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PROPERTY RIGHTS AND ARTISANAL DIAMOND DEVELOPMENT (PRADD) PROJECT

QUARTERLY PROGRESS REPORT
(APRIL - JUNE 2010)



July 2010

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Cover Photo: The lack of diversified economic opportunities in alluvial diamond mining communities often creates a social imbalance where entire families, including children, labor in the mines. The PRADD project is working to promote alternative livelihoods and food security to offset this imbalance. Photo courtesy of Wendy Rice.

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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.

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ACRONYMS

AFL	Artisan Facilitateur Local (Local Miner-Coordiators)
BECDOR	<i>Bureau d'évaluation et contrôle de diamant et d'or</i>
CAR	Central African Republic
CARPE	Central African Regional Program for the Environment
CBC	Canadian Broadcasting Company
CEMAC	<i>Communauté Economique et Monétaire de l'Afrique Centrale</i>
CO	Contracting Officer
DDI	Diamond Development Initiative
DDS	Diamond Development Standards
EITI	Extractive Industries Transparency Initiative
GIS	Geographic Information System
GPS	Global Positioning System
GoCAR	Government of the Central African Republic
IFB	<i>Industries Forestières de Batalimo (private logging company)</i>
IUCN	International Union for the Conservation of Nature
IQC	Indefinite Quantity Contract
IR	Intermediate Result
KP	Kimberley Process
LCD	Liquid Crystal Display
MMEH	Ministry of Mines, Energy and Hydraulics
MOU	Memorandum of Understanding
PLACE	Prosperity, Livelihoods, and Conserving Ecosystems
PRADD	Property Rights and Artisanal Diamond Development Project
PRA	Participatory Rural Appraisal
USAID	United States Agency for International Development
VSTAT	Very Small Aperture Terminal
WRI	World Resources Institute
WWF	World Wildlife Fund

INTRODUCTION AND BACKGROUND

The Property Rights and Artisanal Diamond Development (PRADD) project is an element of the support provided by the United States government, through the US Department of State, to the Kimberley Process. The Kimberley Process (KP) was established in 2000 by representatives from the diamond industry, civil society, and major diamond-producing and trading countries with the intent of combating the trade in conflict diamonds. The KP is voluntary but member nations are permitted to trade only with other KP members, thus offering an economic incentive to retain membership as long as non-members bear the cost of being excluded from legitimate trading channels. Currently, there are 74 KP member countries (27 of which are represented through the European Union). All the major diamond-producing and trading countries are KP members. Only those diamonds that are certified as originating from conflict-free areas and sealed in tamper-proof containers at the point of export are traded between KP members.

To retain membership, participants are required to adhere to a number of rules, including the enactment of national policies aimed at reducing illicit diamond export and import and the timely submission of trade and production statistics. In order to adhere to these rules, member countries need a system of internal controls capable of regulating and tracking the flow of diamonds from the point of extraction to export. In 2004, the Government of the Central African Republic (GoCAR) enacted a mining code that requires registration with the central government of all production and marketing activities involving alluvial diamonds. The 2004 Mining Code also seeks to protect the rights of artisanal miners based on the adoption of a cooperative approach between industries and artisanal miners to diamond production and marketing. However, the defined regulatory, tracking, and support systems far exceed the implementation and enforcement capacity of the central government. The small-scale and itinerant character of alluvial diamond mining make it particularly difficult for governments to exercise effective monitoring and regulation of this sector, or to improve conditions in an often chaotic environment. Thus, a significant portion of alluvial diamond-mining activity remains unregulated and unregistered.

The core problem being addressed by the PRADD project has two dimensions:

- Insufficient monitoring of the diamond industry and a lack of reliable information to ensure the integrity of the KP; and
- Poverty, insecure property rights, and exploitation of artisanal miners and mining area communities.

Regarding the first dimension, one of the most significant obstacles to bringing alluvial diamond-producing countries into the KP has been the inability to capture accurate production data at the mine sites. Concerning the second dimension, artisanal diamond mines often operate under conditions that make them vulnerable to a variety of rent-seekers and economic predators, with detrimental effects on producers and their livelihoods as well as on national economic growth and the natural environment. Ironically, alluvial diamond-producing areas in Africa are among the poorest in their respective regions, despite millions of dollars of diamond production. The two dimensions of the core problem are linked—the same lack of transparency and ineffective regulatory systems that inhibit information collection also enable those with more power or means to continue to exploit the relatively powerless.

The PRADD project premise is that the increased security of land tenure and property rights aimed at community and extraction groups (and linked to local government contexts), combined with improved

production data, is central to bringing alluvial diamonds into the legal chain of custody and improving the livelihood options of local populations. The fundamental goal of the PRADD project is to achieve a system of control and access (i.e., property rights) regarding alluvial diamonds mined to be exported that is clearly defined, widely recognized, socially accepted, and reliably functioning. Based on the above overarching goal and objectives, PRADD has defined the following five intermediate results (IRs) to be achieved during its pilot phase:

- IR 1 – Customary land and natural resource rights in target areas identified, clarified, and formally recognized;
- IR 2 – System for reliable tracking of production and initial sale information strengthened and appropriated by the GoCAR;
- IR 3 – Benefits of mining activities to local communities increased and food production diversified and intensified;
- IR 4 – Capacity to prevent and mitigate environmental impacts of artisanal mining strengthened; and
- IR 5 – Access and availability of information on artisanal diamond mining to stakeholders increased.

1.0 SUMMARY OF MAJOR ACCOMPLISHMENTS THIS QUARTER

During this reporting period, PRADD made several notable advancements in the project work plan including:

- The Property Rights Manual was reformulated to incorporate the collective observations made during a multi-stakeholder workshop held in February.
- The GIS mapping and digitization of 1,187 miners and 1,400 mines in the second pilot site of Nola was completed. All of these mine sites are ready for public validation during the next period.
- An additional 147 miners and 174 mine sites in the towns of Kpongbo, Kénéngué, Bomango/ Géomètre, Mbangali, Ngola 1 & 2, and Bagbaya to the northeast and southeast of Ngotto were enumerated and mapped. These artisans are new entrants from the original pilot zone in the Property Rights Registry.
- The protocol to transfer the Property Rights Registry to the Ministry of Mines, Energy, and Hydraulics was revised and vetted. Human, material, and technological means to update and upkeep the database remain a focal point of the sustainability issues that the project has identified for the transfer.
- Development of a protocol to exchange data with other partners working in transparency, good governance, extractive industries, and natural resource management is evolving.
- Five trainings in Nola, Loppo and Beya were presented relevant to maintaining a production notebook, the formation of a mining cooperative, and the new stipulations of the new Mining Code.
- The illustrated Mining Code Guide in Sango was reviewed by two community groups and a committee of 10 experts from the media, MMEH, mining associations, and linguists from the Martin Luther King Center for reading ease, comprehension, and accuracy.
- Three roundtables and four administrative meetings (60 total persons) with the local Mining Brigade, the General Direction of Mines, and community groups were organized to define the terms for transferring six diamond evaluation kits to community groups.
- A draft business plan was articulated for the diamond evaluation centers and collection of cost information for the construction of four diamond evaluation centers.
- PRADD staff reflected on how to broadly diffuse diamond price information to small-scale diamond miners through the use of the Rappaport Report and cell phone text messages.
- Sixteen community groups were trained in the notions of small business management, conflict mitigation, legal statute, feasibility studies, meeting organization, collection and management of revenue, and self-promotion of income-generating activities.
- Nineteen community groups were trained in fish farming, two of which developed legal statutes for their group activity.

- Nineteen sites were validated for a combination of rehabilitation and reallocation activities in Boda and its environs.
- One hundred and seventy artisans were trained in the rudiments of the physical and human environment required for fish farming (soil and water chemistry, nutrient cycling, hydrology, local economy, technical considerations, construction or rehabilitation of a pit, water circulation, species selection, pond maintenance, predator control, fish reproductive biology, and the transportation of fingerlings, etc.).
- Three fish farm demonstration plots were constructed in each of the original pilot communities. In the coming months, these ponds will be stocked with *tilapia nilotica*.
- Technical expertise was provided to the Batalimo Forestry Industry (IFB) to establish a fish pond within the confines of the lumberyard. IFB is a forestry concession that operates within the boundaries of the PRADD project's current project zone.
- Interviews were conducted with local miners to gauge their perception of the impacts of mining and how these impacts were felt in daily life.
- Six radio broadcasts in Nola for International Environment Day and a public awareness campaign were conducted. Themes addressed included production notebooks, environmental impacts of mining, and the Participatory Rural Appraisal (PRA) activity.
- Communication tools were developed, such as thematic posters, fact sheets, updated project brochure, success stories, film footage, and still photos.
- Capacity-building training was provided for project staff in the use of Microsoft Office, Adobe Audition, photography, gender, project management tools and the project cycle.
- The PRADD film "Diamonds, Development and Property Rights" received the Bronze Remi Award at the 43rd Annual WorldFest-Houston International Film Festival. The PRADD film was one of 4,400 category entries competing from over 33 countries.
- Strategic partnerships were restructured with local artisan facilitators and the Ministry of Mines, Energy and Hydraulics (MMEH) to better leverage the strategic development, implementation, monitoring, evaluation, and perpetuation of project goals and objectives.

2.0 DETAILED DESCRIPTION OF MAJOR ACCOMPLISHMENTS THIS QUARTER

2.1 PROJECT ADMINISTRATION AND MANAGEMENT

This quarter was marked by several important events that impacted project administration and management. The termination and/or resignation of six local employees during Quarter 2 hampered the implementation of project activities briefly. Nevertheless, PRADD has now recruited and replaced all but one of the positions. The office manager position was filled by an experienced senior-level administrator with strong project management and previous international donor experience; the project identified a new rural *animateur* for Nola who will begin work in August contingent upon reference verifications and salary negotiations. This candidate was deemed to have the relevant skills and experience as his educational background is in rural development, he has previous PRADD experience working on the PRA, socioeconomic survey, and mapping in Nola; and he scored the highest in the practical test simulating a rural awareness-building exercise, as evaluated by the PRADD technical team. The receptionist position has been vacant since June, but the recruitment closed just prior to the writing of this report. The project received over 192 applications for the position, and final candidates will be interviewed in the coming quarter. Turnover of three local security guard positions subcontracted to the project for services at the two field offices occurred due to lack of professional conduct.

A second aspect of project administration that required attention during this quarter related to the project's legal and financial obligations with the Central African government. During the referenced period, the project conducted a voluntary audit of its tax payments and project registration status from the inception of the project to the present. Recognizing certain deficiencies, the project actively worked with local authorities to redress errors with regard to social security, income tax, rental tax, and professional training taxes with the appropriate tax authorities. The project also duly registered with the Ministry of Plan, Economy, and International Cooperation. Although the project has an existing Memorandum of Understanding (MOU) with the MMEH, the Ministry of Plan oversees all bilateral assistance in the Central African Republic. The MMEH is effectively PRADD's counterpart technical agency who works in collaboration with the project to implement project activities, but the Ministry of Plan has legal oversight for PRADD's work.

A lesser detraction from project administration has been the lack of appropriate technology for the two field offices. Nola has not had a stable Internet connection for most of 2010 due to inadequate infrastructure with the Internet service provider. Consequently, the technical and administrative team is obliged to travel weekly to Berberati (3-5 hours north of Nola) to transmit regular project correspondence. Although the project competitively bid VSTAT Internet service during this quarter, the service provider did not import the required technology for two months, so communication with the Nola field office was limited over this quarter. Similarly, the Boda office has had inordinate

problems with its electricity supply owing to faulty electrical wiring of the office and multiple mechanical problems with the project generator. The irregular electrical supply damaged multiple pieces of equipment (LCD projector, computer power cables, printer, computers, etc.) and impeded technical implementation. Upon the recommendation of a US Embassy grounds and maintenance technician, the project procured a new generator for Boda and rewired the entire office. The electricity problems seem to have abated for the time being, but the regular blackouts and brownouts in the CAR is a perennial risk for project equipment.

2.2 STAFF CAPACITY BUILDING

An integral element of effective project management lies in the professional development and capacity building of the local project staff. Recognizing an apparent need, the project facilitated five training sessions to build technical skills of the project coordinators, field office managers, and rural *animateurs*. The first training oriented two project field staff in the use of Microsoft® Office. This activity followed a similar training conducted last quarter and should be prioritized for all project staff throughout the duration of the project. The second training, spearheaded by the communication specialist, was to train project staff in the basic elements of professional reporting photography. This activity will continue into the next quarter to enable more project staff to tell the PRADD story through images and photographs and to enhance quarterly reports, mission reports, success stories, and the project brochure which is currently under revision. The third training developed capacity-building trainings around the use of Adobe® Audition 1.5 to facilitate the production of radio emissions in the pilot zones. This training, coupled with the restructuring of the weekly radio emissions to deliver targeted and strategic messages, will allow for a wider distribution of PRADD messages. The recording and the montage of the weekly radio emissions on Radio Kuli Ndunga are the full responsibility of the Nola rural *animateur* at this time, and she in turn will be providing capacity building for the local media. The fourth training targeted rural *animateurs* to train them in the notions of gender, in order to permit them to expound previous gender advocacy trainings through both project zones so that more women can be involved in local natural resource management decisions. The fifth training presented project management tools and the project cycle (work plan, monitoring and evaluation plan, indicator results, project budget, progress reports, financial audit, and mid-term and annual evaluations) to the PRADD technical team.

2.3 IR 1 – CUSTOMARY LAND AND NATURAL RESOURCE RIGHTS IN TARGET AREAS IDENTIFIED, CLARIFIED AND FORMALLY RECOGNIZED

2.3.1 DIFFUSION OF PRADD PROPERTY RIGHTS METHODOLOGY

During the pilot phase, the PRADD project successfully developed a model to identify, clarify, and validate existing customary property rights for small-scale miners in one diamond-producing CAR region. The challenge for PRADD in the second phase is to codify the property rights already identified and develop tools for other governments, donor organizations, and partners to replicate the PRADD model. To this end, in the previous quarter, PRADD organized a multi-stakeholder workshop to evaluate the impediments to formalizing customary property rights in CAR and to present a “how-to” manual outlining the PRADD model for peer review.

Over the course of this reporting period, the principal local PRA/property rights consultant reformulated the manual to incorporate the collective observations made for the manual during this workshop. A final work product has not yet been delivered, however, as the project intends to submit the document to a professional French editor for revision and to a graphics designer for USAID branding. The project would also like to include more visual aids and simple cues (e.g., style of a how-to series) to enable partner organizations to easily understand the value of reinforcing customary property rights and to glean simple considerations for replicating the PRADD model in other contexts. PRADD has also requested that the US Ambassador/Bangui and the Minister of Mines write a prelude to the manual to reinforce the bilateral buy-in and project support.

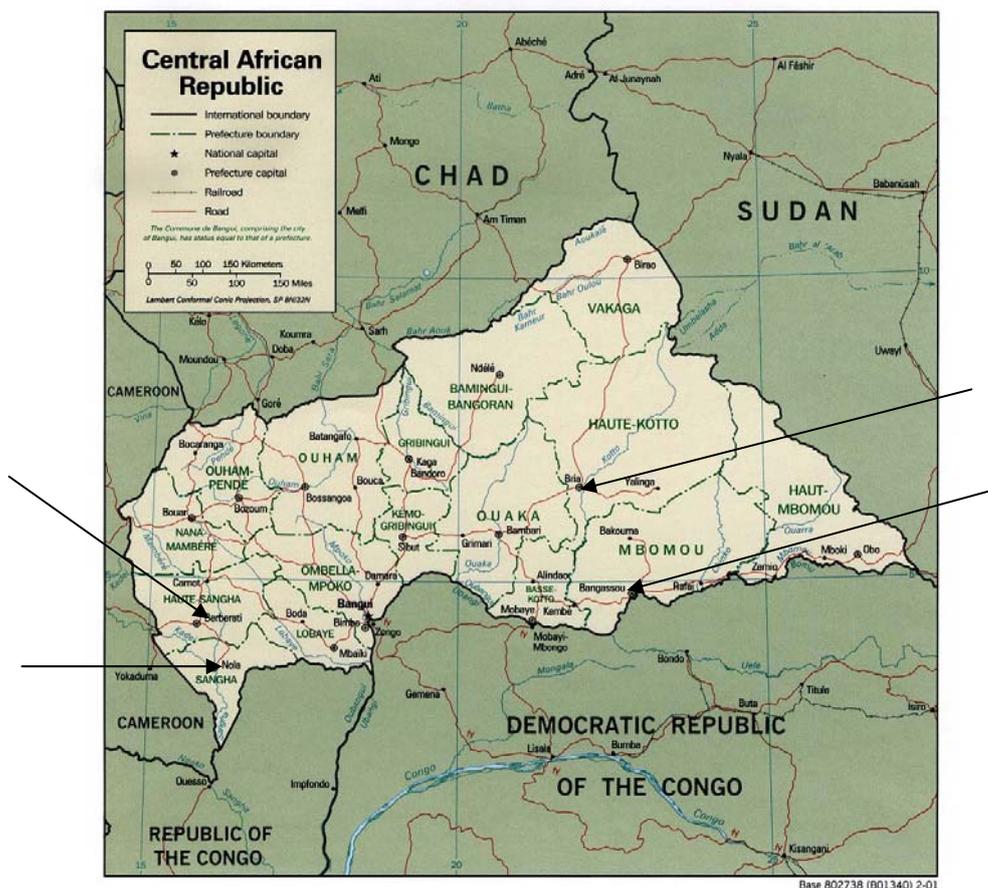
After the additional revisions are incorporated, the project will broadly diffuse the manual and other project communication tools (Mining Code Guide, A0 format poster outlining the 8-step process, and thematic posters) to local partner organizations in an extended public relations campaign. The project would also like the opportunity to present the finalized manual to other participating members of the KP Plenary in addition to a presenting a fiscal analysis to the artisanal mining working group in November.

2.3.2 PRA AND MAPPING IN NOLA

An overarching goal in the second phase of the PRADD project is to scale up the localized results achieved in the pilot zone. Scaling up entails broadening the scope of the PRADD property rights approach on two fronts: within the CAR and within other diamond-producing countries internationally. At the international level, PRADD must expound upon best practices and lessons learned to create tools for other KP member countries to successfully replicate the model. Within the CAR, it is imperative to replicate the model throughout different regional contexts to enable more artisan miners to enter the legal chain of custody. Extrapolating from project statistics in the Lobaye, PRADD estimates that only five percent of the CAR small-scale miner population is within the legal chain of custody. Through PRADD’s efforts to link customary property rights, point specific mining operations, and production data, it will be possible to incorporate more artisanal miners in the legal chain of custody and better track diamond production from earth to export.

To this end, PRADD has targeted four additional diamond-producing hubs in the CAR for the socio-demographic surveys, mapping, and validation exercises initially completed in Bossoui, Bolaye, and Ngotto in 2007. These sites will include Nola, Bria, Bongassou, and Berberati over the course of the project implementation phase (Figure 1).

FIGURE 1. DESCRIPTIVE MAP OF THE PROPOSED EXTENSION SITES FOR PRADD PARTICIPATORY ANALYSIS



A two-month participatory analysis of customary property rights conducted in the last quarter in three hamlets of Nola (Loppo, Mbanza, and Ndelengue-SCED), identified 1,122 new diamond mines and seven mining camps customarily held by 665 small-scale miners, including 48 women. In the last quarter, the data collection team mapped 636 mines identified with portable GPS units and digitized 952 mines into the property rights registry. During this period the principal accomplishment under Intermediate Result 1, *Customary Land and Natural Resource Rights in Target Areas Identified, Clarified and Formally Recognized*, was to complete this mapping and digitization exercise in Nola. To date, a total of 1,187 miners possessing 1,400 mines have been counted, surveyed, and mapped. This total includes some new entrants that presented themselves to the project after the initial PRA exercise. All of these mine sites are ready for public validation during the next period. Furthermore, two government employees and three interns with the MMEH mastered the first four steps of the PRADD property rights model: PRA, miner census, socio-demographic survey, and global positioning system (GPS) mapping.

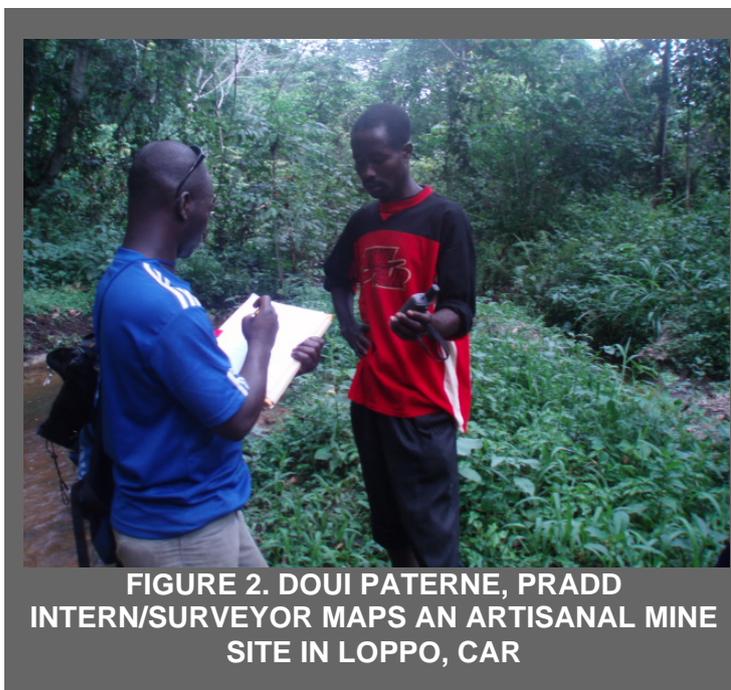
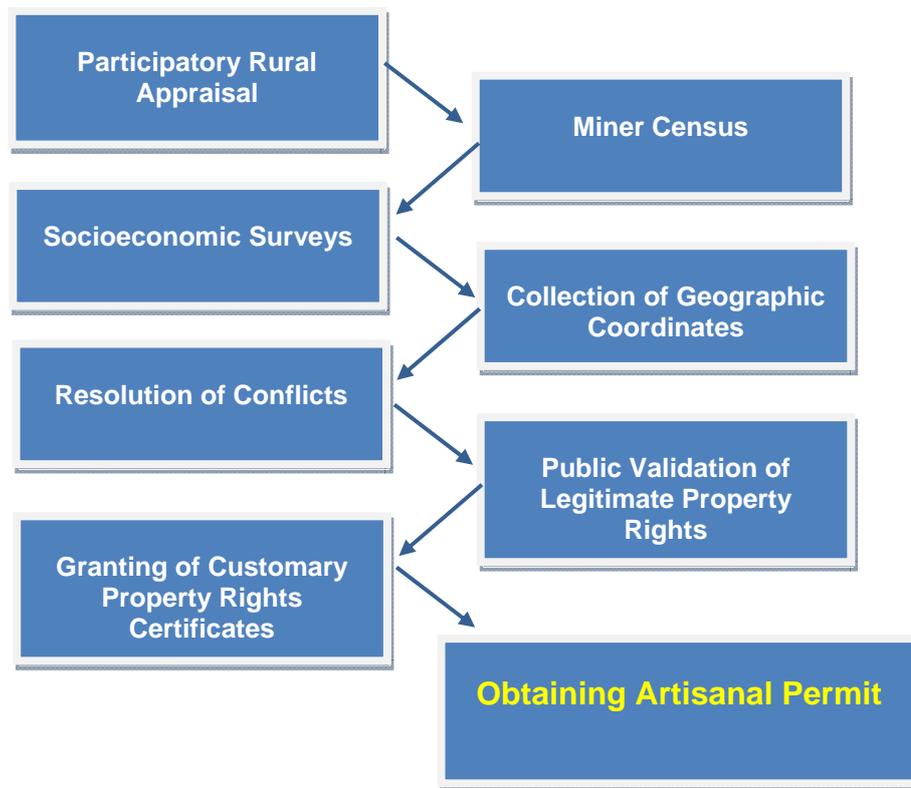


FIGURE 2. DOUI PATERNE, PRADD INTERN/SURVEYOR MAPS AN ARTISANAL MINE SITE IN LOPPO, CAR

Perhaps more notable than exceeding PRADD's expected results threefold in the second pilot zone, is the evolution of the community's perception of PRADD's approach to clarifying customary property rights. The PRADD project originally mapped 428 mine sites in the pilot zone of Boda/Ngotto. Since the initial mapping and validation exercises, numerous other artisanal miners have presented themselves to the project to be listed in the property rights registry. This peaked interest in the PRADD approach shows a heightened awareness of the project model and a perception that validated property rights can help artisanal miners leverage diamond sale prices, mitigate administrative problems with the local government, and receive fair compensation in the event that the federal government allocates an industrial mining permit overlapping with traditional mining access. This evolving perception enabled the project to census an additional 147 miners and map 174 mine sites in the towns of Kpongbo, Kénéngué, Bomango/Géomètre, Mbangali, Ngola 1 & 2, and Bagbaya to the northeast and southeast of Ngotto.

In the next quarter, the project will validate the customary property rights covering 1,574 artisanal diamond mines in the Lobaye and Sangha-Mbaere prefectures. PRADD's senior property rights and land tenure specialist will organize an additional capacity-building training session for MMEH technicians, project staff, and community resource persons to provide practical skills building in the fourth and fifth steps of the PRADD module: validation and conflict resolution. The validation exercise will be in conjunction with competent local authorities and partners such as Cadaster, Ministries of Mines, Agriculture, and Animal Husbandry, Mining Brigade, and World Wildlife Fund-International Union for the Conservation of Nature (WWF-IUCN). Undisputed claims will receive a certificate of legitimacy and any contested customary property rights claims will be invalidated and subject to a local conflict mitigation forum. An additional 455 mines may need to be mapped as well, contingent upon the outcome of the validation exercises. The project identified these potential mine sites during previous field work, but the existence of these mines could not be confirmed during the mapping exercise as many artisans were absent when the team collected the additional GPS points. Lastly, the PRADD IR 1, IR 2, and GIS coordinators will also begin ground-truthing work in Tzacko-Dimbi (bordering Bongassou) to repeat the PRA and survey activities in the eastern provinces.

FIGURE 3. THE STEPS TO FORMALIATION FOR CUSTOMARY PROPERTY RIGHTS IN THE ARTISANAL MINING SECTOR



2.4 IR 2 – SYSTEM FOR RELIABLE TRACKING OF PRODUCTION AND INITIAL SALE INFORMATION STRENGTHENED AND APPROPRIATED BY GOCAR

2.4.1 RESTRUCTURING AND TRANSFER OF THE PROJECT DATABASE

During the previous reporting period, the PRADD GIS Specialist restructured the database and wrote a draft work plan, a training program, and protocols for the transfer of the property rights database to MMEH. For the transfer to be viable technically, the project and MMEH must address the ministry’s existing human and material needs to autonomously manage the database over a long duration, identify a mechanism to update the data in the registry, and have a consensus of data sharing among stakeholders outside the bilateral agreement.

Building upon accomplishments achieved in the last quarter, the IR 2 coordinator and the PRADD GIS specialist broached these draft documents with the General Director of Mines for his feedback and observations. Human, material, and technological means to update and maintain the database remain a focal point of the sustainability issues that the project has identified for the transfer. Consensus has not yet been reached between PRADD, USAID, and MMEH as to the prerequisites for the transfer, but this dialogue is evolving.

Data exchange with other partners working in transparency, good governance, extractive industries, and natural resource management is another evolving dialogue with regard to the transfer of the database.¹ While USAID has given tacit approval for data sharing with other partner organizations, the

¹ There are five principal organizations that would benefit from the exchange of GIS/GPS data with PRADD. These organizations include:

PARPAF—an organization similar to PRADD that has done extensive participatory mapping in the forestry sector.

project must develop partnership protocols outlining the terms of the information sharing. Prior informed consent is a critical consideration for this data exchange, as are the political and economic sensitivities GoCAR may have for exchanging data on diamond production. These questions will be developed in greater detail in the next quarter by Dr. Kent Elbow, who will analyze an array of issues that could impact the long-term government buy-in and adoption of the PRADD model.

Aside from addressing the resource needs of the Ministry of Mines for the database transfer, the project also needs to do some additional technical manipulation of the database to ensure the transfer. Tasks remaining for completion prior to the transfer of the database include 1) quality control of the data of the new mining claims registered and validated in Nola and Boda; 2) completion of the metadata; 3) update the logical data mode; and 4) standardization of the database lexicon. This work will be done by PRADD's local GIS specialist, with quality control from ARD's GIS specialist.

2.4.2 PUBLIC AWARENESS CAMPAIGN FOR 2009 MINING CODE

Since the World Bank and GoCAR revised the Mining Code in 2009, the PRADD project has undertaken a progressive public awareness campaign to inform citizens of the relevant changes. In past quarters, the project distributed copies of the Mining Code to local government authorities and civil society organizations in the major diamond-producing hubs and coordinated several workshops with project beneficiaries about the changes in the code.

During this quarter, the project conducted five additional trainings with 63 persons in Nola, Loppo, and Beya, relevant to maintaining a production notebook, forming a mining cooperative, and understanding the new stipulations of the new Mining Code. Confirmation of the licensed miners registered with the Mining Brigade indicates that over time these trainings are encouraging behavior change as more miners and local artisan facilitators (AFL) in the PRADD pilot zone have entered the legal chain of custody.

Finally, the illustrated Mining Code Guide, produced in 2007, which was translated into Sango earlier, was reviewed by two community groups and a committee of 10 experts from the media, MMEH, mining associations, and linguists from the Martin Luther King Center for reading ease, comprehension, and accuracy. This document is currently at the press for wide-scale distribution in the next quarter.

2.4.3 LOCAL BENEFITS OF ALLUVIAL DIAMOND PRODUCTION INCREASED

One of the core justifications for the PRADD project is that local benefits from production and marketing of alluvial diamonds will increase. PRADD is achieving this objective by developing strategies to help artisans better understand the market value of their gemstones through diamond valuation training and information dissemination of market pricing standards. During the first phase, the project trained 33 local artisan facilitators in diamond valuation. The project will repeat this activity in the second pilot site, Nola, after the validation exercises are completed and the communities designate their AFLs.

PRADD also acquired six diamond valuation kits for distribution to pilot communities, but these kits have not yet been distributed. Distribution has lagged for three principal reasons: the communities have not yet met their community contribution (co-financing 15% of the total value of the kits [\$105] and providing a secure locale to house the equipment); the business management plans for the

WWF/ECOFAC—two projects that monitor natural resource use in national parks/reserves in our pilot zones. Monitoring of extractive industries is vital to local land use planning, and furthermore, each of these organizations has relevant data that complements PRADD's existing work for exchange.

GTZ/REMAP—maintains a database of extractive industries in all of the *Communauté Economique et Monétaire de l'Afrique Centrale* (CEMAC) countries. The database includes maps of geologic resources and it tracks Extractive Industries Transparency Initiative (EITI) transparency declarations. With an elaborated partnership protocol, the GTZ database could be a local clearinghouse for all data generated by the various stakeholders in the extractive industries in CAR/CEMAC.

CARPE/IUCN/WRI—WRI has recently developed an Atlas of the Central African Republic, which is based upon satellite imagery and GPS data. The Atlas lacks any information on mining permits or claims and it would be useful to superimpose these land uses for macroscopic land use planning in the Congo Basin.

valuation centers are not clearly defined; and the MMEH has not yet authorized the transfer of the equipment. The ministry's preconditions for the transfer—such as the requirement that all artisans giving or receiving a valuation must have a mining permit, and the recommendation that the equipment be granted to a functioning cooperative rather than a community group—were the subject of much debate during this period.

In consequence, the project organized three roundtables and four administrative meetings (60 persons in total) with the local Mining Brigade, the General Directorate of Mines, and community groups to address these questions and vet the terms of the transfer. PRADD also articulated a draft business plan



FIGURE 4. AN AFL IN BOSSOUI LEARNS HOW TO EVALUATE DIAMONDS

for the diamond valuation centers and has begun collecting cost information for the construction of four centers for which there are no adequate buildings existing locally. In the next quarter, the project will finalize the diamond valuation protocol with the MMEH, refine the business management plans, and submit a request to the Contracting Officer (CO) to finance the construction of the needed valuation centers. Should the CO authorize these small construction projects, each building will cost roughly \$1,430, factoring in the community contribution of locally available construction materials. PRADD will also facilitate the acquisition of artisanal mining permits for the newly nominated AFLs in Boda to mitigate the ministry's concern that the valuations will behoove illegal actors.

The final activity PRADD undertaken during this reporting period to achieve the goal of local populations better benefitting from the production of alluvial diamonds was to reflect on how to disseminate diamond price information broadly to small-scale diamond miners. The project would like to use text messaging to circulate this information to miners who otherwise have limited access to price information. By using text

messages, the project can target rapidly and economically 1,000,000 telephone users in each of CAR's 16 provinces. The constraints to this approach are that the local pricing barometer developed by the *Bureau d'évaluation et contrôle de diamant et d'or* (BECDOR) is outdated and not widely circulated among the mining community (particularly for diamonds exceeding 4.8 carats) and the international standard defined by the Rappaport Report is complex and available only by subscription. Thus, the project drafted a proposal to subscribe to the Rappaport Report to distill the pricing index down to usable information that can fit into a 100-character text message. This strategy is still in the course of development, but diffusion of the information in this manner could be simultaneously beneficial to the PRADD CAR and the PRADD Liberia projects.

2.5 IR 3 – BENEFITS OF MINING ACTIVITIES TO LOCAL COMMUNITIES INCREASED AND FOOD PRODUCTION DIVERSIFIED AND INTENSIFIED

2.5.1 AUTO-PROMOTION OF COMMUNITY DEVELOPMENT GROUPS

A key component of the PRADD livelihoods strategy is to encourage miners to diversify their economic base with off-mine activities through collective efforts. In earlier quarters, the IR 3 coordinator organized trainings to revitalize and reorient existing community groups with the end objective of developing concrete business plans/charters for income-generating activities, notably agricultural development, fish farming, coffee production, animal husbandry, and soap making.

During this period, the community development specialist iteratively built upon previous capacity-building trainings to help community organizations solidify their objectives and acquire the necessary technical support to implement said objectives. A significant portion of the technical activities implemented under IR 3 related to the promotion of aquaculture as an alternative livelihood activity in Boda. PRADD trained 19 community groups in fish farming, two of which developed legal statutes for their group activity. The project also conducted additional trainings in administrative and financial management, and promoted a savings and loan program known locally as the “Kelemba” with miner’s groups. As previewed, the project networked with the US Embassy Self-Help Fund to identify potential funding mechanisms that could provide start-up revenue to develop viable income-generating activities in the project zone.

In Nola, PRADD began replicating activities already successfully implemented in Boda. Nola project staff surveyed the local communities to identify existing community groups and the orientation of their economic activities. Twenty functional community groups were identified as working in the project zone in Nola. PRADD trained 16 of those groups, comprising 124 members, in small business management, conflict mitigation, legal statutes, feasibility studies, organization of meetings, collection and management of revenue, and self-promotion of income-generating activities.

A testament to PRADD’s approach for the self-promotion of community development groups lies in the engagement of seven community groups to weed and cultivate eight hectares of land to promote agricultural activities identified in joint PRADD/community workshops. The groups worked collectively to clear this land and they saved 59,700 CFA (approximately \$117) that would have funded the necessary manual labor. This is an impressive achievement of collective action that the project hopes to replicate in the promotion of other alternative livelihoods, such as for the establishment of community-managed diamond valuation centers.

2.6 IR 4 – CAPACITY TO PREVENT AND MITIGATE ENVIRONMENTAL IMPACTS OF ARTISANAL MINING STRENGTHENED

Mining, by its nature as an extractive industry, is an environmentally destructive activity with water pollution, deforestation, and loss of biodiversity among the most common environmental impacts. Mitigation of these impacts can be achieved through environmental rehabilitation, restoration, or reallocation. Of these abatement measures, environmental restoration is the least practical for small-scale mining operations as this technique entails reestablishing all ecological processes to a state of pre-disturbance. Environmental rehabilitation can be a viable alternative to restoration as it can physically rejuvenate the land aiding in mitigating environmental impacts. However, this method may not be cost-effective, particularly in communities that lack positive economic incentives to fill in old mines sites, remove dams, revegetate, and reconstruct deviated watercourses. Environmental reallocation, however, is a plausible alternative to rehabilitation and restoration as this strategy restores the land to productive use and mitigates environmental impacts while creating positive incentives for action.

Weighing the cost benefits of the three approaches, the PRADD project has developed a three-tiered strategy to prevent and mitigate environmental impacts of artisanal mining. This strategy entails rehabilitation, reallocation, and education.

2.6.1 ENVIRONMENTAL REHABILITATION

During the last quarter, the IR 4 coordinator and two interns from the Universities of Bangui and Cheikh Anta Diop (Senegal) surveyed 43 mine sites needing rehabilitation to quantify the type and extent of the degradation. Requisite rehabilitation measures identified in 10 communities in the Boda area included removal of ground cover, replacement of the overburden, water channeling, removal of dams, fish stocking, reforestation, and delimitation. This scoping mission enabled PRADD to develop a participatory strategy for environmental rehabilitation that specifically addresses the cost, incentives, and feasibility of community-led rehabilitation activities.

This participatory strategy was the basis for all environmental rehabilitation work conducted during the current reporting period. Of the sites exhibiting environmental impacts, 19 sites were publically validated for a combination of rehabilitation and reallocation activities and 10 sites are ready to commence rehabilitation work. Thirteen local actors developed internal regulation plans for the rehabilitation of their expired mines sites. Over the course of the next quarter, these activities will continue and a partnership with the World Food Program will be sought to create a Food for Work program for the proposed environmental rehabilitation activities.

2.6.2 ENVIRONMENTAL REALLOCATION OF DIAMOND MINES

The validation process identified seven different reallocation activities that participating communities would like to implement to mitigate the negative environmental impacts of alluvial diamond mining. The reallocation activities identified included aquaculture, rice cultivation, food crops, vegetable farming, palm wine, fruit tree orchards, and raffia plantations. To date, the project has made the most significant accomplishments in the promotion of fish farming in the pilot zone as an income-generating activity and an environmental mitigation measure. Currently 17 community groups that have been working with the IR 3 coordinator to develop income-generating activities in Boda want to target fish farming as their principal economic activity. In the last quarter, PRADD trained 170 artisans in the Boda pilot zone in the basic concepts of fish farming and three fish farming demonstration plots were selected by the community for development. These same artisans again benefitted from a three-week practical aquaculture training that outlined the rudiments of the physical and human environment required for fish farming (soil and water chemistry, nutrient cycling, hydrology, local economy, technical considerations, construction or rehabilitation of a pit, water circulation, species selection, pond maintenance, predator control, fish reproductive biology, and the transportation of fingerlings, etc.).

As a hands-on application of this training, three project demonstration plots were constructed in each of the original pilot communities. The construction work continued through much of the quarter and in the coming months these ponds will be stocked with *tilapia nilotica*. In the interim, the fish will be raised in a fish pond donated by the Ministry of Water and Forestry in Boda, until the fish can be transferred to the demonstration ponds. The project also provided technical expertise to the Batalimo Forestry Industry (IFB) to establish a fish pond within the confines of the lumberyard. IFB is a forestry concession that operates within the PRADD project's current project zone. IFB would like to collaborate with PRADD to help the communities neighboring the concession to address food insecurity concerns and to promote alternative livelihoods. To that end, PRADD and IFB will jointly promote fish farming and potentially spirulina production in the local communities.

2.6.3 ATTENUATION OF NEGATIVE ENVIRONMENTAL IMPACTS OF MINING

The final environmental attenuation measure the project is promoting in the mining communities is education about the impacts of mining. The project has been diffusing its message through a radio campaign in Nola which combines interviews of artisanal miners and prepared radio broadcasts. The project first conducted five interviews with local miners to gauge their perception of the impacts of the mining and how these impacts were felt in daily life. In conjunction with International Environment Day, the Nola field office developed radio broadcasts that discussed the environmental impacts of mines and the necessity of environmental rehabilitation.

The team leveraged the theme "Millions of Species- One Planet- One Common Future" to encourage local communities to rehabilitate their mines to abate the loss of biodiversity in the zone. In a community where fish and bushmeat are important staple foods but are becoming less prevalent over time, this message resonated with certain villagers. One widow and artisanal miner in Loppo listened to the radio broadcast and decided to preemptively rehabilitate her mine site that she inherited from her husband without any direct assistance from the project. Drawing upon other experience in the community to create a fish farm, Berthe constructed a fish farm which generated 50,000 CFA (approximately \$100) in its first month of production. In a country where the annual per capita income is \$700, this income-generating activity reflects a significant accomplishment.

2.7 IR 5 – ACCESS AND AVAILABILITY OF INFORMATION ON ARTISANAL DIAMOND MINING TO STAKEHOLDERS INCREASED

2.7.1 COMMUNICATION TOOLS DEVELOPED

The focus of the PRADD communication strategy during this reporting period was on developing tools that showcase project best practices. Various tools developed this quarter include 1) thematic posters that addressed diamond valuation, environmental rehabilitation, formation of a cooperative, legal chain of custody, procurement of a permit, and the PRADD eight-step model activity; 2) a “cheat sheet” on how to become a legally licensed miner; 3) an updated French version of the project brochure (for finalization and approval with USAID); 4) two success stories highlighting a widow that created a fish farm out of an expired mine as an income-generating and environmental rehabilitation activity, and an exposé of artisan miners from Boda that opted to present themselves for inclusion in the database three years after the project’s start; 5) 180 minutes of film compiled to begin producing television broadcasts on the environmental impacts of mining; and 6) still photos of fish farm construction to begin developing a how-to aquaculture manual for distribution to artisan miners.

2.7.2 MEDIA CAMPAIGN

As with previous quarters, the project stressed communicating project objectives and accomplishments using the national and regional media. Expounding upon themes developed previously, PRADD diffused six new radio emissions in Nola. Two of these broadcasts addressed the necessity of maintaining a production notebook. Another emission was a live interview with an artisan who had participated in the PRA and socioeconomic surveys to garner his impressions of the exercise and to understand the perceived advantages of registering customary property rights with the help of PRADD. This airing complemented interviews conducted with “wait and see” artisans, those who did not present themselves for miner census during the initial passage of PRADD in the zone, opting to see the results first, and ultimately decided to be included in the census. The final radio program was a structured debate organized for the International Environment Day.

The project also organized a media day for local journalists who were invited to a special viewing of “More Than a Piece of Paper” and an overview of the project structure, accomplishments, and challenges for achieving long-term sustainability and buy-in.

2.7.2 AWARD WINNING FILM

The PRADD project developed a film called “Diamonds, Development and Property Rights” in 2009, which subsequently has been translated into French, and most recently, Sango. This film has been widely circulated among partner organizations nationally and internationally, within the CAR, and at the KP Plenary. The cinematographer also entered the film in the 43rd Annual WorldFest-Houston International Film Festival, and it received a Bronze Remi Award in the category of Film and Video Productions—Educational/Instructional—Adult division in April 2010. The PRADD film was one of 4,400 category entries competing from over 33 countries.

2.7.3 EMERGING PARTNERSHIPS

PRADD’s multi-dimensional communication strategy has resulted in forging new linkages with potential partners across the spectrum of civil society, nongovernmental organizations, government, industry, and other stakeholders within the extractive industries. Three new partnership opportunities emerged for PRADD during this quarter: with the Canadian Broadcasting Company (CBC), Industries Forestières de Batalimo (IFB), and the International Crisis Group. The project also solidified and expanded an existing partnership with the Diamond Development Initiative (DDI) and the Kimberley Process Civil Society fund.

The CBC and International Crisis Group both contacted the project as a resource organization for independent research on extractive industries in the CAR. CBC is compiling a documentary on the reality of diamond mining in the CAR with a focus on child labor. PRADD provides some commentary and still photos for the documentary that will likely air in late 2010. The International Crisis Group is compiling an investigative report on the nexus between armed conflict and the diamond trade in the CAR in conjunction with an evaluation of the socioeconomic impacts of small-scale diamond mining in the country. To facilitate this report, PRADD staff accompanied the International Crisis Group to the pilot site to interview artisanal miners and to have an eyewitness account of active diamond mines.

Through its collaboration with the IFB, the PRADD project began to develop an important public-private partnership to promote community outreach in Ngotto to address food insecurity concerns and to promote alternative livelihoods. To that end, PRADD and IFB will jointly support fish farming and potentially spirulina production in the local communities.

Lastly, PRADD held preliminary exchanges with DDI with regard to replicating the Guyana permit and mechanization model in the CAR. DDI's executive director travelled to CAR to meet with high-ranking government officials to vet this program and to prepare a technical work plan slated for completion in July 2010. The key aspects of the proposed DDI project are to 1) lower the cost of artisanal mining permits to \$0, which would take effect in 2011. This initiative necessitates revising the Finance Law, which is done annually in October/November; 2) donate mechanized mining equipment to local mining cooperatives and link the purchase of an exploitation permit to individual machines rather than to miners or mines. The gigs, and subsequent service needs for maintenance and repair, could be a source of alternative livelihoods for small-scale miners and ultimately this action could reduce the number of artisanal miners in the informal sector through labor efficiencies; 3) cooperatives and civil society organizations would be responsible for registering 45% of existing artisans in the legal chain of custody estimated at 36,000 miners; and 4) DDI will promote savings and loan programs that will be funded in part by a 10% additional tax on stones extracted from specific pits.

While the opportunities for important synergies do exist for DDI and PRADD working collectively in CAR, much consideration is needed to take into account the operational and policy context of small-scale mining operations in the CAR. Furthermore, with the absence of a vibrant civil society and functioning mining cooperatives in the CAR, it may be strategically important for DDI to have a permanent staff presence in CAR for them to attain their objectives, without placing an undue administrative burden on the PRADD project.

2.7.4 REDEFINITION OF KEY PARTNERSHIPS

After three years of implementation of PRADD project activities in the CAR, PRADD has attained a critical point of reflection with regard to best practices and lessons learned. One question that merits further thought is the role of two critical partners in the strategic development, implementation, monitoring and evaluation, and perpetuation of project goals and objectives.

At the provincial level, the AFLs can play a beneficial or deleterious role as community liaisons between PRADD and pilot sites. Past experience has proven this partnership to be uneven, as the AFLs did not have a clearly defined scope of work and the project inadvertently created a cadre of local elite who often detracted from the communication with communities. To redress the negative impacts that have developed over time with the AFLs, the project engaged a process to select new AFLs to work with the project in a collaborative and defined manner. A scope of work, with specific expectations for each indicator result, was drafted and circulated to the communities in the original pilot zone. Project technical staff administered a written and oral test to applicant AFLs testing the candidates' knowledge of rural development, the Mining Code, and the PRADD project. The project presented the candidates receiving the highest scores to the community, and the communities validated the choice of 15 new AFLs. In the next quarter, this activity will be repeated in Nola, the second pilot site, after the validation exercise is completed. The artisans will also receive a five-day formal training in the objectives of the project, the roles and responsibilities of each AFL, techniques of rural

education and activity coordination, etc. Each AFL will also receive point-specific training in the technical content of the PRADD project over the remainder of project implementation.

The second partnership that plays a vital role in the sustainability and continuity of the PRADD project is the relationship between PRADD and the MMEH. Over the course of the project's implementation, that relationship has remained tenuous at best, which begs the question under what conditions the PRADD model can and will be adopted after USAID discontinues financing of the project. Given the stakes of improving this partnership, the technical team addressed the question at length in the last quarterly work planning session in June 2010. Principal obstacles encountered in this partnership include 1) the lack of implication of the ministry in work planning, monitoring and evaluation, and the strategic development of key project activities; 2) a government administrative bureaucracy that delays the implementation of PRADD technical work; 3) unprofessionalism of MMEH counterparts that participate in field activities; 4) the inability to plan for joint missions; 5) lack of participation of key government officials in project workshops/roundtables, etc.; 6) PRADD is not seen as a key stakeholder for other activities, such as EITI, and the Diamond Development Initiative (DDI), which are conducted in-country; 7) suspicions around the real objectives of PRADD (i.e., is the project a clandestine buying house?); 8) refusal to share information of a public or administrative nature (such as diamond price barometers, trip reports); 9) inconsistent application of the Mining Code; and 9) uncertainty about the government's ownership and buy-in for the PRADD model.

The PRADD project has already taken a number of measures to increase the quality and frequency of its communication with the MMEH to address many of these issues. Actions undertaken include respecting administrative delays for the submission of mission orders and correspondence, circulation of project internal policies that affect field missions and international voyages, invitation of ministry staff on all technical missions, circulation of major reports and executive summaries of project activities, and debriefing meetings after important missions or consultancies. However, these actions have done little to change the ministry's perception of PRADD. In the next quarter, the project as part of its sustainability study will examine these obstacles in more detail and will consider developing strategies that surpass what has been accomplished to improve the bilateral relationship. Possible strategies to improve the relationship would include identifying project champions outside of the MMEH, disseminating information more widely with other agencies to facilitate a technical debate on PRADD activities, and offering that each IR coordinator have a direct counterpart within the MMEH with whom the project can work with fewer bureaucratic complications.

ANNEX I: REPORTS, MAPS AND OTHER DOCUMENTS PRODUCED IN QUARTER 3

- Gnikoli, Heritier. 2010. Approche organistonelle de la rehabilitation des anciens sites d'exploitation artisanale de diamant: Cas du projet Droits de Propriété et Developpement du Diamant Artisanal (DPDDA) dans la Prefecture de Mambere Kadei (Nola) : Proposition de Recherche. University Cheikh Anta Diop, Dakar, Senegal. 7 pgs
- Gnikoli, Heritier. Comte Redu des Activites au Sein du DPDDA. 2010. University Cheikh Anta Diop. Dakar, Senegal. 5 pgs.
- Ningua, Jean Paulin. 2010. Collecte des données Socio démographiques (ESD) et prise de coordonnées géographiques (GPS) auprès des artisans miniers reliquats des anciens sites pilotes de Boulay-Bossoui-Camp Goum et des nouveaux sites du nord et sud-est de Ngotto : Kpongbo-Kénengué-Bomango/Géomètre et Mbangali-Ngola-Bagbaya dans la Lobaye du 14/05 au 12/06/2010. PRADD, Central African Republic. June 2010. 40 pgs.
- PRADD. 2010. Environmental Management Map for Boda. GIS Map. Bangui.
- PRADD. 2010. Locality maps for Boda. GIS Map. Bangui
- PRADD. 2010. Locality Map for Nola. GIS Map. Bangui.
- PRADD. 2010. Location of Proposed Fish Farms in PRADD Pilot Site. GIS Map. Bangui.
- PRADD. 2010. Zoning Map Nola. GIS Map. Bangui.

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