



USAID
FROM THE AMERICAN PEOPLE

CENTRAL AFRICAN REPUBLIC

PROPERTY RIGHTS AND ARTISANAL DIAMOND DEVELOPMENT (PRADD) PROJECT

QUARTERLY PROGRESS REPORT
(OCTOBER – DECEMBER 2012)



JANUARY 2013

This publication was produced for review by the United States Agency for International Development. It was prepared by Tetra Tech.

Prepared for the United States Agency for International Development, USAID Contract Number EPP-I-00-06-00008-00, Task 5.42, Property Rights and Artisanal Diamond Development in CAR, under the Property Rights and Resource Governance Program (PRRGP) Task Order, under the Prosperity, Livelihoods, and Conserving Ecosystems (PLACE) Indefinite Quantity Contract.

Implemented by:

Tetra Tech ARD
P.O. Box 1397
Burlington, VT 05402

Cover Photo: An international expert and government stakeholders prepare for a nationally televised debate organized by PRADD as part of the launch of CAR's land tenure reform efforts.

Photo by Prosperit Yaka Maïde.

PROPERTY RIGHTS AND ARTISANAL DIAMOND DEVELOPMENT (PRADD) PROJECT

QUARTERLY PROGRESS REPORT
(OCTOBER—DECEMBER 2012)

JANUARY 2013

CONTENTS

List of Maps and Figures	ii
Acronyms	iii
1.0 Introduction and Background.....	1
1.0 Summary of Major Accomplishments This Quarter.....	3
2.0 Detailed Description of Major Accomplishments This Quarter.....	4
2.1 Project Administration and Management.....	4
2.2 Staff Capacity Building.....	5
2.3 IR 1 – Land and Commercial Governance of the Diamond Sector is Strengthened and Consolidated	6
2.3.1 Introducing Decentralized Property Rights Methodology and Geographic Traceability	7
2.3.2 Consolidating the Property Rights Methodology	8
2.3.3 Supporting Land Tenure Reform	9
2.3.4 Toward Formalization	11
2.4 IR 2 – Economic Development of Artisanal Miners is Sustained	13
2.4.1 Developing Mining Capacities of Artisanal Miners	13
2.4.2 Strengthening Financial and Organizational Autonomy of Artisanal Miners 16	
2.4.3 Consolidating Environmental Rehabilitation Capacities (POMIGER).....	20
2.5 IR 3 – Communication for Behavioral Change is Extended and Strengthened	22
2.5.1 Structuring Targeted Communication on Artisanal Diamond Mining.....	22
2.5.2 Enhancing Key Partnerships.....	23
2.5.3 Advancing Gender Equity	24
Annex I: PRADD Performance Indicators (PMP)	26
Annex II: PRADD New Performance Indicators (Work Plan 2012-2013)	29
Annex III: Mining Association Internal Integration Metric	31

LIST OF MAPS AND FIGURES

Figure 1: Community Mining Registry Activity in October and November 2012.....7

Figure 2: Number of Licensed Artisanal Miners Countrywide.....11

Figure 3: Number of “PRADD” Identified and Licensed Artisanal Miners.....11

Figure 4: Diamond Sales Estimates: National and in the PRADD Areas Since 2009.....12

Figure 5: Volume of Diamonds Valuated at the PRADD’s Peer-To-Peer Valuation Workrooms14

Figure 6: Achievements of the Equipment Rental Pools (October and November 2012).....15

Figure 7: Production and Sales from PRADD Mining Associations in Q4, 201216

Figure 8: Proportion of Legal First Sales by PRADD Mining Associations.....17

Figure 9: Income Generated by Groups Supported by PRADD.....18

Figure 10: Cumulative Non-Diamond Income to Artisanal Miners Attributable to PRADD19

Figure 11: APDC Targets and Progress20

Figure 12: Achievements in Environmental Rehabilitation21

Figure 13: Media Coverage in CAR on Artisanal Diamond Mining23

ACRONYMS

AFL	<i>Artisan Facilitateur Local</i> or Local Mobilizing Artisan
AFPE	<i>Association des Femmes pour la Promotion de l'Entreprenariat</i> (national NGO selected for the radio program production firm fixed price subcontract)
APDC	<i>Association pour le Partenariat et le Développement Communautaire</i> (national NGO selected for the POMIGER firm fixed price subcontract)
ASM	Artisanal and Small-Scale Mining
CAR	Central African Republic
CEMAC	<i>Communauté Economique et Monétaire de l'Afrique Centrale</i> (sub-regional economic and monetary community).
CIRGL	<i>Conférence Internationale sur la Région des Grands Lacs</i> (International Conference on the Great Lakes Region)
COMIFAC	<i>Commission des Forêts d'Afrique Centrale</i> (sub-regional commission for the preservation of forestry in the Congo Basin)
CIG	<i>Centre d'Information Géographique</i> (GIS Unit of the General Direction of Mines)
COR	Contracting Officer's Representative (the USAID official responsible for the day-to-day management of a project)
DCOP	Deputy Chief of Party
GIA	Gemological Institute of America
GIS	Geographic Information System
GIZ	German Development Cooperation
GOCAR	Government of the Central African Republic
IGA	Income-Generating Activities
IR	Intermediate Result
LPI	Land Policy Initiative (guidelines of the African Union on land tenure management)
M&E	Monitoring and Evaluation
MM	Ministry of Mines
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
OECD	Organization for Economic Cooperation and Development
PAE/SFI	<i>Programme d'Appui a l'Emergence d'un Secteur Financier Inclusif</i> (UNDP-funded program providing technical assistance to microfinance banks in CAR)
POMIGER	Post-Mining Income-Generating Environmental Rehabilitation
PMP	Performance Monitoring Plan

PRSP	Poverty Reduction Strategic Paper
STA/M	Senior Technical Advisor/Manager (the Tetra Tech home office position responsible for oversight of a project)
Tt	Tetra Tech
UNCMCA	Union of Central African Mining Cooperatives
UNDP	United Nations Development Fund
USAID	United States Agency for International Development
WRI	World Resources Institute
XAF	Abbreviation for the French-African Community (CFA) franc

1.0 INTRODUCTION AND BACKGROUND

Public Law 108-19, The Clean Diamond Trade Act, provides the authority for implementation of the project called Property Rights and Artisanal Diamond Development (PRADD). Section 9 of the law states: “The President may direct the appropriate agencies of the United States Government to make available technical assistance to countries seeking to implement the Kimberley Process Certification Scheme.”

The Kimberley Process Certification Scheme (KPCS) came into effect in 2003. It is not an international treaty, or a multilateral organization. It is a voluntary agreement that functions as a tripartite alliance of representatives from the diamond industry, civil society, and the governments of diamond-producing and trading countries to combat the trade in conflict diamonds. There are 49 members, representing 75 countries, with the European Union and its member states counting as an individual participant. The KPCS is chaired on a rotating basis by participating countries. The 2012 Chair was the United States of America.

Under the terms of the KPCS, only diamonds certified as originating from conflict-free areas and sealed in tamper-proof containers at the point of export are traded among KPCS members. Participating states must enact a domestic law to meet the KPCS minimum requirements. Member states must designate the national institutions responsible for export, import and internal controls. Finally, they must commit to the exchange of statistical data as well as periodic review missions.

In cooperation with the US Department of State, the US Agency for International Development (USAID) Economic Growth, Education and Environment (E3) Land Tenure Division manages PRADD. Funding comes from Congress’s annual Economic Support Fund (ESF) appropriations.

Tetra Tech implements PRADD as part of a task order called the Property Rights and Resource Governance Program (PRRGP) under the Prosperity, Livelihoods and Conserving Ecosystems (PLACE) Indefinite Quantity Contract (IQC). PRADD has been operating in the Central African Republic since 2007 and in Liberia since 2010. PRADD also includes a number of activities in support of “regional” aspects of the KPCS.

Under the terms of the PRRGP Task Order the PRADD project is intended (a) to bring greater quantities of alluvial diamonds into the legal chain of custody, and (b) to improve the livelihood options of local populations. Making it easier for artisanal miners to acquire licenses while making their rights to prospect and dig for diamonds more formal and secure creates incentives for more miners to enter their production into the formal chain of custody – the key requirement of the KPCS. This decreases diamond smuggling and increases national revenue from diamond exports. Secure property rights also increases the economic value of the land on which the diamonds are mined, thereby making the eventual rehabilitation of that land into other productive uses more likely.

PRADD initially defined the following five intermediate results (IRs):

- 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 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.

In June 2012, USAID recognized that over the course of implementation PRADD has evolved rather considerably from its initially planned activities, although the twin objectives remain the same: increase the quantity of diamonds entering the formal chain of custody and improve mining community livelihoods. In various discussions and correspondence, the COR and the PRADD implementation team endeavored to modify the corresponding Intermediary Results to capture the reality of the changes in the focus of activities. Therefore, while remaining true to the original conceptual structure – the PMP in particular remains unchanged – PRADD/CAR is now reporting its activities under the following IRs, as detailed in the current work plan:

- IR 1 – Land and Commercial Governance of the Diamond Sector is Strengthened and Consolidated
 - Activity 1.1 –PRADD’s Methodology of Property Rights Clarification over Artisanal Mining Claims is Extended Locally and Geographic Traceability is Introduced
 - Activity 1.2 –PRADD’s Property Rights Methodology is Consolidated at the National Level and Land Tenure Reform is Supported
- IR 2 – Economic Development of Artisanal Miners is Sustained
 - Activity 2.1 – Mining Capacities of Artisanal Miners are Developed
 - Activity 2.2 – Organizational and Financial Autonomy of Artisanal Miners is Strengthened
 - Activity 2.3 – Environmental Rehabilitation Capacities (POMIGER) are Transferred and Consolidated
- IR 3 – Communication for Behavioral Change is Extended and Strengthened
 - Activity 3.1 – PRADD’s Targeted Communication on Artisanal Diamond Mining is Better Structured
 - Activity 3.2 – PRADD’s Key Partnerships are Enhanced
 - Activity 3.3 – PRADD’s Gender Equity Strategy is Implemented and Evaluated

1.0 SUMMARY OF MAJOR ACCOMPLISHMENTS THIS QUARTER

During this reporting period, PRADD made the following noteworthy achievements:

- Co-organized the launch of CAR’s comprehensive land tenure reform initiative, under the auspices of the Prime Minister, and with the buy-in from the President of the Republic;
- Through advocacy and dialogue with the Prime Minister and others, positioned PRADD’s property rights methodology as a model for CAR to consider in its reform;
- Carried out a seamless transition between the outgoing and incoming COPs, resulting in continuity in institutional relationships and sustained momentum of activities;
- Launched the second decentralized mining cadaster and community production tracking effort, leading to registration of 206 new claims or transactions at both sites combined;
- Analyzed data showing that national legal diamond exports rose 21% since 2010, but exports originating in PRADD’s intervention zones rose 450% in the same period;
- Confiscated equipment from a malfunctioning diamond valuation workroom;
- Closely followed and resolved management issues in the equipment rental pools, which despite challenges are running a 32% profit margin;
- Delivered 3 of 6 mechanical jigs and trained communities in their proper usage;
- Strengthened the capacity of 38 miners associations, 8 of which have become precooperatives, and which altogether account for 11% of legal sales in PRADD’s intervention areas;
- Supported and encouraged community associations’ rotating credit of pooled savings, resulting in 51 new micro-loans, up from 16 last quarter;
- Through its POMIGER sub-contractor, rehabilitated an additional 63 mining sites, bringing the total number of sites rehabilitated to 654;
- Trained 364 miners in “4C” diamond valuation;
- Briefed and encouraged GoCAR’s KP plenary delegation to engage on the Washington Declaration, which was adopted in November;
- Encouraged the creation of women’s associations focused on advocacy for land access and mutual support for entrepreneurial activities;
- Completed PRADD’s full inventory reconciliation;
- Obtained authorization from authorities to end PRADD’s 37 labor contracts;
- Protected PRADD staff and property as rebels advanced towards Bangui;
- Prepared an accelerated closeout plan, approved by USAID on January 28, 2013.

2.0 DETAILED DESCRIPTION OF MAJOR ACCOMPLISHMENTS THIS QUARTER

2.1 PROJECT ADMINISTRATION AND MANAGEMENT

This quarter project administration and management took on special importance in light of the approaching closeout and several unanticipated events. The new COP arrived in CAR on October 2 for a seamless month-long transition. The STA/M was in country for two weeks to take part in meetings with key stakeholders, including the Minister of Mines and the U.S. Ambassador. The incoming COP officially took the reins on October 15, after which the outgoing COP accompanied him on a tour of the provinces. Once out of country, the outgoing COP joined the Tetra Tech home office and became PRADD's new STA/M on October 29. The unusually long handover allowed for a thorough sharing of knowledge and experience, and helped foster continuity of PRADD's stakeholder relationships and the momentum of its activities.

After the transition, key administrative priorities included a review of the project's vehicle and fuel management practices, negotiations with labor authorities and staff to prepare for closeout, and completion of PRADD's inventory.



Official handover between incoming COP Terah DeJong and outgoing COP Sebastien Pennes

Photo by Prosper Yaka Maïde

PRADD's perennial car issues remained a challenge, but thanks to a USAID-approved plan to stretch the life of PRADD's aging fleet through repairs and rentals, the project remained mobile. A shuttle system was set up with rented vehicles to link field offices with Bangui, and technical staff used rental vehicles for specific field missions. The Logistics Coordinator installed fuel-filtering systems in both provincial offices, and despite PRADD's Mechanic requiring medical leave for the entire quarter, two of PRADD's vehicles remained functional throughout. However, in early December, PRADD's third vehicle broke down and because repair costs were prohibitive, the project grounded the car. The COP also investigated provincial fuel purchase and usage records, leading to the termination of

one employee's contract and disciplinary action taken against several others. In addition, new protocols for fuel management were set up to mitigate the risks of such issues in the future.

The Director of Operations led a painstaking negotiation process involving the COP, three labor inspectors, staff delegates, and Tetra Tech home office specialists. Given CAR's arcane labor laws and

litigious institutional culture, special care was taken to plan for ending all 37 work contracts in strict compliance with all applicable laws and regulations. By the quarter's end, the team made progress: more than half of PRADD's permanent employees had received termination notices, and despite some setbacks, all labor inspectors authorized the project to close. In addition, PRADD developed a plan for final severance payments in a consultative manner, and organized multiple meetings for staff to air concerns related to closeout. These measures helped maintain trust and morale in a delicate context.

PRADD also updated its inventory during two field missions and involvement by multiple field and Tetra Tech home office staff, including a visit to Bangui by the Senior Project Manager. This was a crucial step paving the way towards the property disposition plan.

Several incidents involving staff safety – including one minor car accident and motorcycle accident, and a fire in a power generator – led to a review of PRADD's security procedures by senior administration. As a result of this review, a number of measures were taken, including checking and replacing fire extinguishers, introducing mobile first aid kits in rental vehicles, and updating staff emergency contact and health information.

On December 10, several rebel groups operating in the north part of CAR formed an alliance called “Seleka” and within two weeks were on Bangui's doorsteps. As a result, PRADD took a number of administrative steps to ensure security of staff and property, including storing several high-value items at the U.S. embassy in case of looting, stocking food and water in the office, reinforcing locks, among other measures. On December 15, PRADD's field staff returned to the capital, and on December 21, PRADD's office closed as previously planned for the remainder of the year. The COP left on a pre-planned vacation in France on December 22, and on December 27, the U.S. Embassy ordered evacuation of all its American personnel, including the ambassador. By the end of December, the rebels and the government envisaged negotiations, but the threat against Bangui had not abated. The COP remained in daily contact with field staff during this time, and followed guidance from Tetra Tech home office and USAID. In particular, PRADD asked its staff to stay home, kept its offices closed, and grounded all project vehicles.

On January 9, 2013, after careful review of the political/security situation, USAID decided to accelerate PRADD's closeout, with the COP conducting it remotely from Tetra Tech home office in Burlington. Since then, the security situation has improved, with the signing of peace accords on January 11, 2013 between the government and the rebels, but the U.S. embassy remains closed and the situation is still unstable. USAID approved PRADD's closeout plan on January 28, with a target closeout date of February 28, 2013. Because PRADD has effectively stopped all field activities since December 15, 2012, the reduced implementation period has made completion of several PMP targets and deliverables unfeasible. However, PRADD still made significant strides forward this quarter, and has overall achieved most of its targets, as outlined in Annex I and II.

Finally, on January 8, 2013, PRADD mourned the passing of its staff member Nicolas Bokossy, due to health reasons. Mr. Bokossy worked for PRADD since June 2011 first as the Boda Team Leader, and then as the Nola Team Leader, and was widely respected as a wise, honest and collaborative professional and individual. PRADD field staff and Tetra Tech home office staff all raised funds to contribute to his widow, and PRADD is following all relevant local law applicable to such events.

2.2 STAFF CAPACITY BUILDING

At the end of the previous quarter, PRADD organized training sessions for its Community Mobilizers as part of its quarterly planning meetings. As noted in the previous report, test results following this training were unsatisfactory. To remedy this, Provincial Team Leaders facilitated review sessions this quarter as part of weekly meetings, with certain Community Mobilizers taking the lead on different subjects. In addition, Technical Advisors led at least 3 review sessions in the field. PRADD also began planning interactive review and training activities – such as competitive games and acting out scenarios in a “fish bowl” – as part of its quarterly planning meeting scheduled for January. Finally, PRADD began an internal reflection process about whether the Community Mobilizer model is the most effective as field activities become more and more complex and technical. Alternatives

considered include working through specialized NGOs, like PRADD sub-contractor APDC, or strengthening a core technical staff in Bangui and increasing field missions, but doing away with field offices. The exchanges helped promote critical thinking of how to best achieve PRADD's objectives.

Besides issues with knowledge retention, Bangui-based Technical Advisors have continually pointed to other weaknesses in PRADD's Community Mobilizers, mainly, that they tend to be passive implementers of orders from Bangui rather than active critical thinkers adapting to realities on the ground. The problem stems from Mobilizers being accustomed to a hierarchical work culture, issues with field leadership, and communication gaps between the field sub-offices and the main sub-office. To begin working on these issues, the COP instituted a new and simplified weekly planning matrix, and demonstrated in the Nola office how a Team Leader could fill this out each Monday in a collaborative and interactive manner. In addition, this matrix offered a way to keep field and Bangui staff on the same page, as Bangui's concerns and feedback were integrated into the process. In addition, the COP spent time with the Boda Team Leader who had some performance issues, and who, by the end of the quarter, had improved considerably. However, much work remained to fine-tune these complex management issues, and PRADD spent some time reflecting upon its overall organization, including having field sub-offices.

Several other capacity-building measures this quarter are worthy of note:

- PRADD opened a dialogue with USAID on possibly sending its Land Governance Advisor for a training on land tenure in Senegal, but a decision was postponed.
- The COP worked with the field sub-offices on improving data archival, which was haphazard.
- As part of its planning process for its household survey, the COP gave a crash course in survey and research design principles to four senior staff.
- Technical Advisors integrated some capacity building measures into field missions. For example, the Mining Development Advisor began work to standardize technical terms in Sango after the issue was raised by mobilizers, and the Communications Advisor developed a technical tip-sheet for mobilizers on arguments they should use to persuade miners to report their production to pilot community registries.
- A number of staff cannot type, so free software was downloaded, and the idea floated of doing typing trainings as part of the planning meeting.

2.3 IR 1 – LAND AND COMMERCIAL GOVERNANCE OF THE DIAMOND SECTOR IS STRENGTHENED AND CONSOLIDATED

PRADD faced both setbacks and major advances in strengthening land and commercial governance of the diamond sector this quarter. PRADD was instrumental in designing and carrying out a high-profile public launch of CAR's comprehensive land tenure reform process, under the auspices of the Prime Minister. During the event, and in direct dialogue with key players—including the Prime Minister and his Chief of Staff—PRADD presented its certificate as a possible model in broader efforts to recognize customary claims. PRADD also made progress in setting up its pilot community mining cadasters and production tracking registries. While there was relatively good community buy-in, logistical and institutional challenges stood in the way of success. Moreover, PRADD faced a setback when the Ministry of Mines postponed an internal workshop on the future of the PRADD certificate, ostensibly due to a delay in finalizing the MoU with USAID. While the workshop was set to go ahead in the next quarter, the Minister remained very wary of any mention of the term property rights, due to the clear instructions by the Prime Minister that individual ministries should not address land tenure, since it is a crosscutting policy issue. Therefore, the issuance of new certificates remained suspended. While the PRADD certificate and its related programs gained exposure at the Prime Minister's level as a sound model for customary tenure recognition, the Ministry of Mines has still not taken steps to further its institutionalization.

2.3.1 Introducing Decentralized Property Rights Methodology and Geographic Traceability

PRADD’s two pilot efforts to test its decentralized mining claim and production tracking registry made progress this quarter, though its remaining challenges also became apparent. PRADD developed the methodology last quarter with the help of land tenure specialist Kent Elbow to move towards geographic traceability and not just commercial traceability. In addition, the initiative was designed in response to the reality that the PRADD certificate model, when led from Bangui, was costly and too slow to keep up with dynamic changes on the ground.

Last quarter PRADD launched the effort in Loppo, and in October, both the incoming and outgoing COPs, along with the Regional Mining Director, launched the effort in Camp Goum. Reception was good, and three arguments proved particularly effective for convincing mining communities that reporting production was in their interest. First, the data can prove that their mines are productive, which might help with investment and setting the value of a mine. Second, in the long-term, production data can be used to improve prospection. Finally, production tracking may pave the way for a tax retrocession to communities. (In the case of the community land registry, there was less need for persuasion, as the certificate is already popular.) The following table summarizes results for October and November:

Figure 1: Community Mining Registry Activity in October and November 2012

	New Declarations	Transactions	Geo-referenced claims	Carats produced and registered
Loppo	149	10	75	250.98
Camp Goum	42	4	25	51.1

Overall, PRADD has therefore already exceeded its target of 100 mining claims registered or updated in community registries. In contrast, it did not meet its target of 600 carats registered by the Regional Mining Directorate. While communities registered 302 carats, the Regional Mining Directorate did not process this data using the equipment provided by PRADD. The reduction of this activity’s implementation from 6 to 3 months will unfortunately make achieving this overall target unlikely. However, PRADD will encourage the Mining Directorate to process the data for the 302 carats, even though it can no longer provide technical or logistical support.

The number of new declarations is especially noteworthy for Loppo, explained by an earlier launch and a larger population of miners. Many new claims were from those who already have a PRADD certificate, or from miners who for one reason or another missed the last round of certificate issuance. PRADD has tried to clarify with communities that declaring in the community registries does not necessarily mean a new certificate is on the way, as the MM has so far not changed its position that certificate issuance should remain suspended. However, most claimants expect a certificate.

Another key point is that many new declarations are inactive or exhausted sites. Aquaculture in Loppo is widely practiced, due in large part to POMIGER, and there are reportedly many new declarations made for fish farming and not mining, although PRADD was unable to gather precise figures. While this is testament to the certificate’s popularity as a tool for customary land recognition, this further underscores the need to clarify the legal status of and precise land use rights conferred by claims entered into the database, since fish farms are not always mining sites.

PRADD provided technical and some logistical assistance to the government to collect and process the production data. At the end of October and November, the Regional Mining Director collected the raw data to bring back to Berberati. This was necessary since the decentralized division heads planned for Boda and Nola had not yet been appointed because of politics in Bangui.¹ In addition, while interns were named by the General Mining Director in Bangui to travel to Berberati and do the data entry on the computers provided by PRADD last quarter, the interns refused to go and a replacement was found

¹ The naming of the new “chefs de service” is linked to the overall reorganization of the Ministry approved by the President. However, the Mining Minister’s nominees for key posts were almost entirely jurists, like him, and the President therefore rejected these proposals. There are also budgetary reasons for the delay in finalizing these appointments.

in the field.² Once named, this intern worked in both Camp Goum and Loppo to take GPS coordinates of new declarations, and completed over half of the new declarations in each site. However, only 26 new declarations have entered in the regional database, and nothing has yet been transferred to Bangui.

One reason for the delay—besides the delay in finding an intern—was the need to set up a number of Excel tables to track all the miners and their precise production. PRADD’s Land-use Planning Advisor and Director of Programs worked for a number of days in November at the Regional Mining Directorate to set up these systems. However, it became clear that data entry would be an intensive process if the registries are expanded elsewhere. In addition, the logistics of distributing forms each month—especially in more spread out areas like Loppo—proved challenging, and required multiple trips by the land-use planning advisor and community mobilizers to work with the AFLs to make sure all active miners had received forms.

Besides these on-the-ground issues, the registries require buy-in from the top, and PRADD made some progress in that regard. Even though geo-referencing is enshrined in the PRSP, and this pilot exercise was approved by the Ministry, without a strong push from the top the current set-up is not sustainable. However, the Mining Minister is very interested in building more accurate diamond deposit models based on remote sensing data. In two meetings with the Minister, PRADD noted pilot work by the USGS, and noted the utility of production data in these efforts. PRADD also continued informal discussions with the USGS on how to leverage the Minister’s interest. As part of this, PRADD’s Director of Programs conducted a brief review of the Ministry’s colonial archives, and found data that if digitized could contribute to these models.

In addition, as part of its preparation for the postponed internal reflection workshop, PRADD strategized on how to demonstrate to GoCAR how such registries could be useful in the context of current mining law, such as in the establishment of artisanal diamond mining zones. This top-down level is equally important in thinking on the sustainability of this effort, and must also be considered in light of CAR’s broader land tenure reform process. Overall, PRADD unfortunately did not have enough time to fully implement this comprehensive mine-to-export pilot exercise to determine whether it could be the basis for a larger initiative.

2.3.2 Consolidating the Property Rights Methodology

PRADD did not advance much this quarter in consolidating the property rights methodology. An internal reflection workshop was planned for early October, but was cancelled at the last minute, despite strong lobbying by the project. PRADD lost around \$2,000 as a result, due to contracts with vendors for the venue and transportation of Regional Mining Directors from around the country. The ostensible reason was the long delay in receiving the signed French MoU from USAID, but the Minister was likely nervous by the term “customary property rights” appearing in the workshop title, given that the Council of Ministers initially struck down broader land tenure efforts when line-editing PRADD’s workplan last quarter. Indeed, this experience and the fact that land tenure issues had reached such a high level of government probably led the Minister to worry that only the signed MoU would afford him political cover in case of raised eyebrows.³ At any rate, the Minister gave his approval to reschedule the workshop, and a date was under negotiation with his Chief of Staff at the end of the quarter.

PRADD sought to limit its losses by replacing the cancelled workshop with a training and discussion with the Regional Mining Directors focusing on data collection. In addition, the General Mining Director agreed that Mining Directors from non-PRADD regions could also submit license and other data to the project. However, this did not occur by the end of the quarter due to increased political insecurity, and the lack of an official order by the DGM, despite repeated reminders. The workshop also offered a chance for the project to learn more about the different dynamics of mining in CAR’s other diamond-producing region. The directors from those areas expressed interest in PRADD’s

² The interns expected PRADD to pay the same per diem as similar interns received for doing georeferencing earlier in the project’s implementation.

³ After much lobbying, support to CAR’s broader land tenure reform process was eventually included in PRADD’s workplan.

expansion there, though noted that operations tend to be more organized and expansive than in the southwest. They also noted that in towns like Bria, even before the December rebel offensive, the Mining Director's sphere of influence extended only about 50 kilometers from the town center, and that certain rebel groups were overtly involved in issuing their own mining licenses, underscoring the complex and unstable nature of mining in the east.

While the reflection workshop was canceled, PRADD made progress behind the scenes to convince the Minister of the methodology's utility and successes. One approach was the creation of "info briefs" on PRADD given to CAR's KP permanent secretary to distribute to colleagues in Washington, D.C. during the KP plenary. The logic was to increase the visibility of PRADD's leadership in this area through recognition by peers, especially in light of CAR's prominence in the Washington Declaration on ASDM, which members adopted at the plenary. Unfortunately, miscommunication led the Permanent Secretary to believe that he was to distribute the sheets in CAR and not at the plenary.

Instead, PRADD adapted the same brief for the land tenure reform launch workshop and its staff engaged direct advocacy with dignitaries present, including almost a dozen ministers. In addition, the COP had the chance to meet the Prime Minister twice in a small group setting, as well as a one-on-one with his Chief of Staff, and each time promoted PRADD as an inspiration for larger efforts. PRADD also worked closely with the Prime Minister's advisors who wrote his opening and closing speech to ensure that they emphasized customary land tenure and broad-based participation of local communities. Finally, PRADD's decision to support the participation of the Republic of Congo's Minister of Land Affairs in the workshop was made in part with the consolidation of PRADD's methodology in mind. Indeed, the minister's speech emphasized the RoC's program to recognize customary land tenure, which indirectly helped advance PRADD's work through the voice of a respected neighbor.

However, this progress will only lead to consolidation of PRADD's methodology until the MM determines how to situate the certificate within its institutional and legal framework, and unfortunately, this has not yet been achieved.

2.3.3 Supporting Land Tenure Reform

The launch of CAR's land tenure reform process this quarter was a keystone achievement. The December 11 event constituted the culmination of many months of patient advocacy by PRADD and other actors, and resulted in an unexpectedly strong expression of political will to engage in a reflective, inclusive and comprehensive process in the coming years.

The prime minister's final communiqué made this clear :

"Conscious of the need to adapt CAR's land tenure laws to the realities of the country, in order to avoid conflicts, illegal resource use, and the poverty of our people, the Government, under the impetus of His Excellency the President of the Republic, Head of State, the General François BOZIZE, has committed itself, together with development partners and partner countries, to lead a process of land tenure reform in the Central African Republic through its conclusion."



The Prime Minister (right) exchanges with the Minister of Land Affairs from the Republic of Congo (left), who came to share his experiences at the launch workshop.

Photo by Prosper Yaka Maïde

The event was already well in motion at the end of last quarter. At the end of September the prime minister created two committees: a committee of ministers and a technical committee, with a seat for PRADD on both. The technical committee's main task was to conduct an analysis of all legal texts related to land, under the oversight of the inter-ministerial committee. PRADD's Land Governance Advisor—who is a jurist by training—was part of a task force on the technical committee that conducted the legal analysis.

The other mandate of the technical committee was to organize the launch event. PRADD and GIZ were the main financial and logistical backers of this event, with the FAO presiding over the donor coordination group. The group, which met six times during the quarter, liaised closely with the government sub-committee charged with organizing the event. The head of this sub-committee—the prime minister's special advisor on sustainable development—is a long-time PRADD collaborator, and this relationship was instrumental in influencing the process.

Having this influence was important: there was and still is a schism between those in the government who see land tenure reform as a quick and narrow legal exercise and those who understand its immensely complex and cross-sectoral nature. PRADD used its influence to advance the latter view, especially the need for a highly participatory process and the need to address head-on the disconnect between customary and statutory land tenure systems. The final communiqué made explicit reference to this “fundamental question,” and also noted that the government would “crisscross our towns and villages” to develop a “consensus view of the country's vision for land governance, while taking into account international guidelines and principles on the subject.” Such commitments clearly show a government that understands that any changes in the laws should flow from an inclusive political process and not from a top-down approach.

PRADD also used its influence to position its work in customary property rights clarification in the mining sector as an example—and a possible model—for broader application throughout the country. For example, the magistrate Arsene Sende, who conducted a study on land tenure for PRADD in 2011, addressed the event and mentioned the project several times. In addition, the COP addressed journalists attending the event and offered some concrete examples of ways in which the PRADD certificate has had positive effects. This lobbying is especially important not just to promote PRADD in the context of broader reform, but also to persuade the government to institutionalize its achievements in the mining sector specifically, as noted above. Unfortunately, the Mining Minister did not attend the land tenure reform launch workshop, even though a dozen other ministers were present.

Another key element of the event was the participation of the Republic of Congo's Minister of Land Affairs, whose participation was supported by PRADD at the request of the Prime Minister's Office. The timing of the Minister's presentation at noon played a role in keeping the Prime Minister in attendance, and the foreign dignitary's praise of CAR helped create a positive atmosphere and consolidate the government's resolve. In addition, the Minister highlighted the need to recognize customary tenure arrangements, and explained one way that his country has sought to do so. In discussions over lunch, PRADD once again drew parallels to its own pilot efforts.

While the strong display of political will was a major accomplishment by all involved in this event, translating this will into a sustained process will be difficult. In follow-up discussions between the government and donors, the following observations and commitments were made:

- The Prime Minister plans to institutionalize the two committees into a National Council for Land Reform and a National Coordination Committee. Partners welcomed the decision to house the structure at a high level so as to better manage inter-ministerial politics.
- The FAO plans to establish a Technical Cooperation Program with GoCAR to support and build the capacity of this new structure.
- UN-Habitat, represented by the senior technical advisor in the DRC, plans to bring two government officials to Addis Ababa to learn about the Land Policy Initiative, and is exploring ways to support the process on a more permanent basis.

- The government asked donors to urge their superiors to respond officially to the government’s communiqué. Knowing that partners are prepared to put up long-term technical and financial support to GoCAR would go a long way in consolidating the political will on display. PRADD passed on this request to USAID, who agreed in principle, though given the change in government in mid-January, a number of details are to be determined.⁴

2.3.4 Toward Formalization

Artisanal Mining Licenses: This quarter 182 new licenses were purchased in the southwest mining region, bringing the total number licensed artisanal miners countrywide to an unprecedented 3,542. Of these licenses, more than half were purchased by the Southwest Regional Directorate, meaning that its license sales are higher than in all other four regions combined.

Figure 2: Number of Licensed Artisanal Miners Countrywide

	Year 2010	Year 2011	Year 2012
Number of artisanal mining licenses sold	1,821	2,564	3,542 ⁵

These numbers provide strong evidence for why good fiscal policy affects not only formalization rates but also state revenue. In 2012, GoCAR’s Treasury received 25% more revenue from license sales compared with 2010, when a license cost 36% more. This is strong evidence that a decrease in tax rates does not necessarily mean a decrease in revenue, which is often a difficult point to convey to GoCAR policymakers.⁶

While the overall number of “PRADD” artisanal miners stayed the same, the proportion of those bearing a mining license continued to increase, as the table next shows.

Figure 3: Number of “PRADD” Identified and Licensed Artisanal Miners

		Number of “PRADD” artisanal miners	Percentage of “PRADD” artisanal miners bearing a license
Lobaye Province (PRADD present since 2007)	October 2009	255	5.1%
	December 2010	402	9.7%
	December 2011	402	10.9%
	December 2012	729	11.5%
Sangha Mbaere Province (PRADD present since 2009)	October 2009	0	N/A
	December 2010	1,123	3.4%
	December 2011	1,123	6.2%
	December 2012	1,669	10.4%
TOTAL	October 2009	255	5.1%
	December 2010	1,525	5.1%
	December 2011	1,525	7.5%
	December 2012	2,398	10.7%

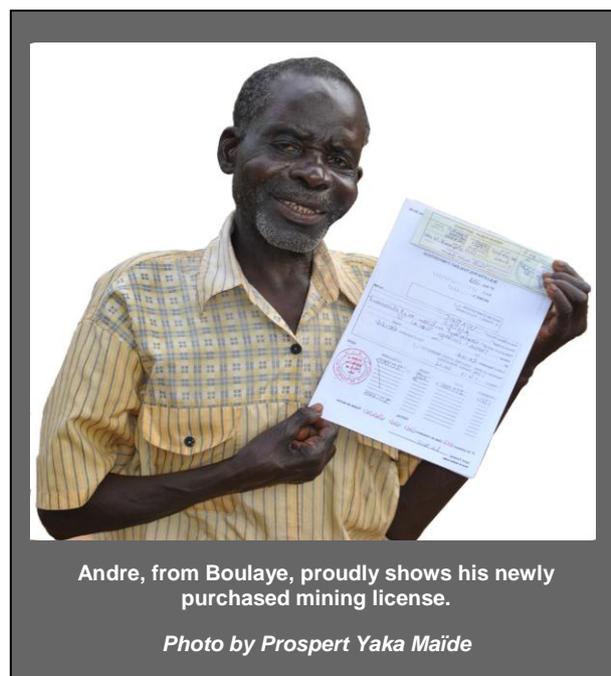
⁴ The Prime Minister was removed from office by the President on January 12, 2013, as part of the peace accords signed in Libreville the day before. PRADD is investigating how to best approach the new prime minister, noted human rights lawyer Nicolas Tiangaye, to encourage him to continue the land tenure efforts initiated by his predecessor.

⁵ This figure does not include the last quarter’s figures from the northeast regional directorate, since the director left his documentation when he evacuated Bria before the town fell to the Seleka rebels in late December.

⁶ This quarter PRADD twice spoke with a EU-funded consultant who was charged with increasing revenues from the mining sector, and his main recommendation was to increase the diamond collector tax, because “they are making lots of money.”

If one estimates CAR's diamond miner population to be around 80,000, about 4.4% have a mining license, according to the latest figures reported above. However, in PRADD's two intervention zones, the proportion now stands at 10.7%. While data collection methodologies slightly vary, the increasing proportion through time is noteworthy.

As mentioned in previous reports, however, the fact remains that license sales are quite low as a proportion of all registered miners. Until more miners see their own interest in buying a license, and license acquisition is made even more accessible and affordable, licensed miners will remain a minority. Further incentives include making licenses a pre-condition for concrete services (like the equipment rental pools) or calculating the proportion of export taxes returned to a community as a function of the number of licensed artisanal miners.



Diamond Sales and Export: Figure 4 next shows the steady increase in legal diamond exports.

Figure 4: Diamond Sales Estimates: National and in the PRADD Areas Since 2009⁷

Period	National Exports (carats)	Nola and Boda Sales		Berberati Sales	
		Volume (carats)	% to national	Volume (carats)	% to national
Q1 2009	76,573	3,159	4.13%	N/A	N/A
Q2 2009	81,658	3,357	4.11%	N/A	N/A
Q3 2009	66,839	1,752	2.62%	N/A	N/A
Q4 2009	85,398	N/A	N/A	N/A	N/A
Total 2009	310,469	N/A	N/A	N/A	N/A
Q1 2010	63,189	2,217	3.51%	N/A	N/A
Q2 2010	87,753	5,885	6.71%	N/A	N/A
Q3 2010	86,112	3,068	3.56%	N/A	N/A
Q4 2010	64,503	5,135	7.96%	N/A	N/A
Total 2010	301,557	16,304	5.41%	N/A	N/A
Q1 2011	76,493	3,875*	7.00%	N/A	N/A
Q2 2011	97,156	14,316	14.74%	N/A	N/A
Q3 2011	73,974	20,350	27.5%	24,930	33.7%
Q4 2011	75,960	N/A	N/A	26,310	34.6%
Total 2011	323,583	74,824	23.1%	113,991	35.2%
Q1 2012	89,346	25,702	28.8%	35,037	39.2%
Q2 2012	121,339	33,149	27.3%	44,265	36.5%
Q3 2012	79,730	14,157	17.8%	38,608	48.4%
Q4 2012	75,467	16,832	22.30%	30,058	39.83%
Total 2012	365,882	89,840	24.55%	147,968	40.44%

⁷ To avoid unnecessary confusion, PRADD will continue to reports sales figures from Berberati even if it no longer intervenes in the whole province.

Since PRADD’s field activities began in 2010, legal national exports have increased 21%, which is a positive trend, though should be contextualized historically, since 2012’s level is still less than the average annual export volume from 2000 until today.⁸

However, the 450% percentage increase in legal exports originating in Boda and Nola between 2010 and 2012 is nothing short of astounding. While it is difficult without further study to attribute this increase to the project, it is equally difficult to discount the real likelihood that this number shows that PRADD has had a real and positive effect.

2.4 IR 2 – ECONOMIC DEVELOPMENT OF ARTISANAL MINERS IS SUSTAINED

2.4.1 Developing Mining Capacities of Artisanal Miners

This section reports on PRADD’s activities to increase miners’ income via increased production, better mining productivity, and enhanced sales capacity.

Diamond Valuation:

This quarter PRADD carried through its threat to close the malfunctioning diamond valuation room in Bossoui. PRADD has long had problems with this community, and an evaluation in September documented numerous violations of the agreement with the management association, including the repeated absence of the material from the workroom. In accordance with the agreement, PRADD went to Bossoui with the regional mining director and the mining brigade to confiscate all of the equipment



and explain the reasons to community leaders. This process went off smoothly, and many expressed regret for what had occurred, but two weeks later the empty workroom had been converted into someone’s house.

PRADD invested time looking for a suitable candidate village for the equipment, bearing in mind that no resources were on hand to build a new physical structure or train a new valuator. With this in mind, the best candidate appeared to be Bokumba, where a reliable PRADD-trained valuator identified a locale donated to their association. PRADD pointed to a number of changes that needed to be made to ensure minimal security, and the association said it would

carry out some of them, though asked for support for other changes. PRADD is considering whether to reduce its standards in this particular case, or risk having the material not going to any use, and will make a proposal in the property disposition plan. In the meantime, the Mining Brigade in Boda has the equipment.

The use of remaining diamond valuation workrooms remained relatively sluggish, though the total number of carats valued at the workrooms since their inception surpassed 700, and a dip in the rainiest season of the year is to be expected.

⁸ The average national export volume since 2000, including 2012 data, is 378,604 carats

Figure 5: Volume of Diamonds Valuated at the PRADD’s Peer-To-Peer Valuation Workrooms

Village	Province	Volume of Diamond Valuated (carats)						
		Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Total
Bossoui	Lobaye	0.34	19.68	45.62	36.85	32.4	4	138.89
Boulaye		2.16	18.7	16.88	13.58	36.3	43.41	131.03
Camp Goum		22.51	23.35	92.03	42.3	57.9	34.68	272.77
Loppo	Sangha Mbaere	0.34	8.06	10.64	10.27	11.5	5.24	46.05
Ngoulo		3.4	14.3	3.65	2.5	29.6	9.32	62.77
Balego	Mambéré Kadéi				-	2.6	48.28	50.88
Nandobo					-	N/A	N/A	0
Total		28.75	84.09	168.82	105.5	170.3	144.93	702.39
Average weight valuated		0.78	N/A	0.83	0.49	1.89	0.56	0.91

The results of the diamond valuation program remain mixed. On the one hand, the overall figures are quite low as a percentage of overall production in PRADD’s intervention areas. Anecdotally, miners often do not see the point of paying for this service, especially those—the majority—who remain indebted to their financial backers. Indeed, many financial backers reportedly prevent their miners from having their stones valuated. In addition, the hypothesis has been advanced a number of times that miners are more wary to have their larger stones valuated. However, the average diamond weight of 0.91 carats suggests that the opposite is true. Indeed, given that only about 10% of exported diamonds are above 0.33 carats⁹, this suggests that miners are *less* reluctant to have larger stones valuated. Despite these issues, the fact remains that all valuation workrooms were used, and the project observed from time to time bursts in activity, such as one miner in Ngoulo having a large package of diamonds valuated in one go this quarter. In fact, considering the reality that most miners remain financially dependent, the usage rates are quite good. For those miners who do manage to break free from traditional financing relationships, the service is particularly attractive.

PRADD also rolled out its grassroots trainings on the four “C’s” following the translation of the valuation manual from PRADD/Liberia into French and the training of the community mobilizers. The mobilizers were enthusiastic on sharing this knowledge, and trained 364 individuals. The effect of these trainings was not immediately clear, but it was well received and popular.

Equipment Rental Pools:

The equipment rental pools remain one of the most promising elements of PRADD’s financial empowerment efforts, though this quarter a number of challenges surfaced.

The first place to show problems was Camp Goum. After it became clear that the monthly audits were not being completed diligently by PRADD’s Administrative Assistant, the COP traveled there and conducted it himself. After completing a full inventory and audit of the group’s rental log, proof of major problems surfaced, including 19 missing items, 11 items past due (by as many as 113 days), non-payment for rental by the management committee, absence of a cash log, and the taking over of the treasurer position by the village chief. The COP warned that if these issues are not resolved, PRADD would be forced to close the equipment rental pool, as it closed the valuation room in Bossoui.

⁹ This estimate was provided by diamond buyer SODIAM.

PRADD then prepared a report on the mismanagement, including a list of ten recommendations for change. During this meeting, two management committee members were removed, compensation was set as a percentage of monthly revenue, the missing equipment was to be replaced using pool funds, and the village chief given the paid position of counselor. Immediately following the gathering, PRADD conducted the audit once again, and found that of the 30 items missing or overdue, 24 had been returned. PRADD then closed the pool for two weeks to allow time for PRADD Economic Advisor and field teams to conduct a training on better financial management.

PRADD’s Economic Advisor also conducted such trainings and audits for the two other equipment rental pools, and found similar problems as in Camp Goum, though not as severe. In Balego one member of the management committee dominated all affairs, leaving no checks or balances, and in Loppo a number of items were rented without being tracked in the register.

In internal reflections, PRADD staff figured that the problems do not call into question the decision to structure the pools as community-run businesses. As the table below demonstrates, the pools remain immensely popular—especially considering the rainy season, which was particularly prolonged this year. In addition, the way in which this issue was resolved in Camp Goum shows the value of social pressure. If the pools were run by the government, it would be much more surprising for the majority of missing items to have suddenly come back, because there would be no social pressure.

Figure 6: Achievements of the Equipment Rental Pools (October and November 2012)

Village	Number of Members	Revenue (USD equiv.)	Expenditure (USD equiv.)	Net Profit (USD equiv.)
Camp Goum	41	51	N/A	N/A
Loppo	146	954	384	570
Balego	24	289	456	-167
Total	211	1,295	840	403

Because of data collection problems by those charged with conducting the audits, and the issues with reliable reporting by the equipment rental pool management associations, the above figures should be interpreted with caution. However, it is clear that Loppo reports the most revenue, and appears to be functioning the best of all three. Not taking into account Camp Goum, for which expenditure data was unavailable due to poor audits and poor bookkeeping, the overall profit margin remains quite high at 32%.

Finally, this quarter PRADD introduced three of the six mechanical jigs to the three provinces. PRADD’s Mining Development Advisor conducted practical trainings at all three sites, and all participants were enthusiastic about the increased concentration of black indicator minerals that often accompany diamonds compared with traditional methods of washing. However, by the end of the quarter none of the jigs had been rented, perhaps because the peak mining season had not started yet.

Overall, a number of observations on this approach are relevant:

- Longer and more sustained capacity building is needed to ensure that management controls take root.
- Capacity building should focus on building management systems, especially simple but clear written records, rather than discrete trainings.
- Special attention should be paid to elite capture through building checks and balances, such as oversight committees.

Advanced Mining Techniques: For a number of reasons, PRADD postponed the planned trainings in advanced mining techniques, using the slide show and audiovisual materials prepared by the Director of Programs and the Communication Advisor. The main reason was practical: because many of the techniques taught require lots of activity in quarry mines, the season was not optimal. In addition, PRADD thought it would be a better use of resources to combine the evaluation missions of the MBMs by the Mining Ministry with the launch of these training techniques. The events could also include UNCMCA, which would allow three different activities to pool together costly vehicle rental and other travel costs. These trainings were therefore planned for late January instead, at the peak of the dry season. PRADD and the Ministry of Mines were setting up specific dates, locations and scopes of work to a long joint training mission when the rebellion broke out at the end of the quarter. PRADD will therefore not reach its target of 250 miners informed of improved mining techniques.



2.4.2 Strengthening Financial and Organizational Autonomy of Artisanal Miners

This section reports on PRADD's activities improving miners' capacity to increase non-diamond-mining income. PRADD's approach is to assist in grouping miners together, whether into mining associations or socio-economic groups. The intervention includes training in the financial management, administration, and gender aspects of organizational development.

Mining Associations and Direct Supply Chain: This quarter PRADD continued to track monthly production and sales data from the mining associations it helped initiate.

Figure 7: Production and Sales from PRADD Mining Associations in Q4, 2012

Province	Number of Associations	Quarterly Production (carats)	Average Proportion of Legal Sales	Average Internal Integration
Lobaye	23	4421.4	7%	8.78
Sangha Mbaere	15	558.72	27%	13.42
Total	38	4980.12	10%	11.1

During the previous reporting period, PRADD revised its methodology to measure internal integration. As explained in the quarterly report, a threshold of 18 was adopted to track the indicator "*Number of artisanal mining associations reaching a pre-cooperative structure*" due to leniency by field teams in scoring certain dimensions (see Annex III for the criteria). However, this quarter scoring was more rigorous, and as a result the average score fell from 14.2 to 11.1. Under these stricter standards, PRADD returns to its original threshold of 15 for defining a pre-cooperative, and under this definition, eight of the 38 associations have reached this point (4 in Lobaye and 4 in Sangha Mbaere). This surpasses the March 2013 PMP target of six. PRADD continues to believe that this indicator offers a fair measure of miners' financial and organizational autonomy.

While the collection of production and legal sales data from associations began as part of PRADD's direct supply chain initiative, the data also reveals information on miner behavior and production levels. PRADD's associations this year produced 31,069.77 carats, or 817 carats per association, of which 11,404.75, or roughly 37%, was demonstrably sold through formal channels. The 63% sold without official sales slips roughly conforms with estimates of unofficial diamond production in CAR,

though it is likely that much of this will eventually enter the legal chain of custody prior to export.¹⁰ Interestingly, the 9,903.41 carats sold with sales slips by “PRADD” associations in Lobaye and Sangha Mbaere in 2012 accounts for 11% of exports originating in those zones, or 3% of national exports. If one estimates that each association has on average 25 members, the total number of miners is about 1% of CAR’s estimated 80,000. This means that these associations represent some of the country’s more productive miners, which if true shows how concentrating on their productivity—and their incentives to sell legally—can have a significant effect on CAR’s level of legal sales.

This quarter, as part of its planning for the final household survey, whose methodology was approved by USAID in December, PRADD began developing a questionnaire targeting these associations. The survey aimed at better understanding the factors that lead a miner, or an association, to sell legally or not, among other variables of interest. As Figure 7 below demonstrates, the proportion of legal sales over the year steadily declined. This could be a seasonal issue, or a real observation of an increasing number of illegal intermediaries at the point of first sale, but with most stones entering the legal chain of custody later on. It is unfortunate that PRADD was unable to carry out its survey, as its results may have pointed towards policy or programmatic improvements.

Figure 8: Proportion of Legal First Sales by PRADD Mining Associations

Province	Q1	Q2	Q3	Q4	Average
Lobaye	70%	26%	23%	7%	32%
Sangha Mbaere	54%	60%	30%	27%	43%
Average	62%	43%	27%	17%	37%

PRADD continues to believe that focusing on strengthening these associations as they move towards becoming functioning—and not just paper—cooperatives, is key to achieving both of the program’s overall objectives. To that end, PRADD continued to pursue opportunities this quarter to advance its direct or alternative supply chain initiatives. In October PRADD met a major diamond-buying house and presented detailed production data and internal integration indicators. Certain buying houses, including the one the project met with, are open to alternative supply chains, in part because profit margins have become razor thin in recent years due to increased knowledge of diamond valuation and increasing cuts at different points in the value chain prior to export. In addition, diamond buyers are always interested in ways to reduce risk and ensure more steady production, and in the current system, much investment money is lost due to fraud or inefficiency by intermediaries.¹¹

Several challenges with respect to PRADD’s pitch came to light during this exchange, however. First, the buying house pointed to the issue of theft in the current system. Because workers are often adept at swiping stones during the manual washing process, investing carries risks that go beyond those inherent to the activity. Second, despite the figures of internal integration, the buying house remained skeptical that such associations—pre-cooperatives or not—would be capable of managing money and acting professionally. Such concerns are also behind extreme reluctance of financial institutions from getting involved in the sector.

With these twin challenges in mind, and the belief that alternative financing represents perhaps the biggest opportunity to transform the sector and miners’ lives, PRADD began exploring pilot initiatives

¹⁰ The reason is that many diamonds will be sold to illegal intermediaries who will in turn sell to collectors or others, at which point a sales slip will often be issued. It is difficult to estimate how much this occurs.

¹¹ The same can be said of buyers higher up the value chain: at the November OECD conference on Due Diligence on 3T and Gold Supply Chain in Paris, the PRADD STAM presented on PRADD and found that major diamond and gold traders are very much interested in establishing ethically sourced supply chains. According to them, the promotion of “ethically sourced” stones is not only an issue of tapping a market niche of consumers willing to pay a premium but also a business strategy to ensure a more stable flow of quality products. PRADD is still in contact with some of these traders.

that if successful, could have a demonstration effect and reduce outsiders' risk aversion. These pilots could take on different configurations whereby associations receive seed funding and manage loans to individual members for diamond exploitation. The pilots would also integrate diamond microfinance with ramped up and intensive technical and organizational guidance. Certain technical changes would be crucial for it to work: instead of washing gravel in a traditional way, for example, it would be bagged and tagged, and then washed using mechanical jigs in the full presence of association members to ensure transparency, efficiency and reduce the risk of theft.

By the end of the quarter, PRADD had continued the dialogue internally on how such initiatives could be structured, including loan amounts and conditions. In addition, PRADD exchanged some more with the diamond-buying house as well as boutique jeweler Brilliant Earth, who had previously expressed interest in channeling a philanthropic grant through PRADD. A proposal was being written by the end of the quarter, but due to approaching closeout and the reality that such an initiative requires extensive foresight, the effort has been postponed for the time being.

Income-Generating Activities: PRADD continues to track the revenue generated from complementary livelihood activities. PRADD focused on strengthening soap-making associations and following the development of rotating credit during this quarter.

Of the seven types of non-mining income tracked by PRADD, four are external to mining (soap making, fish farming, vegetable gardening and petty trade), two are related to diamond extraction and marketing (equipment rental pools and diamond valuation workrooms) but remain non-mining by nature, and the seventh corresponds to income capitalization (rotating credit).

The table next summarizes the quarterly results of all generated income during the reporting quarter, except the last two weeks of December, for which data was unavailable due to the security situation.

Figure 9: Income Generated by Groups Supported by PRADD

Type of Association or Activity	Total Production (Q4 2012 only)	Total Monetized Income (USD equiv.)	Number of participants			Total Monetized Income per Individual (USD equiv.)
		Q4 2012	W	M	Total	Q4 2012
Soap-Making Groups	2,726 batches of soap	545	343	64	407	1.34
Fish Farming Groups	1,044 kg of fish	2,144	41	104	145	14.79
Agricultural Groups	Various baskets of vegetables	2,583	326	80	406	6.36
Petty Trade Groups	Cassava grinding, etc.	658	150	9	159	4.14
Equipment Rental Pools	Rentals and membership fees	1,293	0	15	15	86.2
Diamond Valuation Workrooms	Valuation fees	286	N/A	N/A	0	N/A
All Socio-Economic Groups and Mining Associations	Rotating credit (effective loan reimbursement)	120	51	0	51	2.35
TOTAL		7,629	911	272	1183	6.45

Revenues this quarter only decreased slightly compared with the last quarter, but variations within the overall figure were significant. Revenue from soap-making, fish production and the equipment rental pools all dropped, while revenue from agriculture increased. A number of factors could be at play. Soap production this reporting period, for example, is less than a quarter of what it was previously. Associations have had problems procuring necessary inputs, especially palm oil. The project made some progress overcoming this challenge by supporting networks of these associations, one in each province, to share risk and transport costs. In Lobaye, this met with some success: during a general assembly, a buying committee pooled together money to purchase palm oil, and PRADD agreed to

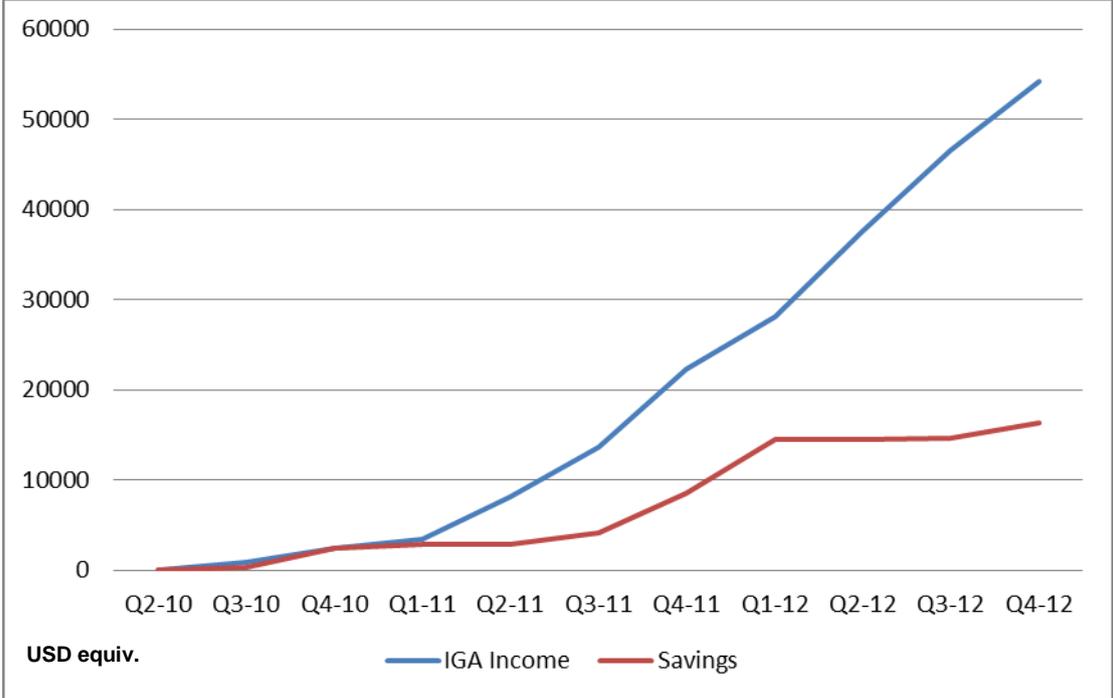
help transport the oil in one of its shuttles as an incentive. While this worked—the network resold the oil to its member associations—it is clear that getting inputs is a barrier.

Beyond this, however, it is also clear that production is dwindling, and there are reports of sluggish demand for soap, in part because humanitarian organizations distribute soap for free in many areas. PRADD’s Economic Development Advisor has called into question the activity’s viability, in light of these issues, but there is little doubt that it has contributed alternative income. This quarter PRADD completed training in soap production for new intervention villages as well.

As for the drop in fish revenue, this could be due to a decrease in the quality of the tilapia stock, as farmers draw from their neighbors’ ponds rather than the commercial production units, in addition to little follow-up technical assistance to existing fish farmers (see 2.4.3 on POMIGER). One must also consider that in the rainy season fishponds have a tendency to overflow or break, and this season has been particularly active. The rain appears to have had a positive impact on agricultural revenue, however, which has increased significantly.

The table below summarizes total IGA and savings revenue, which since tracking began accounts for the equivalent of \$70,537.

Figure 10: Cumulative Non-Diamond Income to Artisanal Miners Attributable to PRADD¹²



Savings and Rotating Credit: As noted in the section on miners’ associations, building financial autonomy is challenging but essential, which includes leveraging miners’ existing revenue but also demonstrating that associations are capable of managing credit. PRADD believes that if outside financing of miners is to increase, risks need to be better mitigated. One strategy is to employ social pressure: instead of loans going to individual miners, outside financing could go to cooperatives or associations, who then issue credit to their members. Because all members will benefit or lose depending on the outcome of such credit, their self-interest will help create incentives to ensure proper use of the loans and their repayment. Diamond microfinance is different from other microfinance because the risk is different—mines can lead to windfalls but often lead to little or no returns—but PRADD believes that its basic assumption is still valid.

¹² PRADD uses the same exchange rate of 500 XAF to \$1 in all quarters; the data does not reflect exchange rate fluctuations.



To this end, PRADD has made progress in encouraging miners to capitalize their revenues. In addition, its rotating credit initiative is a step towards building familiarity with and ability to oversee loans, even if in the short term the loans are not for diamond mining.

When this activity first began, there were two loans issued. In the last quarter, 16 loans were issued, and this quarter the number rose to 51. This represents a total of \$1806, an average of \$35 (higher than last quarter's \$27), and a range from \$9 to \$210. Interest rates vary widely – from 0 to 80% -- but the average is 13%. The highest interest rate was for a loan for mining work, showing that rates are being determined as a function of risk level. The most capital was loaned for small business activities, such as selling palm

oil or beignets, and only 8% of the total loan amount was for mining.

PRADD was unable to reliably measure reimbursement levels, however, mainly because the number of loans grew quickly, and a data collection procedure was not in place to take into account the many different reimbursement schedules and models. Some loans, for example, have no written documentation and do not have a fixed term, while others have a well-defined and longer repayment schedules. PRADD's Technical Advisor spent a month in the field this quarter working on a number of issues, and by the end of the quarter had drafted new tools—such as a system to track individual loans from issuance to completion—but these have not yet been finalized. Such tools will be essential both for data collection but also for the associations to professionally and transparently manage their credits. These considerations must, of course, be balanced with the cultural realities—such as the tendency to have oral rather than written agreements—but more progress must be made to formalize and track repayments if these associations are going to manage outside financing.

2.4.3 Consolidating Environmental Rehabilitation Capacities (POMIGER)

This quarter was the first in which POMIGER was conducted entirely by its NGO sub-contractor *Association pour le Partenariat et le Développement Communautaire (APDC)*. APDC had won the firm fixed price contract with a total budget of \$38,552, which went into effect on September 12. The outsourcing of POMIGER was done both because time was stretched for PRADD's community mobilizers and other staff, and also as a strategy to build local capacity while leveraging other donor interest in supporting this model. While it is too early to say for sure, this choice appears to have been the right one, and APDC is on track to become a competent development actor.

As Figure 10 below shows, APDC was making good progress in achieving its March 2013 targets:

Figure 11: APDC Targets and Progress

Result	December 2012 Achievement	March 2013 Target
New exhausted mining sites rehabilitated	63	100
Artisanal miners fully trained in techniques	46	60
Purchases of inputs from local business units	48	45

In addition, some 57 communities have been sensitized in environmental restoration and mining pit rehabilitation by APDC's eight staff members. Due to the security situation, which included a rise in road banditry in PRADD's intervention areas, PRADD is in the process of terminating the APDC sub-contract, so the figures will likely be the final ones. APDC is reportedly applying for other sources of funding, and PRADD will offer support and encouragement so that its work, and PRADD's investment in the organization, will not be lost.

PRADD's Program Director traveled to the field in November to carry out a baseline assessment of the commercial production units (see below), but also to monitor APDC's progress. From an organizational standpoint, APDC has quickly become a functioning entity: it has an office in Nola, Bangui and Berberati, and its staff are mobile. (PRADD loaned one of its unused motorbikes, but most were purchased by APDC.) However, certain management issues came to light, including staff not having enough logistical support to spend as much time in the field as PRADD community mobilizers. In addition, one staff member on the Nola team represented APDC as a competitor to PRADD, rather than a partner. Because it is a new organization, there should continue to be monitoring and strengthening of its capacity. In addition, PRADD will follow up with potential alternative funding partners, such as the European Union, who once again expressed interest this quarter in granting APDC funds to expand POMIGER, though no commitment has been firm.

Technically, APDC is achieving its contractual results, and is in some cases even surpassing them. For example, the NGO has launched a radio program in Berberati on development and environmental issues, and its executive director participated in a nationally broadcast radio call-in program, for which he received lots of enthusiastic response, especially from miners in the east. One weakness identified in the field mission, however, was that the emphasis on achieving targets—which is tied to the payment schedule—has led to some neglect of aquaculture at previously rehabilitated sites. In addition, APDC's mobilizers have been less effective at carrying out a proximity communication approach and instead often favor large groups. These issues have been raised with APDC in writing.

In light of this progress, POMIGER's overall results at the end of 2012 are as follows:

Figure 12: Achievements in Environmental Rehabilitation

Type of Rehabilitation	Number of trained people (total)	Number of completely rehabilitated mining sites (cumulative)										Total area (acres)
		Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	
Fish Farming	889	18	83	159	245	276	350	361	412	520	583	63.15
Agroforestry	73	0	7	26	44	44	54	54	54	23	23	7.4
Vegetable Farming	346	0	0	71	136	136	176	176	180	48	48	3.1
Total	1,308	18	90	256	425	456	580	591	646	591	654	73.65

Supporting Supply: As noted above, PRADD's director of programs and APDC's executive director conducted a joint evaluation of the commercial production units established by PRADD so that a baseline could be established. Results were varied: the seed production unit in Boda was functioning well, with evidence of a client base and proper record-keeping, while the unit in Berberati had ceased functioning, though the association that manages it is enthusiastic and the vegetable farming season not yet underway. In the case of aquaculture, the Boda unit has some issues with site maintenance, but the manager has managed to overcome transportation challenges to deliver fingerlings in a vehicle owned by conservation partner ECOFAC. In Nola, the unit's maintenance is impeccable, but the commercial system is failing. The manager is not making an effort to find new customers or fulfill existing orders, and his intention appears to be to let the fish grow to maturity and then sell them. Finally, as noted in the last quarterly report, the choice of manager for the unit in Berberati, as well as the site itself, leaves little hope that the unit will become functional.

The biggest challenge for these units is transportation. While APDC managed to reach its targets in terms of facilitating the purchase of inputs from aquaculture units on behalf of artisans, this was only possible because the NGO arranged the purchases and the transportation. In the case of aquaculture, fish farmers will understandably choose to buy a few kilos of fingerlings from their neighbors when the commercial production unit is many kilometers away, and the fish transporters required to keep them alive can only work when a car is on hand. As noted earlier, this practice may be leading to the degeneration of fish stocks through hybridization with poorer varieties and one reason why fish production is decreasing. To deal with this issue, PRADD is working with APDC to set up community reproduction ponds so that higher quality stocks can be maintained, though this calls into question the whole commercial production unit strategy. APDC might explore other solutions, such as a simpler transporter that can fit onto bikes, or the hiring of a vehicle for delivery.

Finally, on a more positive note, APDC has on its own initiative decided to set up depots for fish fertilizer sale in certain villages, and plans on arranging for transportation from Bangui and taking those costs into account in the sales price. This is in response to strong demand for such fertilizer—mainly, grain residue from beer production in Bangui.

2.5 IR 3 – COMMUNICATION FOR BEHAVIORAL CHANGE IS EXTENDED AND STRENGTHENED

2.5.1 Structuring Targeted Communication on Artisanal Diamond Mining

By “targeted communication” PRADD refers to its multi-faceted communication strategy, which targets grassroots communities (proximity communication), the public at large (mass communication), CAR-based decision-makers (institutional communication), and international partners (international communication).

Proximity Communication: PRADD’s Community Mobilizers continued their strategy of concentrating on regular interactions with promising individuals, socio-economic groups and mining associations, and offering sustained engaged and technical advice. This constant field presence continues to be important, as much of building and keeping trust in PRADD’s mining communities is simply being present regularly. In addition, PRADD continued to compensate its AFLs, who remained vital links to the community and a key resource for data collection. However, PRADD also saw the need to improve their accountability, and therefore instituted a tracking system for tallying their weekly reports as a way to identify and document under-performance. In addition, PRADD instituted a simple tracking system to keep tabs on which villages the community mobilizers visit each week, as a way to identify through time if any PRADD villages are receiving too much or too little attention.

Overall, the number of people reached this quarter in proximity communication trainings was 639. About half of these participated in trainings on the 4 “C’s” module, which in general were conducted in group settings, so the number of one-on-one interactions on other subjects was smaller.

Mass Communication: PRADD’s sub-contract with the *Association des Femmes pour la Promotion de l’Entreprenariat* (AFPE) for the production of its weekly radio program *Nagbata Magazine* has been successful. By the end of the quarter, 10 episodes had been delivered and broadcast on two community radio stations, one in Berberati and one in Nola. The quality of the programs has been monitored by PRADD’s advisor in communications and behavior change, and feedback from mining communities has been positive. As part of its ending of all sub-contracts, PRADD is negotiating with AFPE, who has reportedly completed all 22 episodes already. If this is true, and quality can be assured, PRADD will pay the remaining firm fixed price contract and work with community radio stations to air the remaining programs.

Meanwhile, PRADD continued to follow the media coverage of artisanal diamond mining in CAR, some of which was related to the launch of CAR’s land tenure reform process, for which PRADD organized all media coverage. This coverage was counted in Figure 11 only if PRADD and artisanal diamond mining was explicitly and prominently mentioned.

Figure 13: Media Coverage in CAR on Artisanal Diamond Mining (cumulative through December 31, 2012)

Type of Media	Length (minutes)	Length (words)	Total Number of Subjects	Number of Subjects by Main Topic				
				Environment	Property Rights	Artisanal Mining Law	IGA	Other
Radio	37,693		303	68	86	74	47	28
TV	531		18	2	6	4	0	6
Press		180,243	105	22	46	14	6	17
Web Press		74,695	53	11	17	9	6	10
Web Radio/TV	168		6	0	1	1	0	4
TOTAL	38,392	254,938	485	103	156	102	59	65

Institutional Communication: PRADD released its third information bulletin in late October as planned, distributing 258 copies to various institutional partners in Bangui. The issue featured a Q&A with the outgoing COP, an article on the community production tracking and mining claim registries in the context of a “mine-to-export” vision of traceability, and an article on the relationship between miners and collectors. PRADD continued to receive positive feedback on this communication tool, and by the end of the quarter, planning for the next bulletin had advanced well. One change being considered was adding more facts and figures on PRADD’s programmatic results so that information from quarterly reports like this one can reach institutional partners in French and in a succinct manner.¹³ Subject matters for articles included a Q&A with the KP permanent secretary on the Washington Declaration and an article related to the proposed pilot sites aimed at stirring the imagination of partners in envisioning different ways to organize mining technically and financially.

A second institutional communication tool was the PRADD info sheet developed in English and French for the KP plenary, as described above. This tool was adapted for the land tenure reform launch and proved quite effective, as with the information bulletins, in spreading the word of PRADD’s achievements and approach. Over a hundred copies were personally handed to dignitaries, including the prime minister.

International Communication: On November 29 and 30, the PRADD STA/M participated in the Fourth Forum on the Implementation of Due Diligence in the 3T and Gold Supply Chains, organized in Paris by the OECD, the United Nations and CIRGL (see summary report in Annex IV). The PRADD presentation during the plenary focused on the socio-economic organization of ASM financing and the steps taken by PRADD to curb illicit supply chains, in addition to formalization systems. The presentation was very well received by representatives of NGOs, governments and the private sector.

2.5.2 Enhancing Key Partnerships

Nurturing quality partnerships is a pillar of PRADD’s communication strategy. The results of this quarter have been noteworthy.

GIZ: PRADD has enjoyed a collaborative relationship with GIZ for some time, but this quarter both worked hand-in-hand as the two primary organizers of the land tenure reform launch event. During this time, PRADD learned that GIZ is considering supporting artisanal miners in the east as part of funds related to post-conflict demobilization and reintegration, and may conduct an evaluation in the north if security conditions allow. PRADD and GIZ discussed the possibility of doing this evaluation together, or at least sharing information.

UNDP: PRADD participated in a week-long meeting organized by the Ministry of Planning and UNDP on how to create accelerated growth in the mining sector. The goal of the meeting was to develop a workplan to speed up the achievement of goals set forth in the second generation of CAR’s

¹³ PRADD had translated quarterly reports but stopped doing so when it became clear that reports were not being read. Since then PRADD has reflected on better ways to communicate results with institutional partners.

Poverty Reduction Strategy Document. It is unclear how GoCAR or UNDP plans on operationalizing the work plan for accelerated growth.

USAID East Africa Regional: PRADD met with the Mission Director and Conflict Advisor from USAID East Africa Regional when they visited CAR in October related to a new effort in the southeast. PRADD communicated with USAID in Washington on the mission's interest in learning more about PRADD, and followed up by sharing the last quarterly report.

UNFAO: PRADD consolidated its good relationship with the UNFAO as secretary of the donor coordination group that the FAO presided over ahead of CAR's land tenure reform launch. While the GIZ was a key financial and logistic backer of the launch event, in addition to PRADD, the FAO has been a key political actor in this process, and the Country Representative and Prime Minister enjoyed a close relationship. As a result, the FAO and PRADD were the key actors in strategizing over structural and political considerations as part of the process. The FAO plans to set up a mechanism to institutionalize support to GoCAR as part of the land tenure reform efforts.

Ministry of Mines: Relations with the MM continued to be positive and transparent. The project had two one-on-one meetings with the Minister, and followed up with him on the sidelines of the inter-ministerial committee meeting. There was some tension at the beginning of the quarter when the Minister postponed an internal reflection workshop due to delay in receiving the signed French MoU, but this was quickly mended. While the Minister does not seem as interested or engaged in land tenure issues, he has been very enthusiastic about its applications for improving prospection and zoning. Finally, the deployment of ministerial cadres to the sub-regional cities was delayed when the Minister's overall personnel plan was rejected by the president because it included mainly jurists. As of January, the Mining Minister was still in power, though his future is uncertain in light of the new government and the ongoing negotiations on divvying up key portfolios, including mining. PRADD will monitor the situation, and in the meantime, keep the Minister updated on PRADD's closeout process.

UNCMCA: The relationship with the *Union Nationale des Coopératives Minières de Centrafrique* (UNCMCA) did not advance much this quarter. For one, PRADD struggled to identify how to best support the union. When the project proposed supporting the union to collect production data from its members, which would help build the case for investors and continue the process of expelling fraudulent unions, the Minister seemed quite reluctant. In addition, in the PRSP planning meeting (see UNDP, above), the union presented itself as the sole voice of CAR's artisanal miners, and therefore, as the main conduit of financial support to the sector. This caused consternation from some at the ministry and others in civil society. By the end of the quarter, PRADD considered limiting its support to an invitation to participate in trainings on improved mining techniques, as the project hopes to convince the union that its legitimacy and efficacy will increase if it offers concrete services, such as technique trainings, to its members. However, due to the accelerated closeout, PRADD will unfortunately not attain its goal of 12 communications and support initiatives targeted at the union.

2.5.3 Advancing Gender Equity

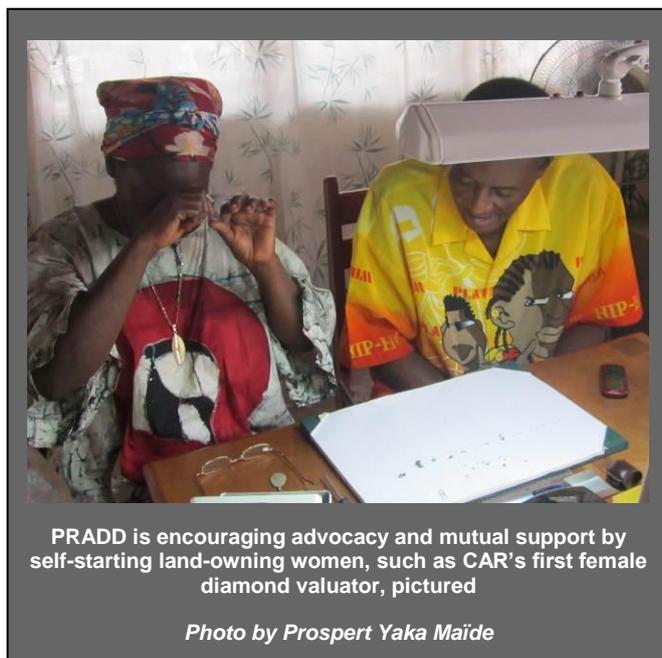
This quarter PRADD advanced its goal of increasing women's access to land through the creation of grassroots associations of women landowners and entrepreneurs. The effort—dubbed “Women-Action-Success”—also involved events to coincide with international or national days. Events at two of those three days—the National Day of the Rural Woman on October 15, and the International Week of Human Rights from December 1st to 10—both took place this quarter. In addition, PRADD's gender equity strategy continued to be the subject of debate and analysis by PRADD staff.

The first event focused on recognizing certain women entrepreneurs with a proven track record of initiative and results through concrete technical assistance for their businesses. In addition, the head of PRADD partner and sub-contractor AFPE (*Association des Femmes pour la Promotion de l'Entreprenariat*) led awareness-raising sessions on the importance of women in entrepreneurship, and access to land for economic empowerment.

PRADD's Community Mobilizers followed up on this initial gathering, at which the women proposed creating several associations. Internal debate ensued as to whether there should be separate associations for entrepreneurs and separate associations for landowners, but staff resolved that these two elements are too closely linked. In addition, there was confusion among the Community Mobilizers and women groups as to whether these new groups would simply be new IGA associations, with the tacit expectation of financial and technical support. While it is essential for there to be some economic interest for women to join these associations—such as the proposed land acquisition funds mentioned in the last quarterly—it is important also that these groups have a broader and more politically oriented vision.

Indeed, there has continued to be difficulty defining the precise vision of these groups. Eventually, the proposed objectives of the groups were set as:

- (1) providing a structure for women leaders in business to learn from each other and support women entrepreneurs in their communities; and
- (2) creating rural advocacy groups that are educated on their legal rights (including inheritance) and prepared to advocate for women's access to land.



PRADD is encouraging advocacy and mutual support by self-starting land-owning women, such as CAR's first female diamond valuator, pictured

Photo by Prosper Yaka Maïde

However, more effort was needed to ensure that the women themselves defined the scope of the associations, and that the groups responded to a real need, which helped defined the purpose of the second events, held between 13 and 17 December.

A smaller group of PRADD technical advisors and a representative from a national NGO focusing on women and environmental issues held smaller group discussions with the three new women's associations. The meetings provided a place to discuss issues facing women, and PRADD's Land Governance advisor facilitated a dialogue on laws related to inheritance and domestic violence. Access to land was an issue that resonated with many women. For example, one woman told of how she purchased a mine, but when her husband died, his family took it over and she had no recourse.

The events also offered a forum for the women to define for themselves what the objectives should be of their new groups. PRADD has clarified that its intention is not to create more grassroots socioeconomic groups, but rather to support a more advocacy-oriented structure. Two of the three groups are off to a good start with a budget from member contributions.

The last event—planned for the International Women's Day of March 8—was to include visits by the rural women to Bangui to participate in and meet with national leaders on women's rights, especially when it comes to family law and land access. Unfortunately, due to early closeout, this will not take place. Nevertheless, PRADD hopes that in the long term these or similar groups will afford a strong voice to rural women, which is especially important as CAR embarks upon comprehensive land tenure reform.

ANNEX I: PRADD PERFORMANCE INDICATORS (PMP)

#	Indicator Name/Definition	Indicator Type	Unit of Measure	June 2009	Dec 2012	Target (May 2012)	% Achieved Dec. 2012
Intermediate Result 1: Customary Land and Natural Resource Rights in Target Areas Identified, Clarified and Formally Recognized							
1.1	Number of artisanal sites validated and officially recognized by local customary and administrative authorities	Outcome	Number	361	2,849	3,000 (cumulative)	94%
		<i>Explanation: PRADD slightly missed this target due to lower attendance at validation events than expected. In addition, the Ministry of Mines suspended the issuance of certificates in August 2012.</i>					
1.2	Percentage of properly licensed artisanal miners	Outcome	Percentage	5.1% (Dec-09)	10.7%	8% (Dec-11)	145%
		<i>Explanation: PRADD exceeded its target due to success in making licenses affordable, accessible and desirable. The national rate is estimated to be 4.4%.</i>					
1.3	Number of United States Government (USG)-supported initiatives/ mechanisms designed to reduce the potential for violent conflict over the control, exploitation, trade, or protection of natural resources	FACTS/ Output	Number	0	32	18	177%
		<i>Explanation: PRADD exceeded its target due to the popularity of its certificate program and the comprehensive community validation events that occurred.</i>					
1.4	GOCAR's direct counterpart funding of PRADD's activities (in percentage of PRADD's activity expenditure)	Outcome	Percentage	0%	5.8%	10%	58%
		<i>Explanation: PRADD missed its target due to the absence of a budget allocated to improve government's financial performances and revenue management.</i>					
Intermediate Result 2: System for Reliable Tracking of Production and Initial Sale Information Strengthened							
2.1	Number of artisanal miners introduced into the Artisanal Mining Claims Registry/Production and First Sales (AMCR/PFS) GIS Database, disaggregated by gender, pilot site, community, and place of origin	Output	Number	257	3,252	3,000 (cumulative)	108%
		<i>Explanation: PRADD met its target due to many years of comprehensive data gathering and entry into the GIS database, now housed at the Ministry of Mines.</i>					

#	Indicator Name/Definition	Indicator Type	Unit of Measure	June 2009	Dec 2012	Target (May 2012)	% Achieved Dec. 2012
2.2	Number of requests processed by the ministerial GIS Database unit	Output	Number/month	0	7	10	70%
		<i>Explanation: PRADD slightly missed its target, though learned that a number of requests are not recorded by the GIS Unit, meaning that the actual number of requests is probably higher.</i>					
2.3	Proportion of carats entered legally in the legal chain of custody from the PRADD production areas against national legal exports	Outcome	Percentage/quarter	4.1%	65%	6.7%	970%
		<i>Explanation: PRADD greatly surpassed its target, due to years of building trust in diamond communities, clarifying property rights, improving relationships with authorities, reducing the price of the mining license, increasing productivity and fostering economic independence.</i>					
Intermediate Result 3: Benefits of Mining Activities to Local Communities Increased and Food Production Diversified and Intensified							
3.1	Number of stakeholders (i.e., miners, sellers, dealers, brokers, but with a focus on artisanal miners, <i>disaggregated by gender, pilot site, community, and place of origin</i>) trained on the four Cs (Cut, Carat, Color, and Clarity)	Output	Number	33	421	100	421%
		<i>Explanation: PRADD exceeded its target due to a successful rolling out of its grassroots trainings by community mobilizers.</i>					
3.2	Number of people (<i>disaggregated by gender, pilot site, community, and place of origin</i>) with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance—FACTS	Outcome/Impact	Number	0	7,916	10,000	79%
		<i>Explanation: PRADD missed its target due to the impossibility of acquiring updated data from a household survey more recent than that last one from December 2011</i>					
3.3	Percentage of artisanal mining household reporting they earn income originating from non-diamond activities	Outcome/Impact	Percentage	N/A	94%	100%	94%
		<i>Explanation: PRADD missed its target due to the impossibility of acquiring updated data from a household survey more recent than that last one from December 2011</i>					
3.4	Percentage of artisanal miners' wives declaring a greater participation in household decision-making	Outcome	Percentage	N/A	50.4%	35%	144%
		<i>Explanation: PRADD exceeded its target due to a strong emphasis in IGA on women, as well as its gender strategy. Data for this indicator comes from the December 2011 household survey.</i>					
Intermediate Result 4: Capacity to Prevent and Mitigate Environmental Impacts of Artisanal Mining Strengthened							
4.1	Number of mined-out sites rehabilitated and/or regenerated and protected	Output	Number	0	654	400	164%
		<i>Explanation: PRADD exceeded its target due to a well-designed and implemented program that combined environmental rehabilitation with income-generating activities. Most rehabilitated sites are fishponds.</i>					

#	Indicator Name/Definition	Indicator Type	Unit of Measure	June 2009	Dec 2012	Target (May 2012)	% Achieved Dec. 2012
4.2	Number of people (disaggregated by gender, pilot site, community, place of origin) receiving USG supported training in natural resources management and/or biodiversity conservation	FACTS/ Output	Number	0	3,063	1,200	255%
		<i>Explanation: PRADD exceeded its target due to a strong field presence whereby community mobilizers spent several nights each week in intervention areas, in addition to larger technical trainings, mainly as a part of its environmental rehabilitation activities (POMIGER).</i>					
Intermediate Result 5: Access and Availability of Information to Stakeholders on Artisanal Diamond Mining Increased							
5.1	Number of articles and programs on artisanal mining broadcast and disseminated by the media	Output	Number	120	485	450	107%
		<i>Explanation: PRADD exceeded its target due to a strong Advisor in Communications for Behavior Change, who was a journalist, and a group of reliable media partners.</i>					
5.2	Percentage of artisanal miners in project area demonstrating knowledge of the Mining Law	Outcome	Percentage	N/A	0.7%	50%	1%
		<i>Explanation: PRADD greatly missed its target due in part to problematic criteria set as part of household surveys, that last of which took place in December 2011. Questions on this survey that informed this indicator were probably not well formulated. In addition, much work remains in increasing miners' awareness of the law, and this target may have been unrealistic.</i>					

ANNEX II: PRADD NEW PERFORMANCE INDICATORS (WORK PLAN 2012-2013)

#	Indicator Name/Definition	Indicator Type	Unit of Measure	June 2009	Dec. 2012	Target (March 2013)	% Achieved Dec. 2012
Intermediate Result 1: Land and Commercial Governance of the Artisanal Diamond Sector is Strengthened and Consolidated							
1.5	Number of artisanal mining land claims updated and recorded by the community registries	Outcome	Number	N/A	205	100	205%
		<i>Explanation: PRADD exceeded its target despite a reduced implementation period due to strong demand for certificates in one of the pilot communities as well as strong awareness-raising by PRADD in collaboration with the Regional Mining Director.</i>					
1.6	Number of carats traced from georeferenced mining sites and recorded by the Regional Mining Directorate (mine-to-export)	Output	Number	N/A	0	600	0%
		<i>Explanation: PRADD failed to achieve its target due to a curtailed implementation period resulting from insecurity. While over 305 carats were registered in community registries, these were not yet inputted in the Regional Mining Directorate database.</i>					
1.7	Number of initiatives aiming at the improvement of the Central African Republic's land tenure laws and regulations	Output	Number	N/A	11	10	110%
		<i>Explanation: PRADD exceeded its target due to strong engagement by GoCAR and key institutional partners, including the GIZ and UNFAO.</i>					
Intermediate Result 2: Economic Development of Artisanal Miners is Sustained							
2.4	Number of artisanal mining associations reaching a pre-cooperative structure (defined as profit-pooling)	Outcome/ Impact	Number	N/A	8	6	133%
		<i>Explanation: PRADD exceeded its target due to capacity building by community mobilizers and strong motivation by mining groups to pool profits and risk.</i>					
2.5	Number of loans given by artisanal mining associations and socio-economic groups to their members that are 100% reimbursed on schedule	Outcome/ Impact	Number	N/A	7	15	46%
		<i>Explanation: PRADD missed its target due to data collection issues. Since the last reporting period, 51 new loans were issued, but PRADD failed to keep track of which loans were reimbursed on schedule. Presumably, at least 8 of the 15 will be repaid,</i>					

#	Indicator Name/Definition	Indicator Type	Unit of Measure	June 2009	Dec. 2012	Target (March 2013)	% Achieved Dec. 2012
		<i>which would result in meeting the target.</i>					
2.6	Number of individuals informed of advanced mining techniques	Output	Number	N/A	12	250	5%
		<i>Explanation: PRADD failed to meet its target due to a curtailed implementation period. Due to logistical and programmatic concerns described above, the trainings were set to occur in late January, but all activities were suspended due to insecurity.</i>					
Intermediate Result 3: Communication for Behavior Change is Extended and Strengthened							
3.5	Number of communication and technical support initiatives aiming at professionalizing the Union of Central African Artisanal Mining Cooperatives	Output	Number	N/A	3	12	25%
		<i>Explanation: PRADD failed to meet its target due to hesitance by the MM resulting from political concerns and the curtailment of the implementation period.</i>					

ANNEX III: MINING ASSOCIATION INTERNAL INTEGRATION METRIC

PRADD uses the below metric to provide a qualitative measurement of the mining associations' organizational integration. The metric indicates the capacity of the associations to become a legitimate and successful cooperative. It is graded on a 0-20 scale.

<p style="text-align: center;">Questions (to be answered by the Community Mobilizers) “Yes” brings 1 point, “No” brings no point</p>	<p style="text-align: center;">Multiplier (indicating the factor's importance)</p>
Does the association have a management committee elected by members?	3
Does the association have a written status and regulations?	1
Are the decisions regarding the association taken in regular meetings and in a participative way?	2
Do members often use the association's structure to resolve internal and external disputes and conflicts?	2
Do members share information on mining production/extraction and do they know the amount of savings in the association's cashbox?	3
Do members trust each other (e.g. to grant loans or report diamond theft, etc)?	2
Does the association have a savings system to which members contribute regularly?	1
Do members pool labor and/or equipment together for their mining activities?	3
Do members pool a portion of their mining profits into the association's cashbox?	3

U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20523
Tel: (202) 712-0000
Fax: (202) 216-3524
www.usaid.gov