

# Property Rights and Artisanal Diamond Development (PRADD)

**USAID's Project to Support the Kimberley Process** 

Presenter: Tim Fella
Property Rights and Resource Governance
Issues and Best Practices
October 2011

### Context, objectives and approach of PRADD

- Joint USAID/Dept. of State initiative to assist the Central African Republic and Liberia to comply with the Kimberly Process Certification Scheme (KPCS)
- Two objectives:
  - Increase the amount of artisanal diamonds entering the formal chain of custody
  - Increase the benefits from diamond mining that accrue to mining communities
- A key element of PRADD's approach is to clarify and strengthen property rights

#### PRADD components

#### PRADD has 5 program components

- 1. Clarify property rights
- Improve tracking of diamond production and sales
- 3. Diversify and improve livelihoods
- 4. Mitigate environmental damage
- Improve access and availability of information





### Why a focus on property rights of artisanal miners?

- Informs where diamonds are being extracted from
- Minimizes land and resource disputes
- Encourages rehabilitation of sites
- Improves security of investments
- Informs where proceeds from mineral exports should be reinvested



# PRADD works with the host government, civil society and the diamond industry to....

- Host participatory rural appraisals
- Produce maps of land and related mining claims
- Conduct stakeholder meetings to validate land claims
- Issue property rights certificates
- Create geo-referenced database



#### **Property rights challenges**

- Land and mining rights accessed through various and sometimes competing tenure systems
- Rights are often overlapping or in conflict

Multiple types of customary rights can coexist in the same

space including

- Access rights
- Collecting firewood and water
- Hunting and fishing
  - Use rights
- Farming
- Grazing livestock
- Mining



## When systems of customary rights are upset, this can...

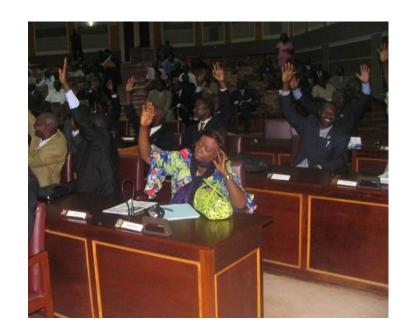
- Increase mistrust and conflict, especially when minerals are discovered and land values increase
- Reduce investment and local economic activity, as people will prefer to subsist if they are less sure of their claims
- Reduce outside investment, as investors will shy away from areas where claims are being disputed

#### Other PRADD activities

- Improve tracking of diamond production and sales
  - Artisanal mining cadaster
  - Reform of the production and reporting notebook
- Improve livelihoods & mitigate environmental damage
  - Training and supply of materials; miners supply labor
    - Fish farming, vegetable gardens, tree farms, soap making
  - Diamond valuation training
- Improve access and availability of information
  - Radio campaign
  - Poster distribution
  - Film

#### Support from Central African Republic (CAR) Government

- Reduction in artisanal mining license fee by 36%
- Establishment of GIS Unit within Ministry to manage mining cadaster
- Endorsement of PRADD methodology
- Issuance of PRADD certificate



#### PRADD has helped the CAR Government:

- Improve tracking of diamond production and sales
  - 1,866 mining claims entered into GIS database
- Increase the number of legal miners
  - By mid-2011 reached 103% of 2010 total
- Increase legal diamond production
  - Production tripled from 4.1% in 2009 to 14.7% in 2011
- Increase revenue from diamond exports and licenses
  - Additional \$136,000 in revenue generated
- Comply with the KPCS
  - Compliance efforts acknowledged by KP chairman

### PRADD has helped CAR mining communities:

- Increase security of land and mineral rights
  - 1,866 property rights certificates delivered
- Mitigate environmental damage
  - Over 425 mining sites rehabilitated
- Diversify incomes through alternative livelihoods
  - \$11,000 in extra income generated this past year
- Reduce resource disputes
  - Conflicts reduced from 142 to only 4 after 2 years
- Better understand mining laws
  - 81.7% of miners now intend to rehabilitate their sites

# Thank you

