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# PROPERTY RIGHTS AND ARTISANAL DIAMOND DEVELOPMENT PILOT PROGRAM – GUINEA CLOSEOUT REPORT (JANUARY–APRIL 2009)



MAY 2009

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COVER PHOTO:

Community gathering during participatory research on land and property rights in the diamond-mining village of Famorodou, Sous-Préfet of Banankoro, District of Soumassania. Courtesy of Steve Reid, ARD, Inc.

# PROPERTY RIGHTS AND ARTISANAL DIAMOND DEVELOPMENT PILOT PROGRAM – GUINEA

CLOSEOUT REPORT (JANUARY–APRIL 2009)

JUNE 2009

**DISCLAIMER**

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# CONTENTS

- CONTENTS..... i**
- ACRONYMS AND ABBREVIATIONS..... i**
- 1.0 INTRODUCTION..... 1**
- 2.0 TECHNICAL CLOSEOUT ..... 3**
  - 2.1 ACTIVITIES UNDERTAKEN..... 3
  - 2.2 INFORMATION AND LESSONS GLEANED FROM FINAL CONSULTATIONS ..... 5
- 3.0 ADMINISTRATIVE CLOSEOUT ..... 9**
- 4.0 FINAL OBSERVATIONS AND RECOMMENDATIONS ..... 11**
- ANNEX 1. PRADD GUINEA STOP ORDER PLAN ..... 17**
- ANNEX 2. LIST OF PRADD DOCUMENTS DISTRIBUTED DURING FINAL CONSULTATIONS ..... 21**
- ANNEX 3. PRADD GUINEA FINAL PROGRESS REPORT TO PARTNERS AND SUMMARY OF PRINCIPAL FINDINGS AND RECOMMENDATIONS, MARCH 2009..... 23**
- ANNEX 4. AIDE MÉMOIRE ..... 35**
- ANNEX 5. PROPERTY DISPOSAL PLAN..... 45**
- ANNEX 6. REPORT OF ADMINISTRATIVE CLOSEOUT ..... 47**



# ACRONYMS AND ABBREVIATIONS

CENI	<i>Commission Electorale Nationale Indépendante</i>
CNDD	<i>Conseil National de Démocratie et Développement</i>
CONADOG	<i>Coordination Nationale des Diamantaires et Orpailleurs de Guinée</i> (private organization representing diamond producers, buyers, and exporters in Guinea)
COP	Chief of Party
COTR	Cognizant Officer's Technical Representative
CPDM	<i>Centre de Promotion et de Développement Miniers</i>
CRD	<i>Communauté Rurale de Développement</i>
DNM	<i>Direction Nationale des Mines</i>
KP	Kimberley Process
MMG	Ministry of Mines and Geology
NGO	Nongovernmental Organization
PA	<i>Point d'Appui</i>
PRADD	Property Rights and Artisanal Diamond Development Pilot Program
STA/M	Senior Technical Advisor/Manager
USAID	United States Agency for International Development



# 1.0 INTRODUCTION

Political events in the Republic of Guinea in the first quarter of 2009 resulted in the closing of the Property Rights and Artisanal Diamond Development (PRADD) Pilot Project—at a time the project was gathering significant momentum. On December 22, 2008, Guinean President Lansana Conté died after a long illness, plunging the country into turmoil. Within 24 hours, a group of military officers headed by Moussa Dadis Camara asserted control. Though bloodless, the coup d'état was promptly condemned by most of Guinea's partners, including the United States. All non-essential government activities were suspended in the aftermath of the coup, including a Ministry of Mines and Geology (MMG) fact-finding mission that had begun in late December to look into clandestine diamond mining and the alleged trafficking of conflict diamonds from Côte d'Ivoire.

Over the ensuing weeks, as the military junta consolidated its grip on power, the US Government's position toward the new regime hardened. On January 6, 2009, the US Government formally announced the suspension of all assistance to Guinea with the exception of humanitarian aid and programs supporting the democratic process. ARD, Inc. was instructed by USAID not to have any contact with members of central government, and to await specific instructions. On January 22, the ARD Senior Technical Advisor/Manager (STA/M) for PRADD, Steve Reid, traveled to Conakry to relieve Chief of Party (COP) James Shyne, and to begin a closeout process.<sup>1</sup> On February 6, ARD received an order from USAID with instructions to “discontinue work with the Government of Guinea at all levels,” and “to take all reasonable steps to minimize the incurrence of costs allocable to Task Order #02 until further notice” with regard to all other existing work in Guinea.

ARD promptly prepared and submitted for USAID approval a two-phased Stop Work plan (see Annex 1). Phase I concerned the termination in an orderly fashion all technical activities and the release of technical staff by March 31. Activities included reporting back to stakeholders and partners on PRADD's principal findings and recommendations, and turning over studies, workshop reports, and any other materials that stakeholders and partners could use in pursuing the objectives of PRADD after the project's closure. Phase II consisted of the close down of all administrative activities and offices by April 30, 2009.

ARD executed both phases of the PRADD Guinea project closeout on schedule. The sections that follow briefly describe the key actions carried out and highlight information gathered during final consultations with actors in artisanal diamond sector that could inform decisions regarding an eventual resumption of PRADD in Guinea, when the political situation has improved.

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<sup>1</sup> ARD had notified USAID in November 2008 that COP Shyne would be resigning at the end of January 2009 in order to accept a Fulbright scholarship.



# 2.0 TECHNICAL CLOSEOUT

In the five months preceding the Guinea coup d'état (August–December 2008), the PRADD pilot project had conducted a series of activities that contributed new information and analysis on the artisanal diamond sector in Guinea and provided orientations for needed reforms of government systems put in place to control the production and marketing of rough diamonds. These activities included:

- A study to understand the weak contribution of public revenues from diamond mining to the development of mining communities, and a regional workshop to validate findings and formulate an action plan; and
- Participatory rural appraisal exercises analyzing informal (“clandestine”) land tenure and diamond sector management systems at designated PRADD sites.

The above-mentioned activities involved the entire range of PRADD’s stakeholders in Guinea (government administrative and technical officials, miners’ organizations, local community leaders, nongovernmental organizations [NGOs], etc.).

## 2.1 ACTIVITIES UNDERTAKEN

To fulfill the project’s fundamental obligation to report back on these activities to its partners, and in an effort to ensure that the preliminary results obtained by PRADD could be capitalized upon by those actors who would wish to do so, ARD carried the following actions as part of the closeout process.

### 1. Reproduced key studies and reports for selected stakeholders and partners

The PRADD Guinea team identified nine project reports (listed in Annex 2) for distribution to project stakeholders and partners. These included reports of the project launching and validation workshops organized in Conakry and Banankoro; two policy reviews of the artisanal diamond mining sector (focus on information collection and management systems, and on land tenure and property rights); a study examining public revenues from diamond mining and their use; and a report of the multi-stakeholder workshop held to debate and validate the findings of that study. In all, the project reproduced 1,100 documents for distribution, including two complete sets for USAID/Guinea and the National Direction of Mines.

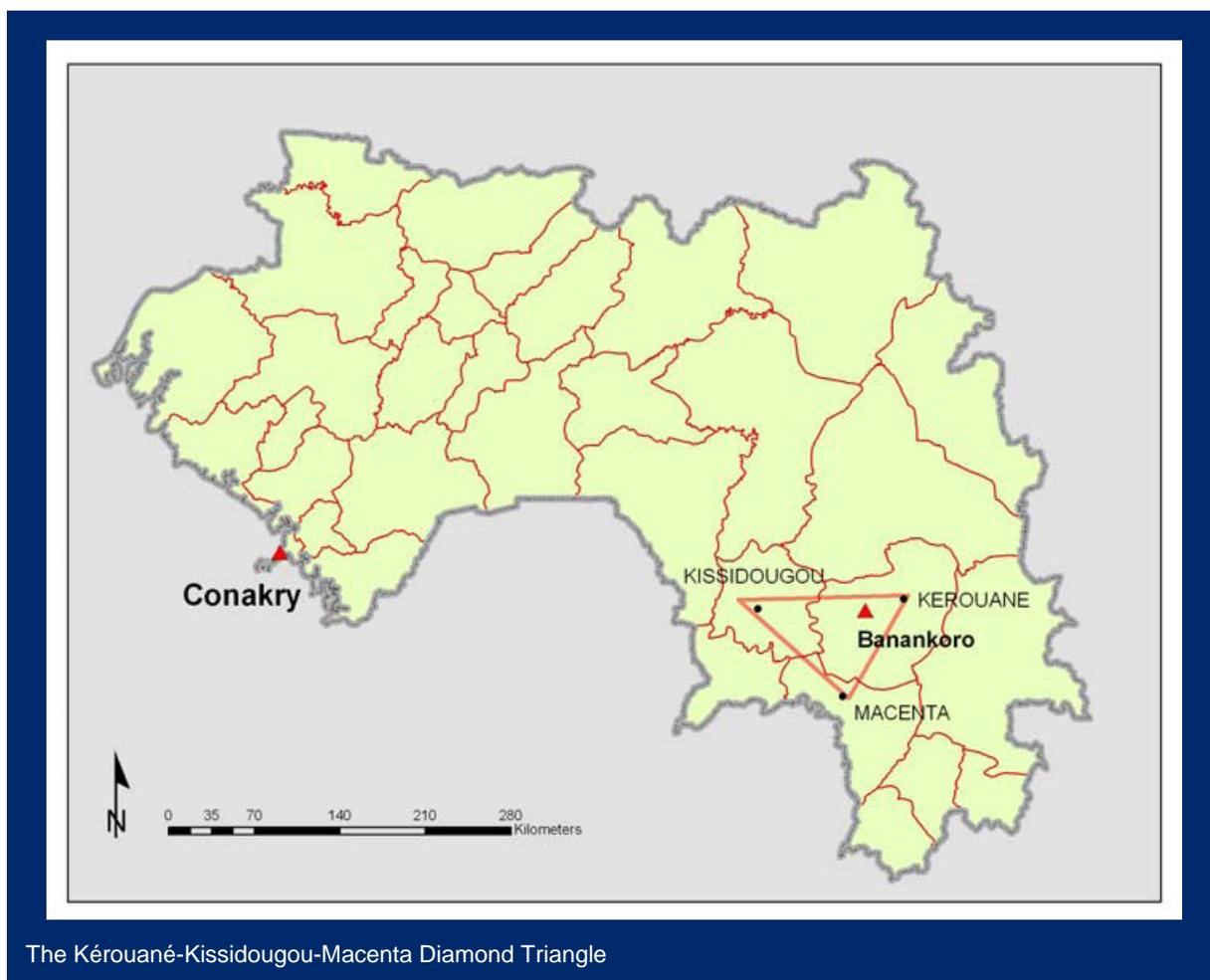
### 2. Prepared a summary document of PRADD’s principal findings and recommendations

To facilitate exploitation of the project’s various technical reports and ensure dissemination of key findings, PRADD Guinea prepared a 10-page final progress report in French for project stakeholders and partners. An English version is presented in Annex 3.

### 3. Met with project stakeholders in diamond-mining zone to distribute reports, review project findings and recommendations, and gather feedback

From March 15 to 23, PRADD’s three-person technical team (Apollinaire Kolié, Yomba Sanoh, and Mahmoud Sano) and the project’s STA/M travelled to Guinea’s principal artisanal diamond mining region for one-on-one meetings with government authorities, mining services representatives, miners’ associations, local and traditional leaders, NGO and project representatives (including the director of

USAID's *Faisons Ensemble* office in Kankan), rural radio stations, and other project stakeholders and supporters. The mission, which covered three prefectures (Kissidougou, Macenta, and Kérouané) and the regional capital of Kankan, and involved more than 110 participants, allowed the PRADD team to explain the circumstances of the project's unexpected withdrawal from Guinea, share useful findings and recommendations, and encourage the different actors to pursue initiatives aimed at improving transparency and management of the artisanal diamond sector.



#### 4. Held final consultations with project partners and stakeholders in Conakry

Upon its return from the diamond-producing region in March, the PRADD team organized final meetings with its partners in the MMG and other selected civil society partners, including NGOs CECIDE and *Guinée-Ecologie*, to hand over project documentation and discuss possible follow-up actions at their level. At the MMG, the PRADD team held individual meetings with the three structures that had participated most directly in the implementation of the project—the National Direction of Mines, the *Bureau National d'Expertise*, and the *Centre de Promotion et de Développement Miniers*. The project sought and obtained an audience with ex-minister Ahmed Kanté, who had emerged from preliminary investigations by the new regime into management of the Mining Ministry as a person who had attempted—against considerable internal resistance—to root out endemic corruption in the sector.

In an effort to ensure that the products of PRADD's work in the artisanal diamond sector not be ignored or wasted, the team also organized a targeted distribution of documentation to other key governmental structures and civil society organizations, including EITI, the Anti-Fraud Brigade, the Ministry of

Territorial Administration, the Departments of Geology, Decentralization, and Environment, the Association of Women in Mining and Development (AFEME), the mining newspaper *Aurore*, and the University of Conakry.

Mr. Reid met with USAID/Guinea Mission Director Clifford Brown at the conclusion of the technical closeout to debrief him on the team’s final consultations, and to review ARD’s administrative closeout plan. The PRADD STA/M also met with USAID Democracy and Governance Advisor Anna Diallo and provided her with copies of PRADD reports that address governance issues in the artisanal mining sector.

Annex 4 provides a listing and brief summary of the final consultations held with PRADD stakeholders and partners in the diamond “triangle” (Kissidougou-Macenta-Kérouané).

#### INCREASED KNOWLEDGE AND CAPACITY

“I attended the project launching workshop in Banankoro (May 2008), and the workshop on public revenues from diamond mining in Kissidougou (November 2008). At first I thought of the project as bringing lots of money, but I came to understand that it was bringing us something more important—knowledge and increased capacity.”

—President of the artisanal diamond association, CONADOG, in Kissidougou

## 2.2 INFORMATION AND LESSONS GLEANED FROM FINAL CONSULTATIONS

While the principal objective of the final meetings organized with PRADD stakeholders and partners in the diamond triangle and Conakry was to hand over the key products of the pilot project for use by those actors, the consultations were also an opportunity for the PRADD team to gather feedback on the project, receive updates on changes in the sector, and deepen its understanding of issues and challenges. Below we summarize several items of interest.

### Appreciation for PRADD’s role as catalyst and “lightning rod”

Project stakeholders and partners expressed bewilderment and disappointment upon learning that PRADD was being closed. At the time of the final consultations (March 2009), the new Guinean regime was riding a crest of popularity, particularly in rural areas, as a result of its highly-publicized crackdown on corruption in the mining and other sectors. Many of PRADD’s interlocutors saw a natural association between PRADD’s efforts to improve transparency in the artisanal sector and the actions of the new government. The PRADD team did not enter into any protracted explanations or discussions about the US Government decision to suspend non-humanitarian/non-election-focused aid to the new regime, except to note that the USG’s policy was of general principle and applied to all US foreign partners, and that the current suspension was not a permanent one.

PRADD stakeholders and partners voiced strong appreciation for different actions taken by the project. While the focus of their comments varied according to their specific roles and interests in the artisanal diamond sector, they credited the project with focused attention, raised awareness, and promoted dialogue on several important issues, namely:

- The absence of a coherent policy and accompanying communication strategy with local government (*communautés rurales de développement* [CRDs] and district) and traditional leaders concerning the allocation of mining rights to semi-industrial mining companies. PRADD’s efforts to inventory and locate mining titles revealed the institutional and informational “disconnect” between the National Direction of Mines charged with artisanal diamond mining and the CPDM responsible for promoting industrial and semi-industrial mining. PRADD’s field investigations underlined the growing hostility many local residents feel toward the government over property rights and mine permitting issues—a situation with potentially explosive consequences.
- The necessity of acknowledging the existence of widespread informal or “clandestine” diamond mining and exploring ways to formalize and regulate it in partnership with rural communities rather

than ignoring and allowing it to continue to be managed through ad hoc structures that charge fees not reinvested in local development and that are not interested in diamond traceability or in the mitigation of environmental impacts.

- The systematic diversion of public revenues from diamond mining that are supposed to augment the budgets of the CRDs in diamond-producing zones.
- The issues raised by PRADD were in no way “new”—on the contrary, they are long-simmering problems. The salutary role played by PRADD in the view of many stakeholders, was to offer some objective, fact-based analysis of the problems, to create opportunities for different stakeholders to improve their understanding of relevant policies and laws, and to facilitate an exchange among stakeholders regarding remedial measures.

#### PROPERTY RIGHTS, CONFLICT PREVENTION, AND REVENUE MOBILIZATION

“I’ve learned a great deal from PRADD, and I’m using this information in my reports to warn the *Prefet*, for example, about the risks of sending companies into forest zones that are hostile to diamond mining. I’m also working closely with the sous-prefecture and the CRD to ensure that mining companies pay the area taxes they owe to local government.”

—Chief of Mining Section, Macenta

#### Continued need for clear information on roles, rights, and responsibilities

A number of multi-stakeholder meetings held by the PRADD team during its final consultations underlined the critical need for more readily available and accurate information for leaders and residents of artisanal mining communities in order to improve management of the sector.

In the sous-préfet of Sibiribaro, for example, participants from numerous villages expressed frustration about alleged violations by semi-industrial mining companies. Several companies, they noted, had received titles to perimeters that were much larger than the 16 square kilometers allowed, reducing lands available for mining by local residents. Many companies, they added, are not rehabilitating land as required by law. One village demanded the retrocession of a prospecting permit for 48 square kilometers to a company that had done nothing to exercise its permit. Mining service representatives questioned the accuracy of villagers’ allegations. Representatives of the local government council shared villagers’ frustration, but professed ignorance as to how to investigate these complaints and seek redress. Passivity and helplessness are endemic in an environment in which people do not have access to reliable information, and have lived for many years under repressive, highly centralized regimes.

#### UNDER-CAPITALIZED BENEFITS

“Where there is a system of regulation, there are benefits for the State and local populations. But when regulation is lacking, there is only confusion.”

—Chief of Mining Section, Banankoro, discussing inadequate controls on semi-industrial and informal diamond producers with PRADD, the sous-préfet, the CRD, and CONADOG

#### THE LIMITS OF INFORMAL SYSTEMS

“There are aspects of our local systems (diamond mining) that aren’t normal. We need to enter into legality. This will require modifying our ways. If we have recommendations for the Government, we have to make them.”

--District President of Soumassania, where clandestine mining is widely practiced and is a key component of the local economy

The PRADD team shared ideas about how local actors could continue to press for information and solutions. Rather than making oral entreaties, the PRADD team recommended that the CRD *write* to government authorities. Written grievances and requests for information and clarifications carry considerably more weight. When such correspondence is ignored, local actors should be prepared to direct their questions to higher authorities. By addressing such questions as a broader group (e.g., an association of CRDs), local actors can improve their chances of being heard, and reduce risks of being isolated. While such recommendations are practical

and within the capacity of CRD and district presidents, for example, these local leaders lack so much basic information about their own roles, responsibilities, and rights—and those of other services and institutions—that they remain hesitant to assert themselves.

In Banankoro, PRADD organized a similar meeting that was attended by the sous-préfet, a representative of CONADOG, four representatives of the CRD, three members of the diamond mining service, and others. Two questions which sparked lively—and at times heated—discussion concerned the collection and management of “area taxes,” and the monitoring of the production of semi-industrial companies by government technical services. The discussions revealed the near-total absence of understanding on the part of participants concerning the relative responsibilities of different administrative and technical authorities, and the procedures to be applied.

With regard to the recovery of area taxes (which are supposed to be paid directly to the CRDs by mining companies), the CRD secretary noted that he had recently approached a diamond mining company operating in the vicinity of Famorodou village and was informed by a company spokesman that it had already paid its \$2,100 tax—to the Prefecture. One participant knew the history of the administration of the area tax and was able to explain how and when its collection had been co-opted by the

Prefecture (purportedly to ensure more judicious use of the tax revenues).<sup>2</sup> Only one person was familiar with the procedure by which the area tax amounts are fixed (annually, by the CPDM and the Ministry of Finance, but the sous-préfet pointed out that currently there is no mechanism for alerting the CRDs concerned). The conclusion of this discussion was that CRDs need to “discover the law and procedures underlying these fiscal receipts and battle for their rights.”

Another problem for which participants admitted to a lack of information concerning authorities and procedures involves the monitoring of the production of semi-industrial diamond mining companies. While large areas around Banankoro are under semi-industrial exploitation, the sous-préfet and CRD president noted that they have no idea about the actual levels of production. No one from the CRD, and not even the Guinean engineers working for these companies, are permitted to witness the sorting of diamonds. They inquired, therefore, “Who is responsible for controlling these companies?” The Resident Advisor of the PRADD team, a former MMG official, informed participants that semi-industrial companies are under the responsibility of the Prefecture, and that the Mining Service is supposed to assert its control of the mining companies periodically. But he conceded that the monitoring is too sporadic to be effective, and that the sous-préfets need to assist.

The lack of access to basic information was underscored when the CRD president asked where he could obtain a copy of the Mining Code. When told he could purchase a copy from CPDM for 25,000 GF



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<sup>2</sup> The history of the administration of the area tax is convoluted. According to our sources, a “special mission” that included the mining service was initially charged with recovering the tax and distributing it directly to the CRDs. After several years, the Prefectures protested this approach, alleging that it was sowing confusion. They instructed the mining service (orally) to allow the Prefectures to handle these revenues and to allocate them in accordance with prefectural development plans. The instruction was never formalized, but given the historically weak management of the CRDs, was never contested.

(about \$5 US), he noted, “We should receive a copy of this Code from the Ministry of Mines or Decentralization, and be instructed in its application. Then, if we fail to apply it, it’s our own fault!”

PRADD’s technical coordinator drew the long and animated stakeholder meeting in Banankoro to a close by noting that the project had helped raise the debate, but that there are “no walls” between the CRD, the artisanal diamond service, CONADOG, and the sous-préfet. “You need to demand access to the information you need.”

### **Diamond market downturn**

The PRADD team’s consultations with CONADOG representatives and artisanal mining communities confirmed a dramatic reduction in demand for rough diamonds since December 2008. In Banankoro, prominent diamond producer El Hadj Sékou Touré noted that he was having considerable difficulty selling his stones and that prices had declined markedly. In Conakry, the PRADD team found the CONADOG office empty, and the normally bustling office of the *Bureau National d’Expertise* devoid of staff and diamond valuers. Mr. Touré, like some of his fellow “masters” in the mining zone, appeared ill-informed about the role of the global economic crisis in the collapse of the diamond market. Some attribute the absence of diamond buyers in Conakry to the unstable political situation that has prevailed since January.

### **Paralysis in national technical departments and agencies**

Conditions for conducting substantive final discussions with the National Directions of Mines and other government partners on options for addressing clandestine diamond mining, for example, were far from ideal. In Conakry, the PRADD team found that its key interlocutors in the different departments and agencies of the MMG, all quite active in the past, had adopted a passive and hesitant posture under the new regime. Some agency heads expected to be relieved of their responsibilities as changes already made at the ministerial level worked their way down the hierarchy, and considered themselves to be “lame ducks.” The head of the National Direction of Mines was clearly preoccupied by investigations underway at the headquarters of the *Conseil National de Démocratie et Développement* (CNDD) which had convoked two *Direction Nationale des Mines* (DNM) staff members to testify in a land compensation complaint levied against the government’s principal diamond concessionaire, AREDOR.

PRADD’s MMG interlocutors were gracious and insisted that they would do everything to ensure the new leadership of the ministry is apprised of PRADD’s work. Nevertheless, it seems likely that the paralysis of state technical structures may continue as the country moves into an intensive pre-electoral phase and an electoral campaign designed to restore civilian rule in Guinea by early 2010.

## 3.0 ADMINISTRATIVE CLOSEOUT

Administrative closeout of the PRADD Guinea project entailed closing the project's offices in Banankoro and Conakry, and the COP residence in Kissidougou; termination of employee and consultant contracts and the payment of salary and severance benefits; preparation and approval by USAID of a plan for the disposal of non-expendable property; consolidation and distribution of project equipment and furniture to designated beneficiary organizations; termination of utility and service agreements; shipping of project technical and administrative records to ARD headquarters in the US; and closing the project's bank account.

The above-mentioned tasks were accomplished largely on schedule and without major difficulty. The ARD STA/M oversaw the initial steps of the administrative closeout during his March 11 to April 3 mission to Guinea. He directed PRADD's Office Manager, Kalil Camara, to close the project's office in Banankoro following the project's final consultation with project stakeholders there in mid-March and to consolidate and store PRADD equipment and furniture pending final disposal. In consultation with the USAID Contracting Officer's Technical Representative (COTR) and the ARD home office, Mr. Reid calculated the final salaries and benefits owed to PRADD's five staff members and issued final payments for income tax withholding and social security to Guinean institutions.

The most challenging aspect of the administrative closeout was the disposal of PRADD's non-expendable property, divided between the capital, Conakry, and Kissidougou—a nine-hour drive to the east. In close consultation with the COTR and with USAID/Guinea Mission Director Cliff Brown, Mr. Reid prepared a property disposal plan (see Annex 5) that allows ARD to store the project's all-terrain vehicle, 13 KVA generator, and most valuable computer and office equipment with the USAID Mission, pending the hoped-for launching of a PRADD activity in neighboring Sierra Leone in the second or third quarter of 2009. The retained items comprise all but two of the 15 items in PRADD's inventory valued at over \$500 and constitute approximately 85% of the total inventory purchase value (\$69,993 of \$82,016).

At the request of USAID/Guinea, the bulk of the remaining equipment and furniture was allocated to the national independent electoral commission (CENI) and a clinic in eastern Guinea supported by USAID subcontractor, Engender Health.

To manage the actual transfer of PRADD's non-expendable property to designated beneficiaries, the closing of PRADD's Conakry office, the termination of the project's Office Manager and Driver, and other administrative closeout tasks, ARD hired Robert Merritt, a US national consultant resident in Conakry. Mr. Merritt collaborated closely with USAID/Guinea on the storage of PRADD project material and the identification of suitable beneficiaries for the few items not claimed by CENI and Engender Health. Mr. Merritt concluded his contract on May 1, 2009. His report on the administrative closeout is attached in Annex 6.



# 4.0 FINAL OBSERVATIONS AND RECOMMENDATIONS

The PRADD Guinea pilot project was not even a year old when the political and economic context in the country was abruptly and profoundly altered. As this report notes, many actors who had participated in PRADD or observed its progress were disappointed to learn of its premature closing, and expressed hope that USAID would resume the project after civilian control of the government is restored. Such a decision by USAID is still far off, and is likely to be conditioned by many factors, including the recovery of the world economy and the market for rough diamonds, evolving US development assistance priorities, policy priorities of the new Guinean government, etc. Notwithstanding those imponderables, any decision about resuming PRADD—or launching a modified version of the project—will necessarily be preceded by an examination of the lessons and preliminary results from the first year. The reflections below—organized around a series of five questions—are offered as a contribution to that discussion.

***Is the artisanal diamond sector in Guinea still relevant and worthy of US Government concern as a Kimberley Process (KP) member, given the drop in world demand for rough diamonds?***

The importance of artisanal diamond mining as an economic activity has risen and fallen for more than 50 years in the Kissidougou-Kérouané-Macenta triangle, depending on market prices, the availability of other income-generating opportunities, and other factors. During the present crisis, diamond mining will diminish but not disappear. It has become a key element of the basket of livelihood strategies that inhabitants of this zone employ to survive. When prices rebound, it can be expected that the discovery of valuable stones will result in an influx of thousands of fortune seekers, as it has in recent decades.

Furthermore, there is no indication that artisanal diamond mining is likely to be replaced by industrial or semi-industrial operations any time soon. Even if recent Guinean policy has been to encourage more investment by foreign diamond mining companies, officials in the National Direction of Mines and the *Bureau National d'Expertise* openly voice concerns about low productivity and the lack of accountability of such companies. Additionally, CONADOG has lobbied the government intensively to restore and expand the area allocated for artisanal mining.<sup>3</sup>

Assuming that artisanal diamond production will return to a significant level in Guinea at some point in the next five years, and given the fact that Guinea's internal control systems remain extremely weak (see

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<sup>3</sup> Since 1993, the Government of Guinea has designated a total of 2,653.22 km<sup>2</sup> for artisanal mining, of which a portion had subsequently been rescinded (522 km<sup>2</sup> at Kindia and 15 km<sup>2</sup> at Gbenko), leaving an official total of 2,116.22 km<sup>2</sup>. As of December 2008, there were 27 permits for "semi-mechanized" diamond mining. Much of the surface area awarded to this category of producer is in the area originally designated for artisanal mining. As a result, less than 2/5 of the area designated for artisanal mining is currently occupied by artisanal miners. As a partial remedy to the usurpation of artisanal mining areas for semi-mechanized producers, the DNM was drafting a letter to the minister to request that 377.55 km<sup>2</sup> within the AREDOR concession be reassigned to artisans. (From December 2008 trip report of PRADD Consultant, Dr. Kent Elbow, based on interview with Alkaly Yamoussa Soumah, National Director of the *Division Exploitation Artisanale*).

below), the risk of the diversion and misuse of Guinean diamonds persists. PRADD identified other problems in Guinea’s artisanal diamond sector that might merit USAID’s continued concern. Rising resentment by inhabitants of communities in the diamond triangle of the highhanded manner in which the government appropriates customary land by issuing permits on it to individual artisans and companies is a powder keg. The government’s failure to enforce fundamental obligations of title holders with regards to environmental rehabilitation and payment of permit renewal fees only exacerbates the resentment of local populations.



Area near village of Soumassania severely degraded by semi-mechanical diamond mining operations. December 2008.

***What did we learn about property rights issues and traceability in the artisanal diamond sector in Guinea that could help inform a PRADD follow-on program?***

When ARD conducted a scoping trip to Guinea in November 2007, the Government of Guinea showcased the formal artisanal diamond mining system that has helped to qualify it as KP-compliant since 2003. Once on the ground in Guinea’s diamond triangle, however, PRADD distinguished two artisanal sub-sectors: the formal, “controlled” one based on State allocation of parcels in specially-designated zones, and a much larger and more diffuse “clandestine” sector in which tens of thousands of villagers and migrant fortune-seekers dig away in small teams, using simple tools, with most financing discreetly provided by wealthy masters.

The formal system is dominated by a small number of wealthy masters using increasingly mechanized technology. They are active on only a small fraction of the more than 1200 legal parcels. A large

proportion of the remaining parcels, many held by functionaries or big merchants from Banankoro, Kissidougou, or Conakry, lie idle, depriving indigenous communities of the opportunity to exploit them. Because of these problems as well as widespread allegations of corruption by government in the attribution of the legal parcels, the formal artisanal system is largely discredited in rural areas.

Informal/clandestine diamond mining has its own set of problems. In most communities it is regulated by an ad hoc management structure known as a *bureau de condition*. The *bureau de condition* fills a void between customary authority and governmental authority (represented by a soldier in charge of the *Point d'Appui* or PA, a local army outpost). The *bureau de condition* fulfills a necessary function of allocating land to informal miners, while managing relations with the PA. This objective is achieved through bimonthly payment of a fixed “tax” to the PA that the *bureau de condition* is responsible for collecting from the miners. This “informal” arrangement is viewed by most participants as perfectly legitimate and normal, though only rarely are the revenues reinvested in the mining communities to promote their development.

Many of PRADD’s interlocutors in the DNM and CONADOG insist that nearly all “informal” diamonds enter the legal chain of custody, presumably because they are sold to legally permitted masters who record them as having been produced on their legal parcels. This may be the case, but conversations with clandestine miners suggest that they have alternative buyers as well, who may or may not be legally registered.

By PRADD’s ninth month of operation (December 2008), the DNM began to express increasing interest in examining options for bringing informal miners into the Government’s formal system as advocated by the project. This acknowledgement of the extent of the informal system may have been spurred as much by charges by Kimberley Process members that *Ivoirian* diamonds were being laundered in Guinea as by the results of PRADD’s field work. In any event, it was a significant and healthy step. Unfortunately, the *coup d’état* later that month has diverted all attention on this question, at least for now.

PRADD’s short-lived work in the diamond triangle suggests that traceability is viewed largely as a “capital city preoccupation.” Field agents of the MMG in Banankoro process the paperwork, but in a perfunctory manner. This is not surprising, since they do not have the resources to monitor mine production directly, and rely mainly on self-reporting by masters. Among clandestine miners interviewed during participatory rural appraisals, many had never heard of the Kimberley Process, and no one had ever attempted to explain to them the reasons for a chain of custody or to enlist their cooperation in selling only to legally-authorized buyers.

### ***Were the results sought by PRADD achievable?***

The PRADD Guinea project defined four major results to be achieved:

1. A reliable production and sales information system exists in the pilot zones;
2. A mechanism for identifying and recognizing property rights holders is established in the target zones;
3. The benefits of artisanal diamond production better serve the development of local communities; and
4. Measures to reduce the negative environmental impacts of artisanal diamond mining are elaborated in the pilot zones.

In retrospect, and despite the fact that the project was forced to close down after less than a year of operation, the results appear extremely ambitious. It would be difficult to envision any sustainable progress in Results 1, 3, or 4 without first achieving significant gains on property rights issues (Result 2)—in particular, some kind of acknowledgement by the State of the customary rights of communities in the diamond triangle to manage access to mineral resources. Since independence, the Guinean

government has succeeded in controlling the production of diamonds in designated zones and ensuring their sale through authorized channels—but that control has been achieved at a high cost (which at different periods included brutal campaigns to repress mining by local residents on permitted lands), and only by ignoring clandestine mining across broad swaths of southeastern Guinea. For the MMG to reverse longstanding policies and approaches would be difficult, but as noted in the previous section, PRADD detected signs of openness to change within the DNM.

At present, the State has weak legitimacy in the eyes of most rural residents of the diamond triangle. The government's right to grant prospecting and exploitation permits to foreign companies on customary village lands is flatly rejected by many of its citizens. The government's failure to adequately consult local leaders and residents on such questions often deepens resentment toward the State. During PRADD's final meetings with artisanal diamond stakeholders in Sibiribaro, a CRD official complained about being informed by a mining company that even the village and its market lay within the boundaries of the company's permit! In the face of such fundamental, unresolved issues of government legitimacy, State versus local authority over land, and the fact that diamonds are dispersed over a land area that is far too large for a government service to effectively manage, it is difficult to envision the establishment of a robust diamond production and sales information system, for example. But a negotiated agreement between central, local, and customary leaders on access and control to diamond resources could lead to a system in which the State would be able to regulate and manage diamond production and sales in partnership with local and customary authorities—and deal with taxation and the enforcement of environmental mitigation much more effectively as well.

The fact that Guinea's forest management policies and approaches have significantly evolved over the past decade in response to similar challenges suggests that such changes are possible in the mining sector as well.

***Given the deep roots of the problems surrounding the artisanal diamond sector, what would the focus of a follow-on project be?***

In its attempts to contribute to the improved management of the artisanal diamond sector in Guinea, PRADD found itself at the nexus of issues involving governance, natural resource management, and economic development. At the village level, it is obvious that artisanal diamond mining is driven by problems afflicting other sectors (e.g., increased population pressure, low state investment in infrastructure and agriculture), and that diamond production in turn creates its own set of problems (e.g., school abandonment, destruction of farmland) that require attention.

In the diamond mining community of Soumassania in which PRADD conducted a rural appraisal in December 2008, local attention was riveted on a serious conflict that was brewing between local farmers and cattle owners who reportedly had failed to prevent their animals from destroying crops despite repeated protests. Many of the animals were the property of successful masters from neighboring Banankoro who had reinvested their diamond earnings in the animals. To the great consternation of Soumassania residents, some of these masters had avoided paying fines for damage caused by their cattle by paying off local police and justice officials. It was evident that a project like PRADD seeking to work on diamond issues at the community level could not get traction without attempting to contribute to the resolution of broader and more urgent issues facing the community.

The analysis done by PRADD on the management and use of public revenues from diamond mining revealed how the amount of revenues reaching CRDs could be substantially increased, but also highlighted the fact that unless the management capabilities and transparency of the CRDs were greatly improved (an objective worthy of a parallel project of governance assistance), it is unlikely those resources would be used to the benefit of mining communities.

Given the numerous and complex problems facing the artisanal diamond sector in particular, and the development of Guinea in general, it is easy to become discouraged. PRADD's experience suggests, however, that some relatively straightforward efforts to raise awareness, improve communication, and put actors on more even footing with regard to their knowledge of laws and procedures can improve transparency in the artisanal diamond sector and reduce exploitation. In a follow-on project, PRADD could make a valuable contribution by focusing government attention on basic but fundamental problems: formalization of clandestine mining; improved consultation with local authorities and populations on attribution of artisanal and semi-industrial parcels; more consistent enforcement of laws and regulations (e.g., parcel renewal requirements); and clarification of the requirements of semi-industrial companies with regard to local employment and their contribution to local development. Many potential conflicts in the diamond zone could be defused with appropriate communication and consideration of local rights and sensitivities.

To engage populations at the community level in identifying and testing methods to strengthen property rights and production accounting, PRADD needs to build confidence and credibility by first assisting them with problems they perceive as **their** priorities. Given the rapid destruction of the natural resource base in southeastern Guinea and the present decline in rough diamond prices, three recommended areas of focus would be land use planning, diversification of income-generating opportunities, and conflict resolution.

PRADD Guinea had not yet mobilized the capacities of the media when it was forced to close, but its consultations with rural radio stations based in Kissidougou, Banankoro, and Kankan confirmed that they had the personnel and experience to carry out highly interactive information and advocacy campaigns on artisanal diamond mining issues. This effort to *amplify* and extend PRADD activities would be an essential element of any follow-on project given the need to rally a critical mass of supporters for various reforms across a geographical zone that is both vast and difficult to access.

### ***How would a PRADD follow-on project be received by the Government of Guinea and other stakeholders?***

Though PRADD Guinea had to be suspended after only 10 months of actual implementation, stakeholder feedback indicates that it served a useful catalytic function. Through its workshops and participatory analyses of the artisanal diamond sector, PRADD provided a rare platform for different stakeholders to describe how the sector actually functions and the problems it faces, and to advocate for needed changes. PRADD's participatory approach, objectivity, and insistence on the need for transparency and fairness, gave the project *entrée* and credibility with the whole range of actors in the sector—from Direction of

“PRADD is to be congratulated for its work in Guinea. Working with state structures and creating openness on their part requires great tact. The efforts you've made to report back to us, and to provide recommendations—and not just problems—is also much appreciated.”

—Director, CPDM

Mines in Conakry to the village chief in Soumassania. That credibility is a valuable asset that USAID and ARD should be able to capitalize if and when the opportunity to return to Guinea presents itself.

The small but capable team of local experts that PRADD assembled to implement the project established a strong network of stakeholders in Conakry and in the mining zone. If available for a follow-on, those individuals should be rehired. They have a good command of the issues affecting the artisanal sector, and would enable PRADD to become quickly operational.



Using an air hose, this team near Soumassania dives for diamond-bearing gravel in a pit that has filled with rain and groundwater. December 2008.

# ANNEX 1. PRADD GUINEA STOP ORDER PLAN

**ARD Inc.**

**159 Bank Street, Suite 300**

**Burlington, VT 05402**

February 11, 2009

## **Introduction**

The ARD Inc. has been informed by the USAID Contracting Officer (M/OAA/EGAT) on February 6, 2009 that Task Order no. EPP-I-00-06-00008, Property Rights and Resource Governance Program is to “stop all work in and related to Guinea. This stop order requires ARD Inc. to take all “reasonable steps to minimize the incurrence of cost allocable to the task order and notify any sub-contractors of this stop work order.”

The following Stop Order Plan spells out the measures being taken to close down the PRADD Guinea program in conformance with the stop-order instructions. This plan presents a two phased close down process. Phase I consists of the termination in an orderly fashion all technical activities by March 31, 2009. This includes preparation and dissemination of all technical reports, notification of partner organizations of the closure of the project, and termination of staff. Phase II consists of the close down of the entire administrative activities and offices by April 30, 2009. The time-table of close-out activities is indicated below.

ARD Inc. kindly requests approval of this Stop Order Plan and responses to two key questions noted below regarding materials disposition and a no-cost extension until April 30, 2009. The close-down schedule will allow for lay-off of staff in conformance with Guinean employment law provided that this stop-order plan is approved by February 28, 2009. ARD Inc. anticipates that this schedule of close-down activities will lead to an orderly, but regrettable, termination of all project presence in Guinea.

## **Technical Closeout**

Over the past six months of implementation (September 2008-January 2009), the PRADD pilot project has conducted a series of activities that contribute new information and analysis concerning the artisanal diamond sector in Guinea and provide orientations for needed reforms of current government systems aimed at controlling the production and marketing of rough diamonds. These activities include:

- Policy review of the artisanal diamond mining sector, with a focus on information collection and management systems and procedures (and national workshop on same);
- Policy review of land tenure, natural resources management, and mining legislation that determines, regulates, or influences property rights in Guinea’s alluvial diamond mining zones (and national workshop on same);

- Study to understand the weak contribution of public revenues from diamond mining to the development of mining communities, and regional workshop to validate findings and formulate action plan;
- Participatory rural appraisal exercises analyzing informal land tenure and diamond sector management systems at designated PRADD sites.

PRADD's approach was highly participative. The abovementioned activities involved the entire range of PRADD's stakeholders in Guinea (government administrative and technical officials, miners' organizations, local community leaders, NGO's, etc.). To fulfill the project's fundamental obligation to report back on these activities to its (non-governmental) partners, and in an effort to ensure that the preliminary results obtained by PRADD can be capitalized by those actors who would wish to do so, we propose to carry out the following activities as part of the closeout process. All actions listed involve wrapping up *previously-conducted* project activities. No *new* activities are proposed.

	Activity	Schedule	Deliverables
1	Review, correction, formatting, and branding of key technical reports (policy reviews, public revenues, PRA of tenure systems in diamond-producing communities)	Feb. 16-20	Final French-language reports (policy reviews, PRAs); English-language reports (public revenues from diamond mining)
2	Preparation of summary document of PRADD's principal findings and recommendations	Feb. 23-28	8-page project summary note to guide discussions with stakeholders
3	Reproduction and distribution of reports to Conakry-based stakeholders and partners	Feb. 23-Mar. 6	List of documents distributed and identity of recipients
4	Meetings with project stakeholders in diamond-mining zone to review project findings and recommendations and gather feedback; distribution of reports to selected stakeholders and partners	March 8-18	Succinct report of meetings organized (location, participants, specific issues raised and suggestions/recommendations made by participants); List of documents distributed and identity of recipients
5	Meetings with project stakeholders in Conakry to review findings and recommendations	March 18-20	Ditto
6	Report on final meetings with project stakeholders in diamond zone and capital	March 23-25	Summary report of the most pertinent concerns, issues, suggestions, recommendations, and commitments emerging from final meetings with stakeholders
7	Debriefing session with USAID/Guinea	March 27	Outline of PRADD presentation to USAID; Meeting summary
8	Turn in computers; clean offices; complete final administrative and personnel procedures associated with contract termination.	March 30-31	

In order to implement the above-listed activities, PRADD/Guinea proposes to keep its three-person technical team on contract through **March 31, 2009**. The team is composed of Program Coordinator, Apollinaire Kolié; Result 3 & 5 Coordinator, Yomba Sanoh; and Resident Advisor, EH Mahmoud Sano. No short-term technical consultants will be hired for the activities listed. Pending USAID's approval of the present plan, ARD will provide notice to the three employees on **February 28, 2009** that their contracts will terminate on March 31, 2009. All local staff will be paid in full on or before their final day of employment.

ARD's Senior Technical Advisor and acting-COP, Steve Reid, will backstop the PRADD/Guinea technical team Burlington from Feb. 16 to March 6, and then travel to Guinea from March 7-27 to support and oversee implementation of both technical and administrative closeout activities.

## Administrative Closeout

Administrative closeout of PRADD/Guinea project will entail the closing of the project's offices in Banankoro and Conakry, and the COP residence in Kissidougou; the consolidation and final inventory of all non-expendable property; the disposal of all property; termination of employee and consultant contracts and preparation of salary and severance payments; termination of utility service agreements; shipping of project technical and administrative records; closing of bank accounts, etc.

The table below summarizes the critical activities that will be undertaken to ensure a smooth administrative closeout. The overall timeframe proposed (60 days) takes account of the number and complexity of tasks to be accomplished and the added travel and transportation difficulties associated with PRADD's Banankoro office (16-hour drive from Conakry).

Activity	Task	Schedule
Terminate Banankoro office lease	Written notice to landlord	Feb. 28
	Complete the removal of installed equipment	Mar. 22
	Sign release letter (ARD & landlord)	Mar. 30
Terminate COP residence lease	Written notice to landlord	Feb. 28
	Complete the removal of installed equipment	Mar. 22
	Sign release letter (ARD & landlord)	Mar. 30
Terminate Conakry office lease	Written notice to landlord	Mar. 1
	Complete the removal of installed equipment	Apr. 20
	Sign release letter (ARD & landlord)	Apr. 22
Terminate service and utility agreements	Written notice to guard service (Conakry)	Mar. 1
	Written notice to internet service (Conakry)	Mar. 1
Consolidate equip & furniture in Conakry	Transport from Banankoro office to Conakry	Mar. 22-24
	Transport from Kissidougou to Conakry	Mar. 22-24
Final equipment and furniture inventory	Final physical inventory	Apr. 3-6
	Reconciliation with ARD Home Office	Apr. 7-8
Dispose of non-expendable property	Receive USAID instructions on property disposal	Mar. 1
	Schedule disposal/transfer	Mar. 15
	Delete computerized project files	Mar. 30
	Execute property transfer	Apr. 15
	Forward transfer titles to USAID	Apr. 20
Local staff termination	Written termination notice to PRADD staff	Feb. 28
	Calculate severance and unused leave owed	Mar. 10
	Final social security and income tax payments	Mar. 16
	Clear advances	Mar. 23
	Recover project equipment (technical staff)	Mar. 30
	Issue final payments (technical staff)	Mar. 31
Finance and accounting	Issue final payments (office manager and driver)	Apr. 29
	Final consultant payments	Mar 30
	Final local account payments to vendors	Apr. 15
	Submit final vouchers to ARD	Apr. 24
	Close Kissidougou bank account	Mar. 24
	Close Conakry bank account	Apr. 28

Activity	Task	Schedule
Project technical and financial files	Identify and select freight forwarder	Mar. 10
	Organize and box files	Apr. 6-15
	Ship technical, financial compliance files	Apr. 16

To implement the administrative closeout process expeditiously, ARD will maintain its PRADD Guinea office manager and driver on contract through **April 30, 2009**, and will mobilize up to two local administrative assistants on a part-time basis, as well as tradesmen (painters, electricians, etc.) and laborers, as required.

ARD will mobilize a closeout specialist to Conakry at the end of March to relieve acting-COP Steve Reid, and oversee execution of the remaining administrative closeout actions.

ARD may propose to USAID to retain the office manager through the month of May 2009 (on a one-month short-term contract) to complete any final administrative matters that might arise after PRADD/Guinea closes on April 30. Such administrative matters may include duties such as forwarding outstanding invoices to ARD's home office for payment.

During the absence of the Acting Chief of Party and Senior Technical Advisor Steve Reid, the Program Coordinator Apollinaire Kolié will be responsible for day-to-day coordination of the team. His telephone number is 65-64-56-55. A back-up contact is Kalil Camara, our Office Manager (65-65-16-20). Neither team member has access to ARD's bank account or authority to engage expenditures without my approval as acting COP. Steve Reid will be preparing payroll checks to cover February salaries and leaving a small amount of cash for routine office operational needs.

Acting Chief of Party and Senior Technical Advisor Steve Reid may be contacted at any time through ARD Inc. at: email: [SReid@ardinc.com](mailto:SReid@ardinc.com) or phone (802) 658-3890.

### **Closeout Issues**

The PRADD Guinea program confronts two major administrative issues, presented below. ARD Inc. respectfully requests the Regional Contracting Officer or another delegated person to provide recommendations on the following issues:

***Disposition of property:*** Though the MOU signed by USAID and the Government of Guinea concerning PRADD stipulates that title to the property will reside with the Government of Guinea on completion of the activity, the COTR and USAID/Guinea Mission Director have noted that under the circumstances of the suspension, it may be possible for USAID to retain possession of PRADD's inventory. If confirmed, certain items, notably the project 4-wheel drive vehicle, computers, GPS units, etc. could be used to support other USAID programs in Guinea, or a new PRADD initiative in a neighboring country.

In order for ARD to implement the closeout process in the timeframe proposed, it will be critical that USAID provide clear instructions concerning disposal of the project's non-expendable equipment by the first week of March.

***No cost extension:*** PRADD/Guinea's current budget expires on February 28, 2009. Ample funds remain in the current budget to cover expenses to cover all costs associated with the technical and administrative closeout. ARD is preparing a detailed budget based on the stop-order plan which it will submit to USAID for approval as part of a no cost extension through 30 April 2009.

# ANNEX 2. LIST OF PRADD DOCUMENTS DISTRIBUTED DURING FINAL CONSULTATIONS

1. Report of PRADD Validation and Launching Workshop, (Conakry , February 21-22, 2008).
2. Report of Projet Launching Workshop (Banankoro, May 21-22, 2008).
3. Policy Review: The Artisanal Diamond Mining Sector in the Republic of Guinea with a focus on Information Collection and Management Systems
4. Policy Review of Land Tenure, Natural Resource Management, and Mining Legislation that determines, regulates, or influences property rights in alluvial diamond mining regions of the Republic of Guinea
5. Report of National Workshops on :
  - The Mining Sector in Guinea : Systems and Procedures for the Collection and Management of Information (Conakry, October 17, 2008)
  - Statutory Property Rights in the Development of Artisanal Diamonds (Conakry, October 20, 2008)
6. Study on Public Revenues from Diamond Mining : Income Generated, Taxes and Fees, Collection and Use
7. Report on the Rendering and Validation of the Study on Public Revenues from Diamond Mining (Kissidougou, November 25-26, 2008)
8. Participatory Study of Land Management in the Villages of Sibiribaro and Toubarou, Republic of Guinea
9. Participatory Study of Land Management in the Villages of Soumassania, Wendékérédou, Konédou, and Famarodou, Republic of Guinea



ANNEX 3. PRADD GUINEA  
FINAL PROGRESS REPORT  
TO PARTNERS AND  
SUMMARY OF PRINCIPAL  
FINDINGS AND  
RECOMMENDATIONS, MARCH  
2009



*Property Rights and Artisanal Diamond Development Pilot  
Project (PRADD-Guinea)*

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**FINAL PROGRESS REPORT  
TO PARTNERS  
ON THE  
PRADD-GUINEA PILOT PROJECT**

Prepared by ARD, Inc. under Contract No. EPP-I-00-06-00008-00, Task Order 2, for USAID

**Property Rights and Artisanal Diamond Development (PRADD)**  
Task Order 2, Contract No. EPP-I-00-06-00008-00,

Implemented by:

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**DISCLAIMER**

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.



## ***A – CONTEXT***

The Kimberley Process (KP) and its accompanying certification system (KPCS) came into effect in January 2003, with the goal of controlling the flow of rough diamonds into and within international markets. Although the industry and participating countries regard the KPCS as a success, a significant proportion of diamond mining in alluvial producer countries remains outside its control. The small scale and mobile nature of alluvial diamond mining makes it particularly difficult for governments to monitor and regulate this sector effectively, or to improve conditions in an often chaotic environment. Therefore, a significant portion of alluvial diamond mining activity remains unregulated and unregistered.

The two main aspects of the central problem with alluvial diamond production and marketing in many African countries are:

1. Insufficient institutional capacity to monitor the industry and compile reliable information – and thus ensure the integrity of KPCS;
2. Poor social and economic conditions of actors in the artisanal mining industry, particularly those at or near mining sites: miners typically have little security of tenure, and capture only a small portion of the value of the diamonds they produce as they depend on middle men to finance and market their production.

### ***PRADD as a means of support for the Kimberley Process***

PRADD is one element of the support that the United States Government provides for the Kimberley Process through the U.S. Department of State. The project is implemented by USAID through a contract with the consultancy firm ARD, Inc., which is based in Vermont, U.S.A.

The fundamental goal of the PRADD pilot project is to establish a clearly defined, widely recognized, socially acceptable, functional and reliable system of control over and access to (i.e. property rights) artisanal diamonds – from mine to export. The two main objectives of reinforcing property rights are 1) to help bring a greater proportion of artisanal diamonds into the chain of custody, and 2) to increase local incomes.

In order to achieve these two objectives and its global objective, the following five results were identified for the pilot phase of PRADD:

1. R1 — A reliable production and sales information system established in pilot zones;
2. R2 — A mechanism for identifying and recognizing property rights holders established in target zones;
3. R3 — The benefits of artisanal diamond production better serve the development of local communities;
4. R4 — Measures to reduce the negative environmental impacts of artisanal diamond mining elaborated in pilot zones;
5. R5 — An operational program to sensitize and mobilize the public around artisanal diamond mining.

The project intervention strategy is based on a property rights approach. This involves institutional capacity building at every level of Government in order to better protect the property rights of stakeholders in the sector (miners and local communities in production zones).

## **B - ACTIVITIES UNDERTAKEN AND RESULTS ACHIEVED**

Implementation of the PRADD Pilot Project by ARD-Guinea began in February 2008.

One of the first activities, undertaken in collaboration with the Guinean Ministry of Mines and Geology through the National Department for Mines, was to organize two important participatory workshops to validate the planned activities and intervention strategy for the PRADD pilot project:

**National workshop to validate and launch activities:** In order to refine the approaches and planned activities and enable key stakeholders to appropriate them, ARD and the National Department for Mines organized a workshop to launch and validate PRADD. This took place in Conakry on February 21-22<sup>nd</sup> 2008, and was attended by all those involved in the project: the Government (Ministry of Mines and Geology, Ministry of the Interior and Security, Ministry of Agriculture), locally elected officials (CRDs), civil society (NGOs, the media, unions) and the private sector (diamond producers and traders). The workshop enabled participants to learn more about the project (objectives, expected results, activities, methodology and intervention strategy, intervention zone, etc.), and to refine the proposed activities in order to achieve the desired results.

Through the validation of the preliminary project design document and on the basis of a memorandum of understanding (signed by USAID and the Ministry of Mines and Geology in July 2008) the project was launched.

**Local workshop to launch the PRADD project:** A workshop to launch the project in its intervention area was held in Banankoro on May 21-22<sup>nd</sup> 2008. Representatives of all the parties concerned – the Government (Ministry of Mines and Geology, Ministry of the Interior and Security, Ministry of Agriculture), locally elected officials (CRDs), civil society (NGOs, the media, unions) and the private sector (diamond producers and traders) – came together at this important event marking the start of a new partnership for the development of artisanal diamond mining in Guinea. It was an opportunity for them to learn more about the project's objectives and approaches and to help refine proposed activities in order to achieve the desired results; and for the project to make an initial inventory of the villages involved in diamond mining operations and learn about current land management systems.

The main activities undertaken to date in relation to the five expected results of the project are outlined below:

**Result 1: Establish a reliable diamond production and sales information system in pilot zones;**

- Review of mining legislation, with an emphasis on information systems;
- A workshop on information systems in the artisanal diamond mining sector, held in Conakry on October 17<sup>th</sup> 2008 with PRADD partners from the Ministry of Mines and Geology;
- Collection of baseline data (legal documents, mining rights, maps, plans, etc.) on artisanal diamond mining to build up a picture of the areas reserved for artisanal mining and how the activity is managed (access, operations and trading).
- Analysis of baseline data on permits for industrial and semi-industrial diamond mining from the *Centre de Promotion et de Développement Miniers* (CPDM), to determine how information on these sectors is managed, identify associated difficulties (e.g. delays in updating information, the need to reconcile geographic coordinates, etc.) and suggest possible improvements;
- Collection of geographic coordinates of artisanal parcels in order to produce clear maps that take account of statutory artisanal production, and facilitate proper monitoring of artisanal producers.

**Result 2: Establish a mechanism for identifying and recognizing property rights holders in target zones;**

- Review of legislation on natural resources, with an emphasis on statutory property rights;

- A workshop on property rights to natural resources in the artisanal mining sector, held with PRADD partners in Conakry on October 20<sup>th</sup> 2008;
- Participatory surveys in two PRADD pilot project sites to determine the role of the diamond-mining sector in driving the local economy, understand the customary land tenure system and explore application of the statutory land tenure system.

**Result 3: The benefits of artisanal diamond production better serve the development of local communities**

- Conduct a study on public revenues from diamond mining in order to understand why it has so little impact on local development in diamond-producing areas. This study provides information on the legal provisions for revenue sources, the actors involved, effective mobilization and use of these revenues, and identified obstacles;
- A workshop with PRADD partners (held in Kissidougou on November 26-27<sup>th</sup> 2008) to present and validate the study report on public revenues from diamond mining;
- An action plan to mobilize and use diamond-mining revenues for the benefit of local communities has been prepared and validated.

**Result 4: Measures to reduce the negative environmental impacts of artisanal diamond mining elaborated in pilot zones**

- Activities for Result 4 are being planned.

**Result 5: An operational program to sensitize and mobilize the public around artisanal diamond mining**

- The two workshops to launch PRADD (held in Conakry and Banankoro) were very well attended by members of civil society and covered by the media;
- Contact has been made with certain elements of the media (community radio stations in Kérouané and Kissidougou, and Guinean press agencies) and other local-level good governance projects. The aim is to get the media involved in various meetings and information and sensitization activities initiated by the project. Other projects (Faisons Ensemble, PACV, PDSO, Plan Guinea, etc.) have been contacted to determine common areas of intervention and explore possible avenues for collaboration.

**C - MAJOR CONTRIBUTIONS BY PRADD**

*The project made significant contributions in the following areas between February 2008 and January 2009:*

- A review of mining policy, which improved partners' knowledge of current laws and legislation and enabled them to identify weaknesses, inconsistencies or contradictions between different sectoral policies (Mines, Water, Forestry, Land, Fauna, Livestock Rearing, etc.).
- Understanding the extent of clandestine diamond production and trade, and how it is organized and managed at the village level.
- Clearer understanding of customary land management systems in diamond-producing areas, the application of statutory law, and current and potential friction between these two types of law.
- Establishing a framework for exchange between the project, the Mining and Geology services and certain partners in the field, such as CONADOG;

- The revenues study provided information on the mechanisms for collecting and managing income from diamond mining, and highlighted the lack of transparency in this area. Information is notoriously hard to access, and Article 142 of the Mining Code, regarding the distribution of taxes, fees and dues between central and local governments and the *Fond de Promotion et de Développement Minier* (FPDM: Fund for the Promotion and Development of Mining) is routinely ignored. This study has enabled actors at every level to see what the diamond sector could contribute to local development.
- Various types of actor (locally elected officials, the administrative and technical authorities, civil society, projects and NGOs) have been mobilized around an action plan to introduce more transparent and effective management of diamond-mining revenues in order to contribute to local development in diamond-producing areas;
- The project held various meetings in the field to inform local actors (from the administration and local governments) about certain rights, particularly the obligations of industrial and semi-industrial operators (“area” taxes), export taxes, right to information, etc.
- A substantial mass of documents (legislation, mining titles and various orders) has been compiled on statutory rights in the artisanal and semi-industrial diamond mining sectors. This will be used to build a database and establish a clear map of artisanal mining;
- The project has fostered greater collaboration between the National Department of Mines (DNM) and the CPDM, and encouraged them to share and use information on artisanal and semi-industrial diamond mining.
- Capacity building: training on rapid rural appraisal techniques to enable PRADD project staff and partners to conduct field surveys in diamond-producing areas;
- Overall, the different PRADD activities have helped stimulate reflection and debate on the transparency, effectiveness and equity of the systems put in place to regulate artisanal diamond production and trade.

## ***D – MAIN OBSERVATIONS***

***The following main observations were made after 12 months of PRADD pilot project implementation:***

### **General observations**

- Diamond mining is the main economic activity in a large number of villages in south-eastern Guinea;
- Artisanal miners in south-eastern Guinea are pressing for new, potentially productive zones to be opened up for artisanal diamond mining;
- The environment and agricultural lands in mining areas are severely degraded;
- There are open or latent conflicts between local communities and artisanal and semi-industrial operators on the one hand, and legal artisans and semi-industrial operators on the other (as in Sibribaro); as well as open conflicts across the zone between indigenous farming communities and herders.

### **The statutory system (parcels)**

- The statutory system only affects a small percentage of diamond producers as most operate informally or clandestinely, ‘off-parcel’. However, certain ‘legal’ Masters have made a lot of

money and are involved in highly mechanized production, to the visible detriment of the environment.

- Information on parcel holders is inaccessible to the general public and is not updated.
- The Government is not rigorous in enforcing the requirement to renew permits.
- Inhabitants of the area expressed considerable frustration about the fact that a) the system for acquiring parcels is not transparent and often excludes them, and b) a large number of parcel holders do not use their parcels but still hold on to them, preventing local communities from mining them.
- Artisanal miners who use mechanical tools cause much more damage than those using picks and shovels, but pay the same taxes.
- Mining sites are not repaired (pits refilled, etc.) as they should be in accordance with current legislation;
- Semi-industrial outfits are operating in zones set aside for artisanal production (superposition of mining rights);
- Certain structures within the Ministry of Mines and Geology (DNM, CPDM, BAF, BNE) are not good at coordinating their actions to regulate and monitor diamond production and trading;
- The systems for collecting information and available databases within the CPDM, DNM, BNE, Artisanal Mining Division and Prefectoral Mining and Quarrying Sections are not well maintained or updated due to a lack of resources.

### **Informal or ‘clandestine’ mining**

- Clandestine operations exist on a large scale in all diamond-mining areas. Some miners fund their own operations, but the vast majority are funded by Masters;
- Huge numbers of clandestine operators work on un-renewed parcels and unworked industrial concessions;
- People in rural areas know very little about Government mining policies, and the Government does not encourage them to collaborate in the introduction and application of measures to ensure that diamonds are traceable.
- There are well-established institutional structures known as ‘*bureaux de condition*’, which allow villages to manage clandestine mining by taking responsibility for allocating land to applicants and other administrative and policing functions. Their organization and functioning varies from one community to another, depending on the level of interest in the mining area.
- The *bureaux de condition* mobilize large sums of money by collecting fees from miners, but much of this revenue is diverted away from the villages rather than being channeled into local development activities.
- The vast majority of people living in diamond-producing areas know nothing about certain codes (particularly the Mining Code and the Local Government Code) and legislative texts.

### **Semi-industrial mining**

- There were 27 permits for semi-mechanized mining when this report was written at the end of December 2008. Because a significant proportion of the land set aside for this category of

producer lies in the zone initially designated for artisanal mining, less than 40 percent of the area allocated for artisanal mining is occupied by artisanal miners at present.

- Rural communities in south-eastern Guinea realize that mining companies could make a significant contribution to creating jobs and developing community infrastructures, but claim that certain companies pay their employees very poorly and contribute nothing to local development.
- There is a serious risk that the lack of coordination between policies intended to promote the semi-industrial sector and manage the artisanal sector, and poor communication between the agencies responsible for their enforcement could divide interest groups in the diamond sector and cause conflicts involving large segments of the local population.

#### **Revenues from diamond mining (artisanal, semi-industrial and industrial)**

- The Mining Code anticipates that diamond mining will generate large sums of money for central and local government budgets and the *Fond de Promotion et de Développement Minier* (FPDM: Fund for the Promotion and Development of Mining), but the mechanisms set out in this legislation are not correctly applied;
- The recovery and use of revenues from diamond mining is far from transparent;
- Article 142 of the Mining Code, regarding the distribution of fees, dues and taxes between central and local government budgets and the FPDM is not applied;
- CRDs know little about their rights to diamond resources, and are therefore unable to claim them;
- Another problem requiring urgent resolution to ensure that the revenues from diamond mining are properly used – once they have been properly transferred or recovered – is the lack of transparency in CRD budgetary management and lack of citizen control over CRD actions;
- Finally, large-scale tax evasion through the *bureaux de condition* means that a significant proportion of diamond revenues are beyond Government control; resources that could be used to develop local governments and help fill central Government coffers.

#### **E - RECOMMENDATIONS AND SUGGESTIONS**

In view of the above, we make the following recommendations regarding the actors involved in PRADD pilot project implementation:

##### **General recommendations: (to be supported by PRADD)**

- Formalize the informal: As the Government lacks the resources to manage and control artisanal diamond production and trade by limiting mining zones and allocating parcels to specific persons, and given the existence of village institutions that have historically exercised some degree of local control over this activity (despite their well-known shortcomings), it would be advisable to devise a strategy to formalize the current informal actors and systems.
- Because of the stated weaknesses in the informal systems (lack of rules and transparent procedures in the *bureaux de condition*, etc.), defining new policies should not be seen as a short-term objective, but as the outcome of a process of research and highly participatory consultation with all the actors concerned.
- Emphasis on establishing and sharing information systems: the various agencies responsible for the artisanal and semi-industrial sector will only be able to coordinate their decision-making if they use a single database of relevant and precise information. This will avoid overlapping permits, which create conflict.

## **Specific recommendations:**

### **A – Ministry of Mines and Geology:**

- Reinforce the CPDM database to take account of artisanal diamond mining;
- Strengthen the mechanisms for collecting baseline information on diamond actors, production and trade;
- Make new, potentially diamond-rich zones available for artisanal mining in order to attract legal operators;
- Strengthen recognized, legal structures for control and monitoring, and incorporate customary local offices into them (*bureaux de condition*);
- Establish a framework for consultation between the different structures responsible for diamond mining and trade, in order to improve monitoring (information systems, databases, statistics, etc.) and control (properly applied regulatory legislation);
- Amendments to the mining code should take account of customary ownership rights;
- Dissemination of the Mining Code should be broadened to include decentralized local governments, to improve their knowledge of their rights and responsibilities;
- Elaborate and apply by-laws regarding the distribution of the fees, dues and taxes associated with diamond mining between central and local government budgets and the FPDM;

### **B – Local governments and community-based partners (CRD/CONADOG):**

- Put in place a framework for consultation between the local governments concerned, to facilitate lobbying and advocacy activities at the local and central levels;
- With support from certain development partners (such as *Faisons Ensemble* and PACV), produce a financial management procedures manual for CRDs, setting out rules for the disbursement and use of CRD funds;
- Set up a local steering committee to manage the revenues from diamond mining and trade, and establish links between representatives from civil society, diamond miners, CRDs and the administration and deconcentrated technical services;
- Devise community development projects (CDPs).



# ANNEX 4. AIDE MEMOIRE

## **Mission de Restitution et de Remise de Documentation dans la zone d'Intervention du Projet Droits de Propriété et Développement du Diamant Artisanal (DPDDA)**

15–23 mars 2009

### **Introduction**

Dans le cadre de la restitution des résultats de ses activités à mi-parcours suite à sa suspension due aux changements politiques intervenus en Guinée en fin d'année 2008, le projet pilote DPDDA a effectué du 15 au 23 mars 2009 une mission dans sa zone d'intervention.

L'objet de cette mission était non seulement d'expliquer aux différents partenaires et acteurs de terrain les raisons de la suspension du projet mais aussi, de restituer pour les uns (ONG, Société Civile, projets, Collectivités, ...) et de remettre pour les autres (services déconcentrés de l'Etat) les produits (rapports d'atelier et rapports d'étude et note synthèse) issus des 12 premiers mois d'activités.

Conduite par Monsieur Stephen REID, Chef d'Equipe et comprenant entre autres de Messieurs Apollinaire Kolié, Coordinateur de programmes, Elhadj Mahmoudou Sano, Conseiller technique résident, Yomba Sanoh, Coordinateur des Résultats 3 et 5, et Kalil Camara, Gestionnaire de bureau, elle s'est déroulée dans une parfaite atmosphère d'information et d'échanges. Ces échanges ont permis d'apporter des amendements par rapport aux constats et recommandations préalablement formulés par le projet.

La mission s'est déroulée en plusieurs étapes :

### **A – Etape de Kissidougou (16 mars 2009)**

A Kissidougou la mission du projet a rencontré les structures partenaires suivantes :

1. Section Préfectorale des Mines et Carrières et Agence Guinéenne de Presse (AGP);
2. Plan Guinée ;
3. Antenne CONADOG ;
4. APARFE ;
5. Radio Communautaire

### **Section Préfectorale des Mines et Carrières et AGP**

Etaient présents :

1. Monsieur Lanciné Condé, Chef Section des Mines et Carrières
2. Mme Tariba Keita, chargée d'études à la Section des Mines et Carrières ;
3. Monsieur Ansoumane Bitton Koulibaly, Correspondant Agence Guinéenne de Presse (AGP)

Les documents produits par le projet pilote DPDDA (voir la liste en annexe) pendant les 12 premiers mois d'intervention ont été remis aux autorités préfectorales représentées par le Chef de Section des Mines et

Carrières dans les locaux de la Préfecture. Cette remise a été précédée par des informations relatives à la suspension du projet suite aux changements politiques majeurs intervenus en Guinée en décembre 2008.

Au nom des autorités préfectorales et de sa structure, le Chef de Section des Mines et Carrières a remercié le projet pour les dispositions prises et a exprimé le regret de voir ce projet se fermer malgré l'élan pris et les résultats atteints.

### **Plan Guinée :**

Etaient présents :

1. Monsieur Akoy Dédé Béavogui , Conseiller Programme Gouvernance et Développement de la Société Civile, représentant de Monsieur le Directeur de Plan Guinée ;
2. Monsieur Bokoum Ifra, Chef de projet Lutte contre le travail des enfants ;
3. Dr. Mamadou Oury Diallo, Responsable suivi et évaluation

Après l'exposé sur l'objectif de la mission, la présentation des constats les plus importants et les recommandations pertinentes par le projet, des questions intéressantes ont été posées par les cadres de Plan Guinée, dont entre autres :

1. Quels sont les piliers porteurs sur lesquels le projet s'appuie?
2. Est-ce que le mécanisme d'attribution des parcelles d'exploitation artisanale du diamant a été examiné par le projet ?
3. Est-ce que les textes d'application existent, ne sont-ils pas cachés par les agents et cadres de l'Etat ? Sont-ils réellement élaborés ?
4. Les collectivités sont-elles associées à la collecte et la répartition des taxes et redevances et issues de l'exploitation du diamant ?
5. Quels sont les critères d'octroi des titres miniers ? Nature des conflits entre les acteurs ?

A la suite des débats forts enrichissant sur ces questions, les partenaires de Plan Guinée ont souhaité le retour rapide du projet pour continuer à travailler sur la bonne gouvernance ainsi que sur l'incidence du diamant sur les enfants, les femmes et les collectivités.

### **Antenne CONADOG**

Etaient présents :

1. Elhadj Mamadi Kallo
2. Mamadi Diané
3. Djiba Fofana
4. Mamadi Camara
5. Sory Fofana
6. Sékou Kaba
7. Laye Sékou Touré
8. Elhadj Hadi Dramé
9. Elhadj Soumaila Kaba

10. Aboubacar Cissé
11. Sayon Cissé
12. Sékouba Fofana
13. Elhadj Mamadou Diouldé Baldé
14. Alsény Camara
15. Abdoul Traoré
16. Sankhoun Touré
17. Yacouba Condé
18. Lanciné Kallo
19. Bakary Camara
20. Djiba Kaba

Après les échanges sur les informations relatives à la suspension du projet, Elhadj Mamadi Kallo intervenant au nom des participants a reconnu que ce projet pilote les a davantage édifié à travers l'étude sur les revenus publics tirés de l'exploitation du diamant et a regretté la suspension du projet envisagée par le Gouvernement américain.

#### **APARFE**

Mlle Cathérine Mansaré, Animatrice à APARFE a reçu la mission à l'absence du Directeur Exécutif en déplacement. Les documents pour la structure APARFE lui ont été remis.

#### **Radio Communautaire**

La Directrice de la Radio Communautaire (Mme Diallo Fatou Traoré) a remercié le projet et a promis une large diffusion des documents précieux mis à la disposition de son service.

#### **B – Etape de Macenta (17 mars 2009)**

##### **Section Mines et Carrières**

Suite aux informations relatives à la suspension du projet, le Chef de Section des Mines et Carrières, Monsieur Mamadi Kourouma a déclaré que le projet pilote DPDDA l'a outillé et lui a servi à plus d'un titre dans ses activités professionnelles. Il a émis ensuite le souhait que la suspension du projet ne dure pas afin de pouvoir continuer à travailler ensemble.

##### **Autorités Préfectorales :**

Etaient présents

1. Monsieur Amara Kallo, Secrétaire Général chargé de l'Administration ;
2. Monsieur Naby Camara, Secrétaire Général chargé des Collectivités Décentralisées

A ce niveau, au nom de Monsieur le Préfet en mission, les secrétaires généraux ont souhaité la bienvenue à la mission et ont émis à leur tour l'espoir pour la poursuite de ce projet et promis de rester disponibles pour accompagner la mise en œuvre des activités. Ils ont félicité et encouragé le projet pour le sérieux qui le caractérise.

#### **Antenne CONADOG**

1. Elhadj Seiba Doukara
2. Elhadj Lansana Cissé
3. Mory Béréte
4. Mamadou Diallo Saramoussaya
5. Sékou Soumaro

Les documents ont été remis à la suite des informations données par la mission par rapport à la suspension du projet. Les intervenants ont remercié et souhaité la reprise rapide des activités du projet.

### **CRD de Kouankan**

Etaient présents :

1. Monsieur Jean Paul Pivi, Sous Préfet,
2. Monsieur Ibrahima Camara, Vice Président CRD,
3. Naby Bangoura, Secrétaire communautaire,
4. Monsieur Bangaly Mara, Commissaire de Police

A la réaction aux informations données par la mission, le Sous préfet et le vice président de la CRD ont successivement rappelé l'apport du projet relatif aux informations sur les revenus tirés de l'exploitation du diamant qui semblaient être peu connus par les collectivités. Ils ont promis de tout mettre en œuvre pour la réussite de ce projet et utilisés ces documents comme outils de base pour réclamer leurs droits.

### **C – Etape de Banankoro**

- a. CRD de Sibiribaro (19 mars 2009)

Etaient présents

1. Ibrahima Kalil Touré, vice président de la CRD ;
2. Moussa Diogo Camara, Conseiller CRD,
3. Siba Doualamou, Chef de poste vétérinaire ;
4. Bily Keita, Commissaire de police,
5. Lt Bakary Savané, Cdt Gendarmerie,
6. Sory Kaba, principal du collège,
7. Maka Traoré, AV MARP
8. Ibrahima Traoré, AV MARP
9. Moussa Camara
10. Martin Pricémou Pokpazouo, Animateur/Formateur ASV/Faisons Ensemble
11. Amara Traoré, administrateur Marché
12. Mamadi Fofana, mécanicien
13. Mory Camara,

14. Ousmane Traoré, DSP Jeunesse
15. Lanciné Traoré, Jeunesse
16. Makoma Mamadi Camara,
17. Ousmane Camara
18. Adama Mara
19. Kemo Traoré
20. Abdouaye Condé
21. Kaba Camara
22. Mohamed Camara
23. Loncény Kourouma

Après la présentation de l'objet de la mission, une séance de restitution a été animée par l'Equipe technique du projet dans la salle de réunion de la CRD. Les participants vivement intéressés par les constats et recommandations formulés par le projet ont voulu être éclairés sur les points suivants :

1. Est-ce que le travail entrepris par le projet et les collectivités doit-il continuer ou attendre la reprise ?
2. Comment réclamer les droits des CRD dans les fonds collectés au titre de l'exploitation du diamant ?
3. Est-ce que le PA a le droit de réclamer les « conditions » ?

La réponse à ces questions a édifié davantage les participants. S'agissant de la revendication des droits des CRD, les documents élaborés à l'issue de l'étude (le rapport de l'étude, le plan d'action et le rapport de l'atelier de validation) pourront mieux orienter les CRD dans leurs démarches (plaidoyer).

Le manque de communication entre les agences en charge du secteur et les collectivités locales d'une part, les sociétés semi -industrielles et les collectivités d'autre part a été abordé au cours de cette rencontre. Il s'est avéré que ce constat était source de conflits ouverts et de frustration des populations.

**a) – CRD de Banankoro Centre (19 mars 2009)**

Etaient présents

1. Cdt Moussa Condé, Sous préfet ;
2. Thierno Mamadou Barry, Secrétaire communautaire
3. Mory Kourouma , Directeur Sous Préfectoral de la Jeunesse (DSP) ;
4. Elhadj Oumar Diawara, CRD ;
5. Nénè Aissatou Camara, CRD
6. Facely Mara, CRD
7. Elhadj Yaya Béréte, membre CONADOG ;
8. Samba Camara, Service Encadrement Exploitation Artisanale du Diamant (EAD);
9. Elhadj Djigui Camara, Chargé d'Etude EAD ;
10. Laye Dabo, EAD

Suite à l'exposé de l'objet de la mission, la présentation des constats les plus importants et les recommandations pertinentes, les différents intervenants ont apporté tour à tour les amendements aux constats et recommandations formulés par le projet. Il s'agit entre autres de :

- La présence des sociétés semi-industrielles dans les zones réservées à l'exploitation artisanale du diamant (zones parcellées ou non) ;
- Les parcelles non renouvelées sont réclamées par les autochtones ; celles-ci devraient être retirées par un acte officiel (arrêté);
- La non connaissance de la production des sociétés semi-industrielles due au refus catégorique des responsables de ces dernière à admettre les agents de services de sécurité et des ingénieurs des Mines détachés pour le suivi de la production ;
- La diffusion du code minier au niveau des collectivités décentralisées pour être mieux outiller afin de les informer pour réclamer leurs droits.

**b) – Soumassania (20 mars 2009)**

Etaient présents

1. Balla Kourouma, Président du District ;
2. Famoro Traoré, vice pdt District ;
3. Mamadi Djan Diarra, Secrétaire à l'organisation ;
4. Tadigbè Moudou Kourouma, Doyen du village ;
5. Diarra Kourouma,
6. Balla 2 Kourouma
7. Famoudou Kourouma
8. Famoudou Pécos Kourouma
9. Sidiki Kourouma
10. Moussa Kourouma
11. Moussa Kanté
12. Mamadou Dinguiraye Condé, Président des éleveurs
13. Nankoria Balla Kourouma
14. Lansanaba Condé
15. Mamadou Barry
16. Amadou Bah
17. Lt Sékou Dabo
18. Ibrahima Diallo
19. Fatoumata Camara, AV MARP

Après avoir donné des informations sur la situation actuelle du projet (suspension momentanée de ses activités) et la remise de documents sur les enquêtes participatives (MARP) réalisées dans ce village, les intervenants ont remercié le projet pour son sérieux et de l'espoir qu'il a suscité au sein de la population. Ils ont également exprimé leur frustration de voir ce projet fermer ses portes au moment où il prenait un élan appréciable dans la mise en œuvre de ses activités.

### **C – Etape de Kérouané (20 mars 2009)**

Etaient présents :

1. André Guilavogui, Secrétaire Général chargé de l'Administration,
2. Fassou Camara, Directeur du Plan, S/G chargé des collectivités décentralisées par intérim,
3. Nouman Kanté, chargé d'études à la Section Mines et Carrières ;
4. Fatoumata Kanté, Association des Jeunes pour le Progrès (AJP), opérateur Faisons Ensemble,
5. Boloka Keita, AJP/Faisons Ensemble

A Kérouané, les informations données par les membres de la mission et la remise de différents documents produits par le projet ont suscité de vives réactions des autorités préfectorales. Il reviendra à Monsieur André Guilavogui, Secrétaire général chargé de l'Administration de souhaiter la bienvenue à la mission au nom de Monsieur le Préfet en déplacement et de remercier le projet pour l'initiative prise pour la remise de documents si importants pour sa préfecture.

Toutefois, il fera remarquer que la Guinée ne soit pas comprise par ses partenaires et les bailleurs de fonds qui ont pris la décision de la suspendre au détriment des pauvres populations. Il a aussi émis le souhait que cette suspension soit temporaire pour permettre au projet de poursuivre ses activités qui ont déjà eu des impacts positifs sur le terrain. Les autorités préfectorales de Kérouané ont promis d'écrire à l'USAID – Guinée pour exprimer leur désapprobation et demander que la suspension envisagée ne soit pas effective.

### **D – Etape de Kankan (21 mars 2009)**

#### **a) – Gouvernorat**

La mission a été reçue par Monsieur Sadou Keita, Chef de Cabinet du Gouvernorat de Kankan au nom de Monsieur le Gouverneur en mission. Il a adressé des remerciements au projet DPDDA pour ce qui a été fait sur le terrain et a exprimé sa satisfaction morale pour avoir contribué à la validation d'une telle étude sur les revenus tirés de l'exploitation du diamant. Il a ensuite ajouté que si une telle documentation parvenait aujourd'hui aux nouvelles autorités guinéennes (CNDD), beaucoup de personnes paieraient le prix de leur mauvaise gouvernance.

D'après lui, ce projet est un projet de gouvernance et de transparence qui va en droite ligne du développement des collectivités. Il a mis au grand jour des choses cachées, donc il n'y a pas de raison à le suspendre.

Il a promis que les autorités du Gouvernorat de Kankan adresseront une lettre au Directeur de l'USAID pour lui exprimer leurs préoccupations face à la suspension de ce projet. Suspension qui doit être levée pour le bonheur des collectivités des zones diamantifères en Guinée.

#### **b) – Projet Faisons Ensemble**

Les documents produits par le projet pilote DPDDA pendant la première année de sa mise en œuvre ont été remis à Monsieur Mamadou Saitiou Barry, Coordinateur Régional du projet Faisons Ensemble après des explications sur le contexte actuel du projet. Il a regretté la suspension du projet pour avoir compris

les enjeux affichés par ce projet, les perspectives de collaboration annoncées entre les deux projets et surtout la complémentarité de leurs actions qui visent le développement des communautés à la base.

#### **c) – Université de Kankan**

Etaient présents :

1. Dr. Ibrahima Moriah Conté, Recteur ;
2. Dr. Pépé Marcel Haba, Vice Recteur, chargé des Etudes ;
3. Dr. Mamadou Samba Barry, Vice Recteur, chargé de la Recherche
4. Dr. Mamadou Lamarana Baldé, chargé de la Formation ;
5. Dr. Kofa Kamano, Doyen de la Faculté des Sciences Sociales

Après l'exposé de la mission, le Recteur lui a souhaité la bienvenue et adressé les remerciements de sa structure sur le choix porté sur l'Université qui est le creuset de la science et la culture. Il a ensuite promis la création d'un club de réflexions sur les sujets traités qui pourraient en même temps servir de thèse de mémoire de fin d'étude pour les étudiants.

#### **d) – Radio Rurale de Kankan**

La mission a rencontré le Directeur de la Radio Rurale, Elhadj Fodé Dambélé à qui un lot de documents a été remis . Après les mots de bienvenue, il a remercié le projet pour avoir pensé à son service. Il a par ailleurs promis une large diffusion médiatique de ces documents auprès des communautés concernées à travers l'émission grand public « Fodeba bado ». Le Directeur de la Radio Rurale de Kankan a dit en substance que cette remise de documents était un signe de début de collaboration future entre le projet et la Radio Rurale dont les activités s'inscrivent en droite ligne dans la communication vers les sans voix.

#### **E – Etape de Conakry**

La mission s'est poursuivie à Conakry par la remise de documents aux structures centrales des Ministères des Mines et Géologie (Cabinet, Direction NM, CPDM, BNE, BAF, DNG), de l'Administration du Territoire et des Affaires Politiques, de l'Agriculture et de l'Elevage, de l'Environnement et du Développement Durable, de l'Habitat et de l'Urbanisme, de l'Intérieur et de la Protection Civile, de la Décentralisation et du Développement Local , de l'Enseignement Supérieur (Université de Conakry) et la restitution du contenu des différents produits à la Société Civile et aux projets (CECIDE, Guinée-Ecologie, CONADOG, Journal Aurore, PCQVP, ...) et aux personnes ressources ( Monsieur Ahmed Kanté et consultants).

La remise des différents documents a été vivement appréciée par les structures centrales de l'administration qui selon elles, constituent les outils précieux pour qualifier leur travail quotidien. Elles ont cependant regretté la suspension du projet qui était en train de faire de belles choses dans le secteur de l'exploitation artisanale du diamant et de l'appui au processus de Kimberley.

Tout comme dans les structures de l'Etat, la Société Civile (ONG), les projets et les personnes ressources rencontrés ont exprimé la même satisfaction quant à leur dotation en documents divers.

Ils ont également regretté la suspension du projet et promis d'engager des démarches auprès de l'USAID pour la relance rapide des activités du projet. Pour ces organisations et personnes ressources, le projet pilote DPDDA s'inscrit parfaitement dans les cadre des projets de bonne gouvernance et répond également aux préoccupations exprimées par les différents acteurs de la vie politique.

#### **Liste des documents distribués**

1. Rapport de l'atelier de validation et de lancement, tenu à Conakry du 21 au 22 février 2008 ;
2. Rapport de l'atelier de lancement du projet, tenu à Banankoro du 21 au 22 mai 2008 ;
3. Examen des politiques : Droit foncier, gestion des ressources naturelles et législation minière ;
4. Examen des politiques : Secteur de l'exploitation du diamant en République de Guinée ;
5. Rapport des Ateliers nationaux sur :
  - Le secteur minier en République de Guinée : systèmes et procédures de collecte et de gestion de l'information (17 octobre 2008) ;
  - Les droits de propriété statutaires dans le développement du diamant artisanal (20 octobre 2008)
6. Etude sur les revenus publics provenant de l'exploitation du diamant
7. Rapport d'Atelier de restitution et de validation de l'étude sur les revenus publics provenant de l'exploitation du diamant (Kissidougou du 25 au 26 novembre 2008) ;
8. Etude MARP dans les sites du projet DPDDA en République de Guinée (Soumassania) ;
9. Etude MARP dans les sites du projet DPDDA en République de Guinée (Sibiribaro);
10. Etat d'Avancement du Projet pilote DPDDA-Guinée.



# ANNEX 5. PROPERTY DISPOSAL PLAN

April 4, 2009  
Dr. Gregory Myers, PhD.  
Contracting Officer's Technical Representative  
Land Resources Management Team  
USAID/Washington

**Contract No.**            **Property Rights and Resource Governance Program (PRRGP) - PLACE IQC, USAID Contract No. EPP-I-00-06-00008-00, Task Order 2**  
**Subject:**                **Property Rights and Artisanal Diamond Development Pilot Program (PRADD) Guinea: Inventory Review and Approval**

Dear Dr. Myers,

Please find attached the complete and final PRADD Guinea Inventory for your review, and for your approval of ARD's proposed plans for its disposition.

## **Introduction**

On February 6, 2009 ARD, Inc. received an order from the USAID Contracting Officer (M/OAA/EGAT) relative to Task Order no. EPP-I-00-06-00008, Property Rights and Resource Governance Program, to "stop all work in and related to Guinea". ARD subsequently prepared a two-phase close down plan for the Property Rights and Artisanal Diamond Development (PRADD) pilot project in Guinea. Phase I, now completed, consisted of the termination, in an orderly fashion, of all technical activities by March 31, 2009. Phase II consists of an administrative close out, including the disposal of all of the project's non-expendable property (NXP) and the closing of project offices by April 30, 2009.

## **Property Disposal Plan**

Though the MOU signed by USAID and the Government of Guinea concerning PRADD stipulates that title to the property will reside with the Government of Guinea on completion of the activity, USAID has determined that under the circumstances of the suspension of the US Government's assistance to Guinea (following a January 2009 military takeover), the terms of the MOU do not apply.

Following consultations with PRADD's COTR in USAID/Washington, and the USAID/Guinea Mission Director, ARD, Inc. has prepared a plan for disposing of PRADD/Guinea's non-expendable property. The main features of the plan are as follows:

- **High-value items to be retained by USAID:**  
High-value items in good operating condition (see list attached), including vehicles, computer equipment, cameras, GPS units, and the 13 KVA generator, will be retained by USAID/Guinea for eventual use in supporting the development and implementation of a PRADD project in neighboring Sierra Leone. The material to be retained, which will be stored by USAID/Guinea, comprises all but

two of the 15 items in PRADD's NXP valued at over \$500. Overall, the retained items constitute approximately 85% of the total inventory purchase value (\$69,993 of \$82,016).

- **Furniture and other lower-value items to be distributed to USAID/Guinea partners:**  
USAID/Guinea has identified two high-priority partner structures which could put the majority of PRADD's remaining NXP inventory items to good use in the accomplishment of their objectives. The severely under-resourced National Independent Election Commission (CENI) has confirmed its interest, via USAID/Guinea's DG Office, in receiving the bulk of PRADD/Guinea's office furniture items, small generators, and miscellaneous lower-value material including cell phones, flipchart stands, and lanterns (see list attached). At the request of the USAID/Guinea DG Office, ARD also proposes that one desktop computer, printer/scanner, and portable printer be transferred to CENI.

Through a subcontractor (Engender Health) to its principal development project, Faisons Ensemble, USAID/Guinea supports a clinic in Kissidougou in eastern Guinea which has confirmed interest in receiving tables, mattresses, and blankets from PRADD's NXP inventory.

- **Residual NXP items to be placed with other USG-supported structures or auctioned:**  
Residual NXP material is largely composed of household furniture items including four beds and four sets of bamboo living room furniture. This material has a total purchase value of \$2,558. ARD will continue to consult with USAID/Guinea through April 11 regarding potential beneficiaries of this material. If no viable beneficiaries are identified by that time, ARD will put the items up for auction following the procedures mandated by USAID (advance publicity in local papers of impending auction, solicitation of sealed bids, award to highest bidder, etc.).

PRADD proposes to transfer to CENI and Engender Health all leftover expendable supplies (for example, clerical items). Identified items will be boxed and remitted to beneficiaries in the last two weeks of April.

#### **Supervision:**

ARD intends to hire a Conakry-based US consultant, Robert Merritt, for the month of April 2009 to supervise the implementation of the property disposal plan, as part of PRADD/Guinea's administrative closeout. Upon receipt of USAID's approval of this plan, Mr. Merritt will coordinate contact of proposed beneficiaries through the USAID/Guinea Officers designated by the Mission (DG Officer Anna Diallo for CENI, and Dr. Mariama Ciré for Engender Health). ARD will assume responsibility for the physical transfer of NXP items to be stored by USAID/Guinea. CENI and Engender Health will be responsible for the transport of any materials they receive.

ARD's Home Office will provide guidance and support to Mr. Merritt and the PRADD/Guinea Office Manager in preparing appropriate title transfer documentation for signature by USAID, beneficiaries, and ARD, and in delivering original copies to each organization.

Please let us know if you have any questions regarding the PRADD Guinea inventory. If our request meets your approval, please indicate so by responding to me via e-mail. In order to ensure the timely and orderly disposal of PRADD's NXP, ARD requests USAID's approval of this plan at its earliest convenience.

Thank you for your assistance.

Sincerely,



Kelley Scarmeas  
Project Manager, ARD, Inc.

# ANNEX 6. REPORT OF ADMINISTRATIVE CLOSEOUT

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

**USAID Contract No. *EPP-I-00-06-00008-00, Task Order 2***

(April 30, 2009)

**Robert Merritt, Closeout Specialist**

### **April 6<sup>th</sup>-May 1<sup>st</sup>**

On February 6<sup>th</sup>, 2009, ARD, Inc. was advised by USAID to cease operation of the PRADD/Guinea project. Mr. Stephen Reid, ARD's Senior Associate, was brought to Guinea to begin close-out procedures. My assignment as defined by the scope of work was to assist in the completion of this process. I was based at the main ARD bureau in the capital city of Conakry and travelled to the town of Kissidougou to complete the close-out of that office.

ARD retained the services of the PRADD/Guinea office manager, Mr. Kalil Camara; and the Conakry driver, Mr. Yagouba Diallo. They were of invaluable service to me and the project in making this a successful close-out. The assistance and guidance provided by Stephen Reid and ARD's home office staff were also critical to the completion of this assignment.

All major close-out tasks have been completed at this time. However, there remain some financial management issues that require action. I will maintain contact with ARD's home office and ensure that the close-out checklist is fully completed in a timely manner.

### **Main Activities:**

#### **Inventory and Property Disposition:**

USAID Guinea agreed to store the most valuable inventory from the PRADD/Guinea project. These items will be held by USAID until the project resumes operation in Guinea or starts a new project in Sierra Leone.

Five beneficiary organizations were selected and have received the non-expendable inventory not stored by USAID/Guinea. Completed Title Transfer Documents are included in the DHL shipment to ARD/VT.

#### ***1. Commission Electorale Nationale Independente (CENI)***

Signee: Louseny Camara  
Position: Director, Administration and Finance  
Office Address: 1) Cite des Nations, Conakry  
2) Kissidougou Office, Centre-ville Kissidougou

E-mail: louseny@yahoo.fr

Title Transfer #: **001, 005**

**2. Department of Defense HIV/AIDS Prevention Program (DHAPP)**

Signee: Robert Dake

Position: Manager, DHAPP/Guinea

Office Address: United States Embassy, Conakry

E-mail: robdake@gmail.com

Title Transfer #: **002**

**3. Engender Health**

Signee: Ousmane Bayero Traore

Position: Office Manager, Engender Health/Kissidougou

Office Address: Kissidougou Hospital, Fistula Clinic

E-mail: otraore@engenderhealth.org

Title Transfer #: **003**

**4. Maison Guineen Entrepreneurial (MGE)**

Signee: Ibrahima Dioubate

Position: Conseiller de Credit, MGE/Kissidougou

Office Address: 1) Cite des Nations, Conakry  
2) Kissidougou Office, Centre-ville Kissidougou

E-mail: dioubate.ibrahima@yahoo.fr

Title Transfer #: **004**

**5. Orphelinat Kolkende**

Signee: Marie-Simone Camara

Position: Director

Office Address : Centre-ville, Kissidougou

E-mail: N/A

Title Transfer #: **006**

**Note:**

- 1) Expendable inventory was distributed to CENI and DHAPP in Conakry. Lists of transferred expendable items are attached to the relevant Title Transfer Documents.
- 2) Due to space restrictions, USAID was not able to store the project's 13kva Perkins generator. It is being stored by USAID's project Faisons Ensemble in Conakry until ARD resumes PRADD operations.

**Financial Management:**

Outstanding Advances:

There is one unresolved advance made to El Hadj Sidiki Conde for travel to a Kimberly Process conference in New Delhi, India in November of 2008. He received an advance payment of \$2915.20 and had documented expenses of \$2557.73. The sum of **\$357.47** was to be reimbursed to ARD. I met with Mr. Conde and explained the relevant calculations, but he was unwilling to return these funds. His Travel Expense Report and letter to Stephen Reid are included in the DHL shipment to ARD/VT.

Travel advances made to Kalil Camara and Yagouba Diallo in April '09 have been reconciled.

Pending invoices/vendor accounts

All vendors have been paid in full and the PRADD/Guinea project has no outstanding debts. Formal letters have been sent to major vendors to inform them of the suspension of the project.

Bank account closure

The bank account in Kissidougou was closed and the remaining balance was transferred to ARD's BICIGUI account in Conakry.

**Action Required:**

*I will close the Conakry bank account during the week of May 4<sup>th</sup> after I have confirmed that all checks have cleared. Any remaining funds will be transferred to ARD/VT at that time.*

**Note:**

- 1) There are no unresolved tax payments for the PRADD/Guinea project.
- 2) Final salary payments were made to Kalil Camara and Yacouba Diallo on April 28<sup>th</sup>. All other salary payments to employees, contractors and consultants were completed in March.

**File Pack-Out:**

With the assistance of Kalil Camara, I organized and packed all relevant employee files, financial reports, and technical documents for shipment to ARD/VT. Nine boxes of documents were collected by Soguifret, the local shipping agent, on Tuesday, April 26<sup>th</sup>. Boxes #1 and #2 are addressed to Stephen Reid, boxes #3-#9 will be sent to ARD/VT storage.

**A DHL shipment was made on Thursday, April 30<sup>th</sup> containing:**

- April, 2009 Financial Report
- Title Transfer Documents
- Travel Expense Report of Sidiki Conde

- Close-out Report

- (1) Kingston USB storage device loaded with the office manager's files.

All confidential documents and records have been removed from the (1) desktop and (4) laptop computers. These computers were distributed according to the approved Property Disposal Plan.

All unnecessary documents and files have been burned.

#### **PRADD/Guinea Offices:**

The Kissidougou office was closed on April 21<sup>st</sup>. Apollinaire Kolie received funds for the final rent payment as the landlord was travelling on business for the month of April. Mr. Kolie will continue to live in the annex of the office, and is responsible for rent payments beginning in May.

The ARD Conakry office/transit house was closed on April 30<sup>th</sup>. Payments were made for final cleaning, repairs, pool maintenance, re-painting of interior walls, internet service, and utilities/rent for the month of April.

Major repairs were also made to the 5kva and 3kva generators in Conakry before transfer to CENI.



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