Acute is a measure of time scale of a disease and is in contrast to chronic which indicates indefinite duration or virtually no change. The time scale depends on the particular disease. Table 4.6 describes the risk of acute and chronic diseases in Roşia Montană and the estimated costs of diagnosis.

**Table 4-6. Health risks in Roşia Montană**

Disease group	Acute: risk to develop*	Chronic: risk to develop*	Estimated costs of diagnosis
Endocrine			Malignant neoplasms Thyroid and other endocrine glands: 865.6 RON
Respiratory diseases	Significantly higher risk in Rosia Montana compared to other localities, with two exceptions: 1) Bucium and Certege have higher risks, and 2) in some localities with small number of inhabitants.	The probability is higher within the population from Rosia Montana, with the exceptions Certege and Bucium	Lung diseases due to external agents: 280.3 RON Asthma: 317.6 RON Bronchiectasis: 347.6 RON Malignant neoplasms Respiratory and intrathoracic organs: 531.6 RON Malignant neoplasms Lip, oral cavity and pharynx: 904.6 RON
Cardiovascular diseases	No data	Chronic cardiovascular diseases are significantly higher in Rosia Montana than in the research area, while in Certege (for all categories) and in Bucium (one category) it is the opposite	
Digestive diseases	The risk is significantly higher for living in Rosia Montana compared to all the investigated localities	for chronic digestive diseases there is no specific trend in terms of spatial distribution	Toxic liver disease: 433.4 RON Fibrosis and cirrhosis of liver: 593.4 RON Malignant neoplasms Digestive organs: 641.6 RON
Blood diseases	No data	chronic blood and blood forming organ diseases recorded either high or low risks in Rosia Montana without a specific spatial distribution trend	Iron-deficiency anemia: 262.1 RON Malignant neoplasms, stated or presumed to be primary, of lymphoid, haematopoietic and related tissue: 2287.1 RON
Skin diseases	risks of developing acute skin diseases is higher within the population from Rosia Montana	chronic skin diseases indicate significantly higher risks in Rosia Montana compared to Abrud	Dermatitis and eczema: 137.5 RON Urticaria and erythema: 286.9 RON Malignant neoplasms Skin: 309.6 RON
Diabetes	No data	diabetes has been found to be more prevalent within the inhabitants from Rosia Montana than in the population groups from Abrud and Campeni, while for the other chronic endocrine diseases there is no specific trend in terms of spatial distribution (situation similar to chronic digestive diseases)	
Musculoskeletal diseases	No data	chronic musculoskeletal and connective tissue diseases showed higher risks in	Arthrosis -252 RON

Disease group	Acute: risk to develop*	Chronic: risk to develop*	Estimated costs of diagnosis
		Rosia Montana versus the investigated localities, while in Certege and Bucium the risks are higher than in Rosia Montana	
Nervous system diseases	No data	the risks of developing chronic nervous system diseases is either higher or lower in Rosia Montana compared to the rest of investigated locations	Polyneuropathies and other disorders of the peripheral nervous system: 393.9 RON
Ocular	risks of developing acute ocular diseases is higher for Rosia Montana, with one exception recorded for the people living in Certege	No data	Disorders of optic nerve and visual pathways: 395 RON
Genitourinary diseases	risks of developing genito-urinary system diseases is higher for the inhabitants of Rosia Montana, the exception being for Bucium	chronic genito-urinary system diseases indicate significant higher risks for the population living in Rosia Montana compared to the population groups from the other investigated areas	Urolithiasis: 410.4 RON Malignant neoplasms Urinary tract: 583.1 RON

Added to the costs of diagnosis will be medication costs and any treatment. Incomes in the Community are very low whilst the relative cost of living is high, so that low income groups may not have available financial resources to support the cost of proper medical care. The situation is more severe for those people who are not included in a health insurance system such as the *inactive* population (see Section 4.4 above), compounded by mining redundancies which have reduced or even removed the social safety net of many people.

Health conditions in Roşia Montană are predicted to improve as a result of expected improvements in environmental conditions (source: EHC, HRA) due to the resettlement process removing people from higher risk areas, and mitigation strategies of the RMP in the historical and other areas. It is predicted therefore that there will be a decrease in incidences for most of the investigated diseases over the life of the RMP. Considering the high prevalence of the investigated diseases as a baseline and the related medical costs as mentioned above, a decrease in incidences will result in the improvement of the health status in the area.

#### 4.7 Civil Society

Several small associations are active in Abrud or in Roşia Montană in the fields of social assistance, sport sponsoring, and environment. Most actions are small-scale and these organizations are perceived as highly dependent on their leader or founder. In addition to these, parents' associations and religious congregations are active throughout the CSDP area.

Two organisations are currently active in Roşia Montană in reaction to RMGC's project:

- Alburnus Maior Goldminers Association was set up in Roşia Montană village in 2000 in reaction to the information delivered by RMGC, which was perceived as unfair by some citizens. Its intention was to protect inhabitants' rights especially relating to real estate. Alburnus Maior Goldminers Association clearly and consistently opposed to the RMP.

The activities of Alburnus Maior Goldminers Association have resulted in several delays to the RMP. This has had a negative impact in terms of the business plans of RMGC and on some Community socio-economic indicators such as employment, investment through-flows, values of revenue to local authorities, amongst others.

- The Pro Roşia Montană association appeared later as a reaction to Alburnus Maior Goldminers Association, and supports RMGC's Project. The members of this association are generally young people, some of them employed by Minvest or RMGC.
- The Employers' Association of Abrud and Roşia Montană is a businesspersons' association. 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.

## 5 Institutional Background

### 5.1 Local and County Government

The main responsibilities of the Local Council (*comuna* in rural areas and *orasul* in urban ones) as a part of Local Public Administration include<sup>7</sup>:

- approve and advise socio-economic development, territorial planning and administration programmes;
- approve and advise urbanism and territorial planning documentations;
- road, bridges and building construction, maintenance and repair, and infrastructure at the local level;
- approve the technical and economical documentation for investments
- assure the material and financial conditions for optimal working of the public institutions and services (education, health, culture, sports, public security, civil protection, social assistance);
- decide in the social partnership field regarding the national and international juridical persons.

The county government institutions include the County Prefecture, which is responsible, amongst others, for regional development and roads of county interest. The General Urban Regulation Decision No. 525/1996 defines the urban plan and regulations, which Local Councils are required to prepare and update for the area within their jurisdiction. The Territorial Planning Plan (TPP) and the General Urban Plan (PUG) and the Regulations constitute the technical and legal basis for any modifications to the area.

### 5.2 Regional Development Agency

The territory of Romania has been subdivided into 8 development regions, each including several "*judete*" or counties. Alba County is part of the "Centre" Region 7, which also includes Braşov, Covasna, Harghita, Mureş and Sibiu counties. Each of these 8 regions has a Regional Development Agency (Romanian acronym: ADR), which operates as a planning and coordinating entity.

Based in Alba Iulia, the Centre Region ADR operates officially as a Non-governmental organization and implements European Union (PHARE) funds, as well as, possibly, other monies, mostly in the area of grants and loans to small and medium enterprises (SMEs). The Romanian Law on regional development in Romania no.151 of 1998<sup>8</sup> resulted in the establishment of the various Regional Development Agencies (RDA), sets out the objectives of the RDAs which are:

- Balanced development of the regions in particular of disadvantaged areas, and the prevention of new economically disadvantaged areas.
- Assistance in the Accession process and of access to the structural funds, and the Cohesion Fund of the European Union;
- Implementation and execution of (regional/National) government policies concerning regional development, taking into account local and regional (natural/human) resources supporting sustained socio-economic and cultural development;;

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<sup>7</sup> Law 215/2001 on local public administration, published in Official Journal 204/23 April 2001.

<sup>8</sup> Website with English translation : [http://www.dsclcx.ro/english/law/law151\\_998.htm](http://www.dsclcx.ro/english/law/law151_998.htm)

- Stimulation of interregional cooperation, both internal and international, and of transboundary cooperation, within the framework of the Euro-regions.

The agency has drafted a 2002-2004 Regional Development Planning Strategy for the Centre region, which provides detailed economic baseline on the region economics, and proposes broad priorities for short and mid-term economic development.

## 6 Potential Impacts

### 6.1 Identification of the Social Impacts Area

The social and economic impacts can be divided into two broad categories:

1. Direct Impacts
2. Indirect Impacts

#### *Direct Impacts*

Direct impacts refer to the impact on land, assets and people in the Project's physical footprint zone. Direct impacts are addressed in the RRAP and are specifically related to relocation and resettlement issues.

#### *Indirect Impacts*

Indirect impacts refer to all other impacts that will occur because of the Project. Such impacts include physical – changes to the natural and manmade environment; social – changes due to the consequence of the Project on peoples, such as income, education & training, changes to the social fabric & dynamics due to in-migration & emigration of peoples, etc; economic – flow of monies through the community in the form of taxes, consumer spending and increased demand for services, products and activities in the surrounding areas, amongst others.

Indirect impacts are addressed in the Community Sustainable Development Programme.

#### *Project Physical Footprint*

The Project physical footprint zone is described in the RRAP. It is the Project-Affected Area as defined in the RRAP. This zone includes a significant part of Roşia Montană *comuna* and a small area in Abrud *orasul*.

#### *Project Social Impacts Area*

Whether positive or negative, indirect Project social impacts are likely to be experienced:

- In the rest of the territory of Roşia Montană *comuna* that will remain unaffected by physical land take, including a small part of Roşia Montană village (the protected historical zone), the settlement of Gura Rosieii along Abrudel river and the main Abrud – Câmpeni road, and a few rural settlements uphill above Roşia Montană and Corna villages;
- In Abrud *orasul*, including Abrud town and its three satellite villages (Abrud Sat, Gura Corneii – part of which is affected by the Project physical footprint, Soharu);
- In Câmpeni town which after Abrud is the town closest to the Project site (6 km).

The following table gives an estimate of the concerned population:

**Table 6-1. Population Size in the Social Impacts Area**

Area	Population in the Project Physical Footprint	Population in the rest of the Project Social Impacts Area
Roşia Montană <i>comuna</i>	2,050	1,815
Abrud <i>orasul</i>	340	5,873
Câmpeni town	0	6,000

## 6.2 Identification and Description of Potential Socio-Economic Impacts during Construction, Operation and Closure

The following table presents the potential socio-economic impacts likely to be experienced during construction, operation and closure phases.

**Table 6-2. Potential Socio-Economic Impacts during the construction, operation and closure**

Topic	#	Actions description	Impact/ effect	Type	Magni-tude	Duration
Land, infrastructure & demography	1	Acquisition of land for purposes of mining operations	Physical and economic displacement of people: the acquisition of about 1,600 hectares of land, and displacement of about 970 households, most in the localities of Roşia Montană (circa 577 households and 136 apartments), Cornea (ca. 150 households), and Gura Corneii (ca. 111 households).	Negative	High	Long term
	2	Land use change (public infrastructure in Roşia Montană)	Current public infrastructure and facilities in Roşia Montana are partially abandoned/replaced	Negative	Medium	Long term
Workforce		Impact on local infrastructure, housing, basic commodities and services	Potentially detrimental to locals via reduction in access to and quality of local services. Competition for services.	Negative	Medium	Short to long-term
			Improvements in local services, etc; through increased demand for access to and quality of such services by workers; through increase in wealth leading to more investments	Positive	Medium	Long term
	In-flux of predominantly male job-seekers and workers	Social impacts related to interactions with local population	Increased cultural diversity and social revitalisation: new energies, new initiatives – sports, commercial, social	Positive	Medium-high	Up to long-term
			Improved and increased social diversity by integration of 'foreign' workers with local population, directly (e.g. via marriages) or indirectly through demand by the workers +/- their partners for services in the local/regional communities	Positive	Medium-high	Up to long-term
			Risks of disruption and (cultural) conflict with locals	Negative	Medium	Up to long-term
4	Reduction in local/regional workforce as a result of Mininvest closing down its operation	Potentially living alone, risks that diseases, including sexually transmitted diseases, including HIV/AIDS, may spread	Negative	Low	Long-term	
Social fabric & quality of life	5	Rejuvenated and improved employment market and possibilities	Risks of increased unemployment and social/economic vulnerability	Negative	High	Long-term
	6	Adult education, vocational training, on the job training	Release of skilled, mining related workers available for employment. Magnitude depends on how many can be directly employed by RMGC or sub-contractors	Positive	Medium	Long term
			Improved cash incomes and increased standard of living. Increased opportunities for individual and family development, including comfort (better insulation, etc), education, recreation, & future investments	Positive	High	Long term
7	Improved health services and facilities	Increased opportunities to exploit employment openings, develop own enterprises, fill service-demand gaps	Positive	High	Long term	
			Better health possibilities particularly for elderly & disadvantaged groups	Positive	High	Long term

Topic	#	Actions description	Impact/ effect	Type	Magni-tude	Duration
	8	Renovation or construction of new infrastructure and services, including waste, electricity, water, sewage & roads	Improved basic & common infrastructure, & associated health improvements. Improved incentive to access region or stay in region due to increase in comfort factor. Beneficial to tourist possibilities	Positive	High	Long term
	9	Exposure to new cultures (other Romanians & expatriates)	Cultural reinvigoration and revitalisation, introduction of new cultural dynamics. Stress & conflict due to change, uncertainty & negotiations. Resentment, distrust, fear of new & unknown cultures, persons	Positive	Medium	Medium-long term
	10	Resettlement (of a part) of the community	Disruption to the local social fabric and solidarity networks. Mainly detrimental to the most vulnerable individuals such as the elderly and disabled	Negative	High	Long term
	11	Demand for local services, infrastructure including homes, land, other local resources & properties.	Improved living conditions through new buildings, better infrastructure, improved access to (better) community services	Positive	Medium	Potentially long term
Access	12	The Project construction and operation temporarily or permanently interrupts or limits access to residences and businesses	Increased wealth to local property owners / operators. Opportunities to liquidate assets or convert tangible assets to intangible assets. Possibility to invest in opportunities otherwise denied locals.	Positive	Medium	Potentially long term
	13	The Project construction and operation restricts either temporarily or permanently access to fields, pasture, forest and other natural resources	Loss of family homes, area and memories. Loss of established support networks and neighborhoods	Negative	Medium	Potentially long term
	14	Improved transport infrastructure to locality and region via upgrading road link & logistical support	If residence, resident must move either temporarily or permanently (resettlement). If business, potential of significant loss of business. Business must relocate or close. Possibility to re-open if access is temporarily restricted.	Negative	High	Up to long term
	15	Increase in fiscal resources available to local Governments via taxes	Possible significant impact on subsistence agricultural livelihood of people. Interruption to seasonal agricultural practices and animal husbandry.	Negative	High	Long-term
Economy	16	Increase in fiscal resources available to central Government via taxes & royalties	Easier ingress & egress of region by people including tourists. Promotion of region for (tourist/alternative) development, leading to sustained social-economic development	Positive	High	Long term
	17	Risk that taxes and revenues are not primarily used for local development	Increased budget of local governments, improved ability to develop local civic services: education, health, transport, etc.	Positive	High	Long-term
	18	Risks related with potential non equitable distribution of Project benefits throughout community	Contribution to national development by increased income available. Contribution to central government unlikely to be earmarked for local development. Chance that priorities of local government do not reflect specific population-related needs and wants	Positive	Medium	Long-term
			Elderly, older workers being unable to maintain employment after Minvest closes down, disadvantaged people lacking capacity (intellectual, educational, physical) to exploit new opportunities	Negative	Medium overall, but High for individuals	Medium-long term

Topic	#	Actions description	Impact/ effect	Type	Magni-tude	Duration
	19	Increased direct & indirect employment	Flow on effects of presence of major economic investment throughout community, to national level. 1:10 direct/indirect employment: job creation.	Positive	High	Long term
	20	Increased income	In comparison to a 'no-mine' scenario, incomes will rise	Positive	High	Long term
Community safety	21	Loss of trained staff from other organizations & businesses to RMGC	Capacity drain to fill higher-paying/better benefits position with RMGC. Reduced capacity available to other businesses	Negative	Medium	Short-medium term
	22	Increased income for those engaged in small business	Requirements of supply of a diverse range of services, materials & products for the RMP drive demand for sourcing services, etc, locally, leading to increase income to local businesses. Also provides incentive to develop local businesses to supply RMP & related/spin off demand.	Positive	Medium to high	Long term
	23	Disruption to businesses located in the Project-Impacted Area	Temporary to permanent loss of business revenue. Loss of income and occupation to business people.	Negative	Low to High	Short to long term
	24	Increased visibility of Community and region for other investments (i.e. regional development)	Increase in confidence for Foreign Direct Investment, locally to Roşia Montana, nationally based on confirmation major business investment is possible, to regional including neighbouring countries.	Positive	Up to high	Long term
	25	Trained labour force	Skilled, multi-disciplinary labour force following capacity building and experience required to work in the mine and ancillary industries	Positive	High	Long term
	26	Increased credit opportunity for people through collateral due to clearer property titles	Modern sophisticated survey and cadastre techniques resolve property ownership issues, allowing owners to use properties as collateral.	Positive	Low	Long term
	27	Inflation	Caused by overall increase in economic activity & wealth of region. Potentially detrimental to the poorest in the community	Negative	Medium	Short-term
	28	Construction period – a short period of relatively more intense activity	Increase in local economic activity following commencement of construction, the most active phase, including employment Contraction of local economic activity at the end of construction, including retrenchments	Positive	High	Short-term
	29	Increased traffic, particularly at construction phase	Significant volumes of traffic, particularly large machinery increases risks to people. Risk most acute for non-displaced people, pedestrians, cyclists, young and the very old.	Negative	High	Short-term
	30	Mine construction and operation	Significant industrial operations, such as a mine, creates new safety hazards for communities particularly to non-displaced people.	Negative	High	Long-term
Community amenity	31	Noise from increased traffic especially during construction	Increased levels of noise will be experienced as a result of traffic to and from the site, in addition to noise from the site itself	Negative	Moderate	Periodic
	32	Dust from site operations especially during construction	Dust raised by site operations, may be blown towards adjacent settlements and settle, giving rise to a dust nuisance issue	Negative	Moderate	Periodic

Topic	#	Actions description	Impact/ effect	Type	Magni-tude	Duration	
Closure	33	Inappropriate or insufficient planning & preparation for alternative sustainable economic activities during mine	Significant economic impacts following mine closure.	Negative	High	Long term	
	34			Out migration of skilled workers, young educated people leave, demography (again) reflects aged population	Negative	High	Long term
	35			Decrease in population to below demographically & economically sustainable levels; Roşia Montană declines as a village	Negative	High	Long term
	36	Roşia Montană's socio-economic indicators demonstrate positive growth	Roşia Montană remains a viable, attractive living centre with a sustainable economy, positive economic growth & dynamic population	Positive	High	Long term	

## **7 Mitigation and Monitoring Measures, Implementation Responsibilities**

The following tables provide details on mitigation and monitoring measures, as well as implementation responsibilities. Full details are available in the relevant management plans.

**Table 7-1. Mitigation and Monitoring Measures, & Responsibilities**

Impact description	Impact effect	Mitigation measures	Monitoring measures and indicators	Responsibilities
<p>Acquisition of land for purposes of mining operations</p>	<p>Physical and economic displacement of people: the acquisition of about 1,600 hectares of land, and displacement of about 970 households, most in the localities of Roșia Montană (circa 577 households and 136 apartments), Coma (ca. 150 households), and Gura Corneii (ca. 111 households).</p>	<p>Land and immovable assets acquired from owners by RMGC on the basis of “willing seller – willing buyer” transactions.                      Displaced households are eligible to one of the following two options:                      Resettlement, including allocation of a residential plot and reconstruction of residential houses in resettlement sites developed by RMGC in Piaitra Alba, Roșia Montană comuna - or in Alba Iulia, and other assistance as detailed in the RRAP,                      Relocation, whereby the displaced household purchases their new residence themselves, using the compensation of the affected assets at full replacement value. Relocation also includes other assistance as detailed in the RRAP.                      Different livelihood restoration measures are put in place as detailed in the RRAP and the CSDP.                      Displaced people have access to a specific grievance management mechanism.                      Vulnerable people are addressed through a specific assistance package.                      Resettlement and relocation measures are implemented by RMGC. The budget of resettlement and relocation is about USD 80 M.</p>	<p>Internal monitoring of:                      Negotiation process and conclusion of agreements;                      Social and economic monitoring: follow-up of the economic and social status of relocatees and resettlers, access to employment, cost of housing in the area, re-establishment of agriculture, actions targeting vulnerable people;                      Technical supervision of infrastructure and housing construction, commissioning;                      Implementation organization: adequacy of staff and means vis-à-vis the tasks;                      Grievances and grievance management system;                      Assistance in livelihood restoration: business re-establishment and assistance, skills enhancement and small loans component;                      Hiring of Project-Affected People at RMGC.                      External evaluation as per the RRAP</p>	<p>RMGC</p>

Impact description	Impact effect	Mitigation measures	Monitoring measures and indicators	Responsibilities
Loss of public infrastructure in Roşia Montană	<p>Current public infrastructure and facilities in Rosia Montana are removed from public use in order that mining operations may commence.</p>	<p>Affected public infrastructure will be reconstructed at the Rosia Montana resettlement site in Piatra Alba. Private congregational structures will be reconstructed or compensated.</p> <p>A school will be constructed at Piatra Alba</p> <p>The construction of the resettlement site in Piatra Alba will include the replacement of all public infrastructure, including the Town Hall, police station, post office, cultural house, new piata (town centre), healthcare centre and pharmacy</p> <p>Piped water, waterborne sewerage, electricity and telephone connections will be provided to all resettlement houses</p> <p>Most churches and cemeteries remain unaffected as a result of the protection measures that will be implemented in the designated historical patrimony protection area. Those congregational structures that may be affected will be either reconstructed or compensated, at the congregation's choice. Cemeteries and graves will be relocated in accordance to Romanian legislation</p>	<p>Technical supervision of construction of public facilities</p> <p>Actual transfer of new public facilities</p> <p>Actual use of new public facilities after they have been transferred</p>	<p>RMGC in liaison with central, regional and local government institutions, and religious congregations</p>
<p>Influx of predominantly male job-seekers and workers from outside the area</p>	<p>Impact on local infrastructure, housing, basic commodities and services</p> <p>Potentially detrimental to locals via reduction in access to and quality of local services. Competition for services.</p>	<p><b>Mitigation measures</b></p> <p>Hiring Policy intended to limit job-seekers influx by giving priority to locals for recruitment by RMGC, EPC contractors and sub-contractors, and national, regional and local publication of this policy</p> <p>Accommodation of non local workers in a specific construction camp having its own water supply and waste treatment facilities</p>	<p><b>Monitoring measures and indicators</b></p> <p>Quarterly statistics presenting for RMGC and each EPC contractor (including sub-contractors with more than 10 workforce) the numbers of locals / nationals / expatriates in management / skilled / semi-skilled and unskilled positions; these statistics shall be publicly released as part of the Project overall environmental and social monitoring reports</p> <p>Numbers accommodated at the construction camp to be monitored on a quarterly basis against the total workforce</p>	<p><b>Responsibilities</b></p> <p>EPC contractors to apply employment procedures compliant with RMGC's hiring policy and RMGC to monitor compliance.</p>

Impact description	Impact effect	Mitigation measures	Monitoring measures and indicators	Responsibilities
	Improvements in local services, etc, through increased demand for access to and quality of such services by workers; through increase in wealth leading to more investments	No mitigation necessary		
In-flux of predominantly male job-seekers and workers from outside the area	Social impacts related to interactions with local population	No mitigation necessary		RMGC Community sustainable development plan Stakeholders directly or indirectly affected or involved in RMP.
	Impacts related to interactions with local	Hiring Policy giving priority to locals for recruitment by RMGC, EPC contractors and sub-contractors.  Emphasis on equal opportunity employment to increase numbers of women in the workforce.	Workers' compliance with code of conduct (number of reported non compliances and number of sanctions taken for non complying) Evaluation of the effectiveness of the code of conduct in avoiding difficulties between workers	EPC Contractors to prepare and implement code of conduct, RMGC to

Impact description	Impact effect	Mitigation measures	Monitoring measures and indicators	Responsibilities
	<p>Social impacts related to interactions with local population</p> <p>In-migrated workers potentially living alone, risks that diseases, including sexually transmitted diseases, including HIV/AIDS, may spread</p>	<p>Emphasis on married men or men with long term partners.</p> <p>Workers' Code of Conduct; Community Health Policy:</p> <ul style="list-style-type: none"> <li>• Health including STD awareness training</li> <li>• Free condom distribution</li> <li>• Health awareness campaign in community</li> <li>• Workers clinic</li> </ul>	<p>and the local communities</p> <p>Number of health campaigns, methods used, attendance, both within the workforce and the community</p> <p>Health awareness training courses for workers (part of inception training)</p> <p>Number of course participants</p> <p>Availability of condoms</p> <p>Health awareness training in community (part of school curriculum, part of general health campaign)</p>	<p>monitor compliance RMGC liaise with local, regional and national public health authorities &amp; NGOs.</p> <p>Contractors to prepare and implement health plans</p>
<p>Closure of Minvest/Rosiamin mines in 2007 under current government plans</p>	<p>Reduction in local/regional workforce, increase in unemployment (to 90%), out-migration of able-bodied &amp; (most) skilled workers seeking other employment.</p>	<p>Hiring Policy prioritizing ex-Minvest/Rosiamin workers for re-employment by RMGC; EPC contractors and sub-contractors</p> <p>Re-training as part of community development programme under CSDP</p>	<p>Quarterly statistics presenting for RMGC and each EPC contractor (including sub-contractors with more than 10 workforce) the numbers of ex-Rosiamin workers in management / skilled / semi-skilled and unskilled positions</p> <p>Number of ex-Rosiamin employees attending &amp; finishing re-training programmes. Number in employment.</p>	<p>EPC contractors comply with RMGC employment procedures. RMGC to review and accept employment procedures prior to finalizing contracts.</p> <p>RMGC to monitor compliance</p>
<p>Rejuvenated and improved employment market and possibilities</p>	<p>Improved cash incomes and increased standard of living. Increased opportunities for individual and family development, including comfort (better insulation, etc), education, recreation, &amp; future investments</p>	<p>No mitigation necessary</p>		<p>Stakeholders directly or indirectly affected or involved in RMP.</p>

Impact description	Impact effect	Mitigation measures	Monitoring measures and indicators	Responsibilities
Adult education, vocational training, on the job training	Increased opportunities to exploit employment openings, develop own enterprises, fill service-demand gaps			
Improved health services and facilities	Better health possibilities particularly for elderly & disadvantaged groups	No mitigation necessary		RMGC + local utility & infrastructure organisations
Renovation or construction of new infrastructure and services, including waste, electricity, water, sewage & roads	Improved basic & common infrastructure, & associated health improvements. Improved incentive to access region or stay in region due increase in comfort factor. Beneficial to tourist possibilities	No mitigation necessary		RMGC + local utility & infrastructure organisations
	Cultural reinvigoration and revitalisation, introduction of new cultural dynamics.	No mitigation necessary		Stakeholders directly or indirectly affected or involved in RMP.
Exposure to new cultures (other Romanians & expatriates)	Stress & conflict due to change, uncertainty & negotiations. Resentment, distrust, fear of new & unknown cultures, persons	Hiring Policy giving priority to locals for recruitment by RMGC, EPC contractors and sub-contractors. . Emphasis in equal opportunity employment to increase numbers of women in workforce  Number of workers to be accommodated in Old Rosia Montana (Protected Zone). Remainder throughout communities. Dispersion in communities to aid in integration and provide more normal social environment for workers.	Number of workers accommodated in Old Rosia Montana.  Number of workers accommodated in communities.  Number of complaints – recorded, filed and acted upon. Conflict resolution report & follow-up. Punitive action against perpetrators in accordance to Workers Accommodation Policy, & Hiring Policy.	RMGC & Accommodation Management Organisation under Rosia Montana Foundation.
Resettlement (of a part) of the community	Disruption to the local social fabric and solidarity networks. Mainly detrimental to the most vulnerable individuals such as the elderly and disabled	Vulnerable People Policy, included in the RRAP  People have an option to resettle (rather than relocate) on a community resettlement site where all community facilities are going to reconstructed  Plot and house allocation on the resettlement sites will attempt to maintain neighborhood and solidarity networks	As per the RRAP	RMGC in liaison with local government authorities who have a legal responsibility to take care of vulnerable people

Impact description	Impact effect	Mitigation measures	Monitoring measures and indicators	Responsibilities
	Improved living conditions through new buildings, better infrastructure, improved access to (better) community services	No mitigation necessary		
Increase in demand for local services, infrastructure including homes, land, other local resources & properties	Increased wealth to local property owners / operators. Opportunities to liquidate assets or convert tangible assets to intangible assets. Possibility to invest in opportunities otherwise denied locals.	No mitigation necessary		Stakeholders directly or indirectly affected or involved in RMP.
The Project construction and operation temporarily or permanently interrupts or limits access to residences and businesses	If residence, resident must move either temporarily or permanently (resettlement).  If business, potential of significant loss of business. Business must relocate or close. Possibility to re-open if access is temporarily restricted.	Identification of all access roads used by the community prior to construction / operation and implementation of permanent or temporary alternative access solutions  Compensation paid for damages resulting from temporary restriction of use. Compensation rates as per the RRAP	For each contractor, quarterly numbers of situations where they were unable to maintain access, with indication of the duration of the interruption  Cash compensation paid for damages resulting from interruption of access; or other measures noted and documented.	Contractors to monitor & implement corrective measures.  RMGC to monitor compliance
The Project construction and operation restricts either temporarily or permanently access to fields, pasture, forest and other natural resources	Possible significant impact on subsistence agricultural livelihood of people. Interruption to seasonal agricultural practices and animal husbandry.	No mitigation necessary		
Improved transport infrastructure to locality and region via upgrading road link & logistical support	Easier ingress & egress of region by people including tourists. Promotion of region for (tourist/alternative) development, leading to sustained social-economic development	No mitigation necessary		

Impact description	Impact effect	Mitigation measures	Monitoring measures and indicators	Responsibilities
Increase in fiscal resources available to local Governments via taxes	Increased budget of local governments, improved ability to develop local civic services: education, health, transport, etc.	Capacity building to enhance local governments' capacity to adequately plan and disburse increased resources  Liaison with local governments on identification of appropriate development needs. With local government co-develop & co-finance projects of benefit to local communities	Amounts paid annually in local taxes  Project priority list for development projects  Number of projects being or have been developed	Local governments  Central government to provide capacity building to local governments with assistance from ANDIPRZM and its external donors
Increase in fiscal resources available to central Government via taxes & royalties	Contribution to national development by increased income available.	No mitigation necessary		Central government
Risk that taxes and revenues are not primarily used for local development	Contribution to central government unlikely to be earmarked for local development. Chance that priorities of local government do not reflect specific population-related needs and wants	Work in cooperation with local authorities on projects of benefit to local communities & region. RMGC to co-finance aspects of project development / implementation.	Number of projects developed & co-financed. Amounts per project.	Local government agencies & RMGC
Risks related with potential non equitable distribution of Project benefits throughout community	Elderly, older workers being unable to maintain employment after Minvest closes the Roşia min operation, disadvantaged people lacking capacity (intellectual, educational, physical) to exploit new opportunities	Identification of specific individuals at risk. With local authorities identify employment opportunities, what (re-)training is required, assist in retraining, etc	As per re-employment measures & indicators concerning ex-Rosiamin employees.  Numbers of identified persons attending & completing re-training.  Numbers of identified persons gaining employment.	Local government agencies & RMGC, relevant NGOs if possible.
Increased direct & indirect employment	Flow on effects of presence of major economic investment throughout community, to national level. 1:4 direct/indirect employment: job creation.	No mitigation necessary		Stakeholders directly or indirectly affected or involved in RMP
Increased income	In comparison to a 'no-mine' scenario, incomes will rise	No mitigation necessary		

Impact description	Impact effect	Mitigation measures	Monitoring measures and indicators	Responsibilities
<p>Loss of trained staff from other organizations &amp; businesses to RMGC</p>	<p>Capacity drain to fill higher-paying/better benefits position with RMGC. Reduced capacity available to other businesses</p>	<p>Identification of work-capacity needs of RMGC per project development phase broken down into specific skills categories with approximate % workforce. Gap analysis of existing capacity in surrounding regions relative to RMGC demands.</p> <p>Based on gap analysis, skills enhancement, adult education &amp; vocational training to be conducted by RMGC supported initiatives leading to increased capacity level to supply RMGC needs whilst maintaining capacity for regional business needs.</p> <p>Demand for employment will drive higher salaries &amp; better conditions increasing overall capacity in region by encouraging suitably qualified workers to the region.</p>	<p>Assessment of RMGC capacity need.</p> <p>Assessment of regional technical capacity to meet RMGC needs. Gap analysis of regional capacity relative to RMGC needs.</p> <p>Training programs developed &amp; implemented, number of attendees, number of graduates, number in position.</p> <p>Ongoing assessment of capacity in businesses in surrounding regions to ensure sufficient is available.</p>	<p>RMGC based on its Hiring Policy. EPC contractors to comply with Hiring Policy. RMGC to monitor regional capacity levels to ensure local businesses do not suffer capacity loss to their detriment.</p>
<p>Increased income for those engaged in small business</p>	<p>Requirements of supply of a diverse range of services, materials &amp; products for the RMP drive demand for sourcing services, etc, locally, leading to increase income to local businesses. Also provides incentive to develop local businesses to supply RMP &amp; related/spin off demand.</p>	<p>Stimulation of business through Small Business Fund, Micro-financing, Skills-enhancement fund + other initiatives coordinated by independent Rosia Montana Development Foundation.</p>	<p>Number of requests for assistance:</p> <ul style="list-style-type: none"> <li>• financial</li> <li>• technical</li> <li>• administration &amp; organization, etc.</li> </ul> <p>Number of new start businesses.</p> <p>Increase turnover/profit of new/existing businesses</p> <p>As above.</p> <p>Number of disrupted businesses, loss of turnover / profit.</p> <p>Number of disrupted businesses set up elsewhere, or remain in locality.</p> <p>Compensation requests per business.</p> <p>Amounts dispersed, to who, based on transparent resolution agreement.</p>	<p>RMGC, local governments, pro-business NGOs &amp; development organisations</p>
<p>Disruption to businesses located in the Project-Impacted Area</p>	<p>Temporary to permanent loss of business revenue. Loss of income and occupation to business people.</p>	<p>(Business) resettlement / re-establishment assistance to affected businesses. Compensation for loss of business. Skills enhancement, adult education &amp; vocational training available for affected business aiding in re-establishing businesses.</p> <p>Stimulation of business through Small Business Fund, Micro-financing, Skills-enhancement fund + other initiatives coordinated by independent Rosia Montana Development Foundation.</p>	<p>Number of requests for assistance:</p> <ul style="list-style-type: none"> <li>• financial</li> <li>• technical</li> <li>• administration &amp; organization, etc.</li> </ul> <p>Number of new start businesses.</p> <p>Increase turnover/profit of new/existing businesses</p> <p>As above.</p> <p>Number of disrupted businesses, loss of turnover / profit.</p> <p>Number of disrupted businesses set up elsewhere, or remain in locality.</p> <p>Compensation requests per business.</p> <p>Amounts dispersed, to who, based on transparent resolution agreement.</p>	<p>RMGC, local governments, pro-business NGOs &amp; development organisations</p>

Impact description	Impact effect	Mitigation measures	Monitoring measures and indicators	Responsibilities
Increased visibility of Community and region for other investments (i.e. regional development)	Increase in confidence for Foreign Direct Investment, locally to Rosia Montana, nationally based on confirmation major business investment is possible, to regional including neighbouring countries.	No mitigation necessary		Stakeholders directly or indirectly affected or involved in RMP
Trained labour force	Skilled, multi-disciplinary labour force following capacity building and experience required to work in the mine and ancillary industries	No mitigation necessary		Stakeholders directly or indirectly affected or involved in RMP

Impact description	Impact effect	Mitigation measures	Monitoring measures and indicators	Responsibilities
<p>Inflation and rising cost of access to services, infrastructure, etc. Caused by overall increase in economic activity &amp; wealth of region. Potentially detrimental to the poorest in the community</p>	<p>Price &amp; cost of living rise in community.</p> <p>Detrimental to disadvantaged persons, in particular elderly &amp; very poor.</p> <p>Less impacting on those involved in the increased economic activity, since income also rises.</p>	<p>Workers' Accommodation Policy aimed to reduce impacts by accommodation in Old Rosia Montana &amp; specifically identified accommodation sites throughout region. Lowers impact on local housing market at the same time providing for direct income into community.</p> <p>Identification of most vulnerable (using baseline). Specific measures targeting them to reduce impacts.</p> <p>Categories of assistance include but not restricted to:</p> <ul style="list-style-type: none"> <li>• Transport – shopping, visitations, medical assistance etc;</li> <li>• Domestic service – removal of snow, garbage, chopping &amp; piling of wood, etc</li> <li>• Others – organization of social events, etc.</li> </ul> <p><b>Financial:</b> In conjunction / cooperation with local authorities (+/- NGOs) determine an inflation-indexed coefficient to be applied to vulnerable and disadvantaged people on pensions or state-welfare to complement their basic income. Then design an appropriate measure tailored individually. For example: a weekly food hamper determined in conjunction with the person in particular. Or subsidising utility or other regular living costs. Thereby mitigating the impacts of inflation and ensuring their quality of life will not decrease due to inflation.</p>	<p>Numbers accommodated at the construction camp to be monitored on a quarterly basis against the total workforce</p> <p>Monitoring of local inflation on a six-monthly basis, including housing (rental and real estate, including land), and staples</p> <p>Six-monthly public release of the results within the Project environmental and social reports</p> <p>Vulnerable People Policy, included in the RRAP.</p> <p>Number of vulnerable people, their particular circumstances noted. Assistance programme developed &amp; followed. Number of visits in accordance to assistance programme.</p> <p>Inflation index developed &amp; applied. Method or measure to complement basic income or pension determined; record of regularity of dispersion of measure per vulnerable person..</p>	<p>Main EPC contractor to implement</p> <p>RMGC to monitor compliance</p> <p>RMGC in liaison with local government authorities who have a legal responsibility to take care of vulnerable people, +/- NGOs.</p>
<p>Construction period – a short period of relatively more intense activity</p>	<p>Increase in local economic activity following commencement of construction, the most active phase, including employment</p>	<p>Local Procurement Policy aiming at enhancing capacities of local small businesses, including management of the transition period from construction to Operation</p> <p>The CSDP includes small business development measures to enhance the business environment in a long term perspective, and alleviate the potential impacts of the depression resulting from the end of the construction phase</p>	<p>Local procurement against total contract amount, monitored on a quarterly basis for each contractor and compared with target contractually determined for each contractor</p> <p>Local procurement against total contract amount, monitored on a quarterly basis for each Operation &amp; Maintenance (O&amp;M) contractor and compared with target contractually determined</p>	<p>Contractors to implement in partnership with RMGC</p> <p>RMGC to monitor compliance</p>

Impact description	Impact effect	Mitigation measures	Monitoring measures and indicators	Responsibilities
Increased traffic, particularly at construction phase	Contraction of local economic activity at the end of construction, including retrenchments		for each O & M contractor	EPC contractors to identify hazards and mitigate them; RMGC and contractors with local teachers and education inspectorate to administer the safety awareness campaigns, and to refresh awareness on a periodic basis
	Significant volumes of traffic, particularly large machinery increases risks to people. Risk most acute for non displaced people, pedestrians, cyclists, young and the very old.	Workers Code of Conduct, speed limits, physical measures, and safety awareness in local schools	Traffic control and dampening devices employed. Radar measurements of speed and/or black boxes in vehicles Number of safety awareness sessions and attendance Number of incidents and accidents, and related corrective actions taken	
Mine construction and operation	Significant industrial operations, such as a mine, creates new safety hazards for communities particularly to non-displaced people.	Fencing of all work sites. Security services to avoid third-party intrusion. Safety awareness	Number of reported third party intrusions into work sites  Number of incidents and accidents, and related corrective actions taken  Number of safety awareness sessions and attendance	Contractors to fence all work sites  RMGC to monitor compliance  RMGC and contractors with local teachers and education inspectorate

Impact description	Impact effect	Mitigation measures	Monitoring measures and indicators	Responsibilities
<p>Social and economic risks related with eventual mine closure</p>	<p>Inappropriate or insufficient planning &amp; preparation for alternative sustainable economic activities during mine life leads to significant economic impacts following mine closure.</p>	<p>Development of a range of measures &amp; initiatives over the lifespan of RMP such that net welfare continues to increase following closure of mine operations.                      Stimulation of business through Small Business Fund, Micro-financing, Skills-enhancement fund + other initiatives coordinated by independent Rosia Montana Development Foundation.</p>	<p>Number of requests for assistance:</p> <ul style="list-style-type: none"> <li>• financial</li> <li>• technical</li> <li>• administration &amp; organization, etc.</li> </ul> <p>Number of new start businesses.                      Increase turnover/profit of new/existing businesses                      Training programs developed &amp; implemented, number of attendees, number of graduates, number in position.</p>	<p>RMGC and Rosia Montana Development Foundation                       Stakeholders directly or indirectly affected or involved in RMP</p>
	<p>Out migration of skilled workers, young educated people leave, demography (again) reflects aged population</p>	<p>Creation &amp; promotion of Roșia Montană &amp; Community as a centre of excellence concerning (for example): mining technologies, Community &amp; Sustainable Development expertise, construction &amp; building, archaeology &amp; patrimony.                      Establishment of economically sustainable industries, such as based around: mining, community development, archaeology, construction, tourism, etc.</p>	<p>Number of educational facilities, number of attendees, trends over time (increasing/ decreasing); number of companies (offering services reflecting areas of excellence); number of employees (trends), turnover (\$ &amp; employees)                      Number of businesses, number of employees, turnover, profit, contribution to local authority's budgets</p>	<p>Roșia Montană development foundation,                       local stakeholders,                      local authorities</p>
	<p>Decrease in population to below demographically &amp; economically sustainable levels; Roșia Montană declines as a village                       Roșia Montană's socio-economic indicators demonstrate positive growth. Roșia Montană remains a viable, attractive living centre with a sustainable economy, positive economic growth &amp; dynamic population</p>	<p>Development of Roșia Montană as an attractive village of a high standard &amp; quality of living based on the principles of sustainable development, well maintained, comfortable &amp; accessible, with employment &amp; economic possibilities                       No mitigation necessary</p>	<p>Number of inhabitants, demand from people to move to Roșia Montană, number of people leaving, attendance at educational facilities, contribution to local authorities, demographic structure, number of births, deaths, change in population numbers (rise, falls)</p>	<p>Roșia Montană development foundation,                       local stakeholders,                      local authorities</p>