



European Commission  
Service for Foreign Policy Instruments

## PROGRAM BRIEF

# Property Rights and Artisanal Diamond Development II (PRADD II)

## Supporting the Kimberley Process in Côte d'Ivoire and Guinea

**OVERVIEW:** The Property Rights and Artisanal Diamond Development II (PRADD II) Project supports governments to implement mining best practices in Côte d'Ivoire and the Central African Republic, and promotes good governance of the mining sector at the international level through the Kimberley Process, the international mechanism that prevents rough diamonds from fueling conflict. The project—a \$19 million five-year joint USAID/European Union initiative—is a follow-on project to PRADD I, USAID's flagship mining project implemented from 2007–2013 across Central African Republic, Guinea, and Liberia.

The objective of PRADD II is to increase the number of alluvial diamonds entering the formal chain of custody, while improving the benefits accruing to diamond mining communities. Artisanal miners labor under archaic and difficult working conditions and live in extreme poverty, often receiving less than nine percent of the retail price of the stones they extract. Poverty prevents miners from acquiring the licenses required to operate within the law, the equipment necessary to increase their gains, and the assets needed to diversify their livelihoods. Not surprisingly, miners often become incentivized to mine quickly, sell fast, and rapidly move on to new sites. These practices have devastating economic and environmental consequences, negatively impact export revenues, and prevent compliance with the Kimberley Process Certification Scheme (KPCS).

**THE PRADD II APPROACH:** Drawing upon the fields of property rights, economic development, governance, and behavioral change, PRADD II bases its approach on the premise that secure property rights create positive incentives for miners to be good stewards of the land. When an artisanal miner's rights to prospect and dig for diamonds are formal and secure, they are more likely to sell through legal channels, enabling the government to track the origin of diamonds and prevent them from fueling conflict. In addition, the formalization of extracting perimeters stimulates the land market, which appeals to prospective investors.

PRADD II further strengthens the diamond value chain by designing alternative systems of financing, equipment, and marketing, which benefits diggers, miners, intermediaries, and exporters. The project introduces complementary livelihoods, including the conversion of exhausted mining sites into agricultural units, and specifically targets women to uptake these livelihoods in an effort to mitigate the environmental damages of artisanal mining while providing diversified income and food security.



At the policy level, PRADD II supports governments to improve diamond mining legislation and regulations. In 2013, the project produced the Washington Declaration Diagnostic Framework, which helps diamond-producing states translate international best mining practices into action. The framework was endorsed by the Kimberley Process in November 2013. PRADD II combines local, national, and international communication tools to mobilize civil society groups and change the behavior of artisanal miners and decision makers regarding the trade of rough diamonds. PRADD II's goal is to use behavior change communication approaches to alter the way miners view diamond trade and production—shifting from a source of conflict to a powerful tool for development that will contribute positively to national economies, miners, and their communities.

**PRADD II IN CÔTE D'IVOIRE:** The PRADD II Côte d'Ivoire team continued to invest considerably in strengthening the parastatal SODEMI in the Séguéla and Tortiya sites. PRADD II has been helping SODEMI, along with mining cooperatives, identify new diamond mining sites. This quarter, the information collection of 408 auger holes (of which 107 intercepted diamondiferous gravel) and 48 test pits was concluded to the satisfaction of all parties. Meanwhile, PRADD II facilitated social dialogue in diamond mining sites to help reduce tensions between SODEMI and the local communities. PRADD II established 15 SMARTER mining, or bench terracing, demonstration sites with mining cooperatives. The project continued to draw attention to urgent issues in the KP chain of custody of which SODEMI plays a key role in data collection and transmission. PRADD II completed the training of 30 mining cooperative focal points on behavioral change communication for promoting KP awareness and adoption of SMARTER mining techniques.

This quarter, PRADD II advanced its land use planning work. It trained Tortiya municipal authorities in how to implement the strategic commune development plan prepared earlier in the year and how to take into account gender in project planning. Community based diagnostics and dialogues in Séguéla advanced this past quarter on environmental and development problematics confronting the area. Those involved in PRADD II's livelihood diversification activities were pleased with the harvest of 850 kg of honey from hives placed in cashew plantations and the identification of market opportunities. The PRADD II technical team continued to assist women's agricultural groups to make compost, plant and harvest field crops, formalize their associations, and improve income generation through the use of project provided solar water pumps and motorized tricycles and attached wagons. The project mentorship program for small entrepreneurs advanced well with the hand-over of equipment to the youth entrepreneurs, the identification of in-kind financing from local banks, and tailored business skills training.

**PRADD II AND THE CENTRAL AFRICAN REPUBLIC:** The PRADD II Central African Republic team advanced well this past quarter, though always confronted by the fragile political and institutional context in the country. The major advancement was in building a formal inter-ministerial coalition between the Ministry of Mines and the Ministry of Social Affairs and Reconciliation to work jointly in diamond mining areas of the western part of the country. Both ministries are negotiating a formal accord to be signed by their respective ministers. This will be one of the first such formal agreements in the country. The door will be opened for establishing Local Peace and Reconciliation Committees in diamond mining communities, and then, the subsequent negotiation of "Local Pacts," or conventions to reduce tensions and conflicts between contending forces in these zones. Local Pacts are based on the National Pact, a key feature of the Bangui Forum, which seek to promote improved inter-ethnic cooperation and synergies at the local level. These codify, to a certain extent, initiatives taken by local communities to rebuild trust and confidence in each other around various livelihoods. Radio programs were launched by the project on ways to build peaceful coexistence in the western diamond mining

areas. PRADD II continued to build the foundation for peace building by encouraging international non-governmental organizations to work in these diamond mining sites.

PRADD II worked closely with the Permanent Secretary of the Kimberley Process to strengthen data collection required by the KPCS Operational Framework. Ten project financed interns working under the supervision of the Permanent Secretary are now collecting data in the compliant zones of Berberati, Nola, Carnot, Gadzi, and Boda. The PRADD II team helped to revise, print, and disseminate new Production Notebooks for all compliant zones and then expanded the use of mobile technologies for printing identification cards. Gradually, the Kimberley Process required data collection is becoming more operational and sophisticated.

**PRADD II AND REGIONAL ACTIVITIES:** PRADD II has much reduced its contributions to regional Kimberley Process activities. This function has been largely picked up by the European Union. Nevertheless, the Côte d'Ivoire team follows closely initiatives of the Mano River Union around the artisanal diamond mining sector.