



USAID
FROM THE AMERICAN PEOPLE

CENTRAL AFRICAN REPUBLIC

PROPERTY RIGHTS AND ARTISANAL DIAMOND DEVELOPMENT (PRADD) PROJECT

QUARTERLY PROGRESS REPORT
(JANUARY – MARCH 2012)



MAY 2012

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

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: Artisanal miners, diamond collectors, North American diamond traders and jewelers, USAID and PRADD participants at the end of the supply chain workshop, Bangui, 23 March 2012.

Photo by Prosperit Yaka Maide.

PROPERTY RIGHTS AND ARTISANAL DIAMOND DEVELOPMENT (PRADD) PROJECT

QUARTERLY PROGRESS REPORT
(JANUARY - MARCH 2012)

MAY 2012

CONTENTS

.....	i
Contents	
List of Maps and Figures	ii
Acronyms.....	iii
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 – Customary Land and Natural Resource Rights in Target Areas Identified, Clarified and Formally Recognized	5
2.3.1 Property Rights Validation.....	5
2.3.2 Toward Formalization.....	6
2.4 IR 2 – System for reliable tracking of production and initial sale information strengthened and appropriated by GoCAR	8
2.4.1 Artisanal Mining Claims Registry/Production and First Sales Database	8
2.4.2 Production Tracking	8
2.4.3 Diamond Production Data	9
2.5 IR 3 – Benefits of mining activities to local communities increased and food production diversified and intensified	10
2.5.1 Assisting Alternative Development Groups.....	10
2.5.2 Advancing Gender Equity	11
2.5.3 Improving Artisanal Miners’ Ability to Negotiate Fair Prices	12
2.5.4 Supporting Smarter and More Profitable Mining Operations	14
2.6 IR 4 – Capacity to prevent and mitigate environmental impacts of artisanal mining strengthened	16
2.6.1 Post-Mining Income-Generating Environmental Rehabilitation ...	17
2.6.2 Stream Regeneration	19
2.7 IR 5 – Access and availability of information on artisanal diamond mining to stakeholders increased.....	20
2.7.1 Communication of Proximity	20
2.7.2 Mass Communication.....	20
2.7.3 Partnerships	21
2.8 Other Activities.....	22
2.9. Achieving Targets	23
Annex I: PRADD Performance Indicators	24

LIST OF MAPS AND FIGURES

Figure 1: Number of Claims in the PRADD Property Rights Validation Process.....	5
Figure 2: Number of Licensed Artisanal Miners Countrywide.....	6
Figure 3: Diamond Production Estimates: National and in the PRADD Areas Since 2009.....	8
Figure 4: Income Generated by Groups Supported by PRADD.....	11
Figure 5: Cumulative Non-Diamond Income to Artisanal Miners Prompted by PRADD.....	11
Figure 6: Production and Sales from Mining Associations Initiated by PRADD.....	13
Figure 7: Volume of Diamonds Valuated at the PRADD's Peer-To-Peer Valuation Workrooms.....	13
Figure 8: Achievements in Environmental Rehabilitation.....	17
Figure 9: Outputs of PRADD Awareness Raising and Technical Training.....	20
Figure 10: Media Coverage in CAR on Artisanal Diamond Mining (cumulative through December 31, 2011)..	21
Figure 11: GOCAR's Direct Counterpart Funding of PRADD's Activities.....	22
Figure 12: PRADD Indicators, Targets, and Results.....	23

ACRONYMS

ACFPE	<i>Agence Centrafricaine pour la Formation Professionnelle et l'Emploi</i> (National Office of Professional Education and Employment)
AFL	<i>Artisan Facilitateur Local</i> or Local Mobilizing Artisan
CAR	Central African Republic
CEMAC	<i>Communauté Economique et Monétaire de l'Afrique Centrale</i> (sub-regional economic and monetary community of States including Cameroon, CAR, Chad, Congo-Brazzaville, Equatorial Guinea and Gabon)
CIG	<i>Centre d'Information Géographique</i> (GIS Unit of the General Direction of Mines)
COTR	Contracting Officer's Technical Representative (the USAID official responsible for the day-to-day management of a project)
GIS	Geographic Information System
GIZ	German Development Cooperation
GOCAR	Government of the Central African Republic
IGA	Income-Generating Activities
IR	Intermediate Result
M&E	Monitoring and Evaluation
MM	Ministry of Mines
MOU	Memorandum of Understanding
MUD	Ministry of Urban Development
NGO	Non-Governmental Organization
POMIGER	Post-Mining Income-Generating Environmental Rehabilitation
PMP	Performance Monitoring Plan
PRSP	Poverty Reduction Strategic Paper
PRADD	Property Rights and Artisanal Diamond Development Project
STA/M	Senior Technical Advisor/Manager (the Tetra Tech ARD home office position responsible for oversight of a project)
TtARD	Tetra Tech ARD
UNCMCA	Union of Central African Mining Cooperatives
UNDP	United Nations Development Fund
USAID	United States Agency for International Development

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 Community and its member states counting as an individual participant. The KPCS is chaired on a rotating basis by participating countries. The 2011 Chair is the Democratic Republic of Congo (DRC).

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 ARD 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 has 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.

1.0 SUMMARY OF MAJOR ACCOMPLISHMENTS THIS QUARTER

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

- The Ministry of Mines, supported by PRADD, organized 20 community property rights validation workshops. It then prepared the data for the forthcoming certification of 1,417 new mining claims, while updating the data of the 2008 and 2010 claims. The total number of certified claims will thus reach 2,849, which is 95% of the PMP target.
- PRADD and the Ministry of Urban Development organized a roundtable with civil society on the matter of customary land rights of indigenous peoples.
- PRADD supported GOCAR in its land reform process initiated rather tentatively in December 2011 by coordinating the assistance of international partners, stirring the interest of other governmental institutions, and launching the debate into the public at large.
- PRADD organized the field visit of an international consultant to complete its feasibility study on microfinance in the artisanal mining sector.
- PRADD and the US Embassy organized a trade visit of North American diamond traders and jewelers to Bangui, which focused on developing a possible direct supply chain with Central African artisanal diamond miners. A series of workshops, meetings and visits with national stakeholders helped outline the risks and opportunities of this potential scheme.
- PRADD and the selected communities of Mambéré Kadéï province commenced and nearly completed the construction of two new diamond valuation workrooms. Meanwhile, the Gemological Institute of America agreed on delivering training to miners and collectors in CAR in the month of August.
- PRADD helped three competitively selected communities create benefit societies for the establishment of the first community-run mining and agricultural equipment rental pools in CAR. USAID COTR Timothy Fella and the Regional Mining Director inaugurated the first one in the village of Camp Goum on March 27.
- PRADD helped the three business managers selected last year build one vegetable gardening business unit in each of the three provinces comprising PRADD's area of intervention, and delivered practical training in vegetable gardening in the Sangha Mbaere Province.
- PRADD facilitated research into its POMIGER activities by an international consultant using a threefold economic, environmental and land-rights perspective. USAID approved the study and PRADD circulated it in both English and French to national stakeholders in CAR. Meanwhile, PRADD stirred the interest of GOCAR and the European Union in POMIGER to prepare for a possible transfer of this successful activity.
- The Minister of Mines signed the PRADD MOU with USAID for the 2011-2012 Work Plan.

2.0 DETAILED DESCRIPTION OF MAJOR ACCOMPLISHMENTS THIS QUARTER

2.1 PROJECT ADMINISTRATION AND MANAGEMENT

Throughout the reporting quarter, PRADD dedicated quite a lot of time to lawsuits and police investigations:

- The two lawsuits between PRADD and its former Boda Administrator Mozane Demokoy went through many new developments. After the hearing of the Labor Court in early January, the third postponement of the verdict by the vice-judge and the summoning of PRADD's Administrative Coordinator to "informal" meetings to solicit bribes – proved irregularities were at work behind the scene. PRADD was found guilty of abusive contract termination and sentenced to a fine of \$6,300. PRADD appealed the decision, and the hearing of the Appeal Court is scheduled for the next quarter. Meanwhile, PRADD called on the Minister of Mines to demand more transparency and justice. A couple of weeks later, when the Criminal Court subpoenaed the parties for the other lawsuit (PRADD pressing charges against Mr. Demokoy for retaining his work computer one month after his contract termination), the Prosecutor declared the Ministry co-plaintiff, postponed the hearing, arrested and jailed Mr. Demokoy until further notice. Mr. Demokoy, who has been behind bars for the past two months, is reportedly in good health.
- Burglars forced open the office safe and stole a total of \$1,700 in cash from the Bangui office on February 18. They left the equipment untouched. Reportedly, a night visitor drugged the two night guards. By the time BCAGS, the provider of PRADD's security services, and the criminal police department started to investigate, the night guards had fled to their home villages.
- A mechanic to whom PRADD used to outsource vehicle repairs filed a complaint against PRADD at the police precinct for alleged non-payment of contract. The police started an investigation and handed over the dossier to the Criminal Court in late March.
- Aside from lawsuits, the task of managing three provincial sub-offices from Bangui continues to prove a human resources challenge. In early March, the COP conducted a field audit in the Nola sub-office and found evidence of embezzlement as well as poor community mobilization. The Nola Team Leader was confronted with the evidence and submitted his resignation in early April. Other field staff members came under scrutiny as well. At the end of the reporting period two Community Mobilizers, two Provincial Administrative Assistants, and one Team Leader are under monthly performance reviews.

Logistics presented challenges. Due to the very poor roads it traverses and heavy use, (the Boda vehicle logged 7,000 km in February alone), vehicles continued to incur high costs for maintenance and repairs.

Finally, accurate data collection continues to be an issue in PRADD’s longstanding areas of intervention due to the success of PRADD’s activities. The project’s expansion into new clusters of villages since last year expanded the scope of data collection areas while the ending of AFL contracts reduced human resources available. In its next work plan, PRADD will propose to rebalance its efforts and presence between the ‘old’ and the ‘new’ areas, and will reintroduce paid AFLs.

2.2 STAFF CAPACITY BUILDING

During the reporting period, PRADD delivered three trainings:

- One in vegetable gardening to all AFLs of the area and the PRADD Community Mobilizers from its field offices in the Sangha Mbaere province;
- One in equipment rental to the management board of the first equipment rental benefit society in the Lobaye province;
- One in SMARTER mining techniques in the province of Mambéré Kadei.

In addition, PRADD completed its second tool on revenue management and trained some of its Community Mobilizers for cascade training (see IR3 below).

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

2.3.1 Property Rights Validation

During this quarter, the Ministry of Mines implemented the next step of PRADD’s property rights methodology under the transferred format agreed upon in April 2011. During three weeks starting at the end of February, ministerial cadres supported by PRADD deployed to the new communities of intervention and organized twenty community validation workshops, which validated 1,417 new mining claims belonging to 990 artisanal miners. As a whole, PRADD and the MM helped local communities and authorities validate 2,849 mining claims belonging to 2,039 artisanal miners. PRADD has reached 95% of its PMP target of “Number of artisanal sites validated and officially recognized by local customary and administrative authorities.” The table below summarizes PRADD’s cumulative results for this activity.

Figure 1: Number of Claims in the PRADD Property Rights Validation Process

Province and Area by Work Plan Period	Number of identified sites/claims	Number of GIS-mapped sites/claims	Number of validated sites/claims	Number of certified sites/claims
Lobaye (2008-2009)	369	369	369	317
Lobaye (2009-2011)	190	190	183	183
Lobaye (2011-2012)	325	341	236	-
Sangha Mbaere (2009-2011)	1,724	1,323	880	880
Sangha Mbaere (2011-2012)	768	560	390	-
Mambéré Kadéi (2011-2012)	2,204	1,113	791	-
TOTAL	5,580	3,896	2,849	1,380

Only 70% of the miners whose claim had been geo-referenced actually participated in the validation workshops because (1) the General Direction of Mines postponed the mission twice, creating confusion in some communities, and (2) the validations occurred during the busy dry season when many miners were busy working their claims. Despite this, three aspects of these workshops were noteworthy.

- The direct involvement of ministry officials gave more weight to the events than when PRADD organized those workshops alone.
- The capacity of the MM to plan, prepare and implement the workshops was improved.

- The MM demonstrated improved capacity to resolve conflicts. The teams identified two conflicts over diamond mining claims, and successfully resolved them.

In January, the GIS Unit started processing the data collected during the GIS-mapping exercise conducted in the previous quarter. The GIS Unit then prepared and printed the village maps, referencing all mining claims as well as the lists of participants by village. When the cadres deployed to the field, they corrected fewer than 10% of the data provided, showing good data transmission from the GIS-mapping to validation, and good coordination between the different directorates of the Ministry. In the final weeks of the reporting period, the GIS officials reprocessed the data into the central registry and started preparing the certificates, which will be ready for distribution by the end of May.

While PRADD’s support in logistics and planning remained indispensable, the Ministry of Mines demonstrated it has reached a technical capacity that bodes well for the future of the overall property rights exercise.

2.3.2 Toward Formalization

Artisanal Mining Licenses: This year, through a weekly radio program on four stations PRADD disseminated messages on legalization and the mining law throughout the Southwest Mining Region. PRADD believes that the high number of licenses sold during this year’s first quarter – already half of all of last year’s – is a long-term effect of the reduction of the license fees in January 2011, as showed in the table below.

Figure 2: Number of Licensed Artisanal Miners Countrywide

	Year 2010	Year 2011	Q1-2012
Number of artisanal mining licenses sold	1,821	2,564	1,292

It is noteworthy to observe that miners from PRADD’s three provinces of intervention account for 54% of the above figure. This indicates the effectiveness of using media and the sustainability of PRADD’s effects in behavioral change. PRADD, however, has been much less successful in convincing its direct program participants to buy their annual license this quarter, as only 1% of the 3,252 miners registered in the database did. Though the actual figure may be higher, due to the difficulty in collecting data from PRADD’s longstanding areas of intervention¹, PRADD will display more awareness raising efforts in the next quarters.

Improving the PRADD Property Rights Certificate: During the visit of PRADD’s COTR in March 2012, PRADD and USAID discussed at length the issues posed by the PRADD certificate’s current format and suggested the following modifications:

- Change the name of the certificate to “Attestation de Propriété Foncière.”
- Specify the legal heirs in compliance with statutory law (usually the spouse).
- Specify the limit to the surface area to be a maximum of 62,500 m² (250m X 250m), provided the limits are set straight from the beginning and do not later encroach.
- Specify that the certificate’s time limit is 10 years, with a maximum idle time, i.e. without effective valorization or use, of two years.
- Specify which rights the certificate confers and which it does not confer, and the conditions.

During the next work plan period, PRADD will propose to subject these suggestions to rigorous technical examination involving an international expert and a panel of experts from various ministries.

¹ This is due to PRADD’s larger outreach/catchment area and to the end of contracts for AFLs.

The result of this exercise will be to refine and validate the new format of future certificates, which should strengthen land rights further, especially in the areas of agriculture and fish farming. In the meantime, the Ministry of Mines will certify the recently validated claims using the current format, and replace the certificates issued during the 2007-2009 period, which were signed by the US Ambassador, with certificates signed by the Ministry of Mines.

Toward a Comprehensive Land Tenure Code: PRADD continued supporting GOCAR in its plan to reform its land tenure regulations by helping the Ministry of Urban Development (MUD) further refine its draft land tenure law, bringing the debate to civil society at large, and promoting coordination among key donors as well as within the government.

After the December inter-ministerial workshop, which focused on the new land tenure law drafted by the MUD, PRADD suggested as a way forward that the MUD discuss with representatives of civil society the matter of customary laws and practices governing land tenure. In parallel, PRADD helped local NGOs interested in this debate structure an advocacy platform for constructive criticism of the draft law. PRADD sponsored a two-day roundtable organized by the MUD on ‘the customary land rights of indigenous peoples’ February 14-15. Thirty-five participants from eight environmental protection and human rights NGOs, representatives from the Aka (Pygmies) and Mbororo (Fula) minorities, and technical cadres from the Ministries of Urban Development, Justice, Environment, Mines and the High Commissariat for Decentralization deliberated during two days and eventually issued specific recommendations to improve GOCAR’s draft law.



Participants at the roundtable on customary land rights of indigenous peoples sponsored by PRADD.

The main outcomes of this roundtable were the acknowledgment by the MUD of existing customary land rights and its commitment to recognize them through a community-driven certification process that still needs to be defined. This represents a 180-degree turn from the December draft law, which had an overly centralized focus on statutory systems. The local NGOs committed to help GOCAR, including financially, in a grassroots consultation process.

During this period, PRADD published an article in CAR’s first daily newspaper on the importance of the current land reform process for the economic and political health of the country. These initiatives aimed at bringing the land reform debate out of the initial framework of the urban development draft law gradually helped the MUD reach the conclusion that the land reform should be comprehensive and its process should be long and all-inclusive.

PRADD’s coordination and advocacy efforts raised the interest of key development stakeholders in CAR. As part of its sub-regional program supporting the mining sector, the GIZ agreed to fund a comparative study of key land legislation in Africa, focusing on the CEMAC region, in order to highlight a set of best practices and benchmarks for the benefit of GOCAR. PRADD also convinced the UNFAO to support the MUD, and the agency began to include the MUD in the governmental stakeholders whose technical expertise regarding land reform is necessary, and reportedly has requested additional funding to support this process from its Headquarters. The UNFAO is also working on terms of reference for a supporting consultancy. Finally, PRADD convinced the World Bank Country Representative to work to persuade GOCAR to assign leadership of the reform process to a more powerful ministry. Hoping that the Office of Prime Minister will take over the dossier and nominate a Land Reform Steering Committee before the quarter’s end, PRADD had set aside funding to send two GOCAR officials at the Land and Poverty Conference of April 23-26 in Washington DC. Unfortunately, the momentum did not yet reach that stage.

PRADD regularly discussed the terms and the importance of this reform with its usual interlocutors at the National Assembly, the Office of Prime Minister, and other ministries. PRADD's efforts vis-à-vis these governmental institutions succeeded in attracting the attention of a dozen key ministerial technicians in contributing to the MUD initiative, and helped to advance the reform process. The most remarkable success has been with the Ministry of Justice, where PRADD can count on the support of Mr. Arsène Sende who is very familiar with PRADD's property rights methodology. With the declared intent of influencing the MUD's initiative, the Ministry of Justice is now setting aside some funding for a comparative review of Land Tenure Codes in the region, but also to gather and centralize concrete examples of difficulties encountered by local judges in land conflict arbitration. In addition, the Minister of Environment wrote to the Minister of Urban Development asking to be further involved in the reform process. The High Commissariat for Decentralization and Regionalization officially requested the MUD to compose a steering committee representing all various interests within the government. On a less successful note, in early April the Minister of Finances, feeling threatened by the proposed shift of competencies (e.g. estate taxation) complained to the Presidency about the Minister of Urban Development's overzealousness on land reform. This had the advantage of bringing the debate to the Presidency.

Momentum for a comprehensive, all-inclusive land reform process is growing. During this reporting period, PRADD succeeded in taking it out of the specific boundaries of the Ministry of Urban Development and initiated coordination among governmental, non-governmental and international stakeholders that is slowly taking a life of its own. However, the land reform process has not yet become a government priority, for which strong political will remains necessary.

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

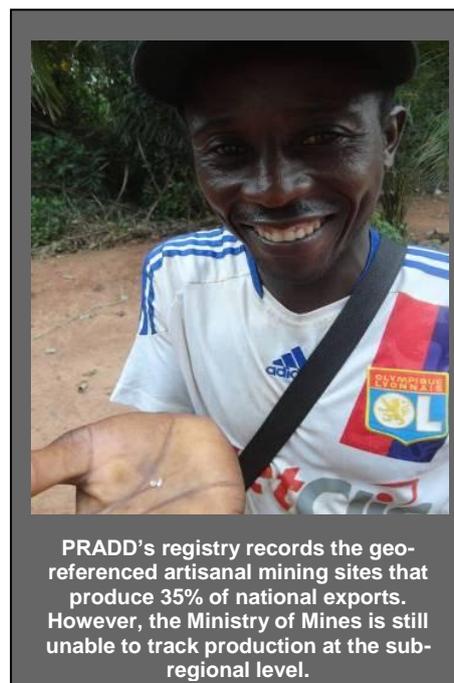
2.4.1 Artisanal Mining Claims Registry/Production and First Sales Database

The GIS Unit of the General Direction of Mines demonstrated its enhanced capacity to manage PRADD's transferred registry by successfully supporting the ministerial cadres throughout the property rights validation process. In the reporting period, the GIS Unit (1) processed over 1,400 new geo-referenced claims into the registry, (2) composed local maps listing claims as well as artisanal miners by village, and (3) prepared the property rights certificates after the round of validation workshops. PRADD's assistance was critical in the planning process to coordinate the work of the Directorate of Mining Support, the Regional Directorate and the GIS Unit, however, after a year of training and coaching, the GIS Unit is now self-sufficient.

Recognition of the GIS Unit's enhanced capacity is growing within the MM. During this reporting period, the GIS Unit recorded an average of three official requests per month, compared to one in the previous quarter.

2.4.2 Production Tracking

Previous quarterly reports described how PRADD and the Directorate of Marketing and Industry agreed to a localized production tracking system, rather than a more ambitious countrywide tracking system. The scheme is dependent on the establishment of pilot Artisanal Mining Zones (AMZ) authorized by the 2009 Mining Code but never actually designated. PRADD submitted a short policy paper to the Minister last year, and is still waiting for the official announcement of the ministerial mining policy to suggest implementation details (see 2.7.3 Partnerships).



In case geographically defined, land-secured AMZ are not part of the ministerial policy, PRADD agreed with USAID that it would implement local production tracking pilots in its next work plan. Indeed, PRADD's registry of artisanal diamond mining claims has an impressive record: 75% of the total mining claims of the three southwestern provinces are identified, 52% of them are geo-referenced and local communities validated 38% of them². With proper monitoring of production, this registry, which covers the three provinces that produce 68% of national exports, could become a major instrument to help GOCAR design a comprehensive policy to enhance production.

2.4.3 Diamond Production Data

The effort to collect quarterly regional production data has highlighted the difficulty in tracking and monitoring production at the sub-national level. PRADD and the Regional Mining Directorate could not determine production by province with absolute accuracy³. A rigorous mine-to-export traceability system must be piloted in specific localities before a nationwide rollout is feasible. The table below therefore shows PRADD's influence in increasing the amount of diamonds entering the formal chain of custody in CAR, but PRADD is not a perfectly accurate production-monitoring tool.

Figure 3: Diamond Production Estimates: National and in the PRADD Areas Since 2009

Period	National Exports (carats)	Nola and Boda Production		Berberati Production	
		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%

First quarter national exports, an accurate statistic, are higher than first quarter exports for the last two years. Legal exports are steadily increasing in CAR, and increasing even faster in the areas where PRADD operates, which now produce 68% of the total exports⁴.

² The proportions are based on an estimation of 7,469 diamond sites in the provinces of Lobaye, Sangha Mbaere and Mambéré Kadéi, which was provided during PRADD's mid-2011 community selection exercise by local village chiefs and the provincial Mining Brigades.

³ The Regional Directorate's data collection system is challenged by the different reporting systems of collectors and buying houses. Collectors report figures by town, whereas buying houses report figures by Mining Region, of which Carnot – where PRADD does not intervene – belongs. The figures of Boda and Nola for this quarter are reasonable estimates based on the regional production.

⁴ Growth seems evenly distributed throughout the country. The proportions of total production coming from eastern and western regions have remained roughly the same for the last nine months. Contributing causes of the increase are the increase in investments by buying houses as well as the effect of last year's license fees reduction. The increase in the numbers of licenses purchased seems to support this conclusion.

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

PRADD continued to make significant progress in increasing benefits accrued from both mining and non-mining activities. The quarter's highlights were the organization of a supply chain workshop in Bangui, the construction of three equipment rental warehouses, the introduction of SMARTER mining techniques as a model of extraction at a mine site, and the rollout of PRADD's revenue management training tools. In addition, PRADD completed the analysis of the household survey performed in December 2011. PRADD drew most of the figures quoted in this report from this last survey and updated its performance indicators accordingly (see Annex I).

2.5.1 Assisting Alternative Development Groups

In assisting artisanal miners to generate additional income from non-mining activities, PRADD seeks to help mining communities reduce their dependence on diamond traders for their daily livelihoods, not to entice miners away from mining. Prior to the current reporting period PRADD had only anecdotal evidence that this was actually the case: although they were diversifying and increasing their income, PRADD participants continued to work their mining sites. PRADD's recent report on its POMIGER⁵ activities, which carefully analyzed the effects of PRADD assistance, concluded that miners were adopting *complementary* rather than *alternative* livelihoods due to PRADD.

Increasingly, artisanal miners choose to invest more time and money in non-diamond activities, especially agricultural activities. By doing so, they are being able to work on mining sites at the time of their choosing. PRADD's field teams observed that miners worked more on mining sites during this last dry season because a lot of them were better off than last year: 53% of them now make more money than before and only 15% make less. PRADD's *complementary* livelihoods approach helps make diamond mining less risky, which may be another cause for the steady increase in diamond production in PRADD's areas of intervention. Indeed, the share of agriculture and fish farming in total household revenue increased from 49% to 63%, but the share from diamond mining increased as well from 19% to 22%. The share of household income from salaries and trade, on the other hand, fell sharply from 35% to 15% due to the closure of timber companies in the area and the steady increase in the price of trade goods.

The table below shows that non-mining income remained high during the reporting quarter. The proportion of fish farming in the total additional quarterly income (36%) further confirms the positive economic impact of POMIGER. The fish income seems to benefit many households, as the proportion of artisanal mining households owning one or more fishponds among all PRADD participants went from 18.8% to 34.4% in only two years.

The proportion of savings increased as well – from 33% to 50% of the total quarterly income, – which is the result of PRADD's enhanced awareness-raising on the importance of savings, and PRADD's focus on structuring and strengthening artisanal mining associations during the reporting period. An increasing number of miners have adopted these savings practices: 765 persons this quarter against 163 during the last. However, many groups still lack knowledge on how to manage their profits⁶.

⁵ *Environmental Rehabilitation and Artisanal Diamond Mining: A Case Study of Land and Livelihoods in the Central African Republic*, Terah De Jong, USAID, March 2012.

⁶ Many socio-economic groups and artisanal mining associations conduct various income-generating activities at once and prefer to keep most or all profits in the common savings pool. PRADD has started to design training tools to support these groups' ability to manage their cash pool better, and intends to test their effect.

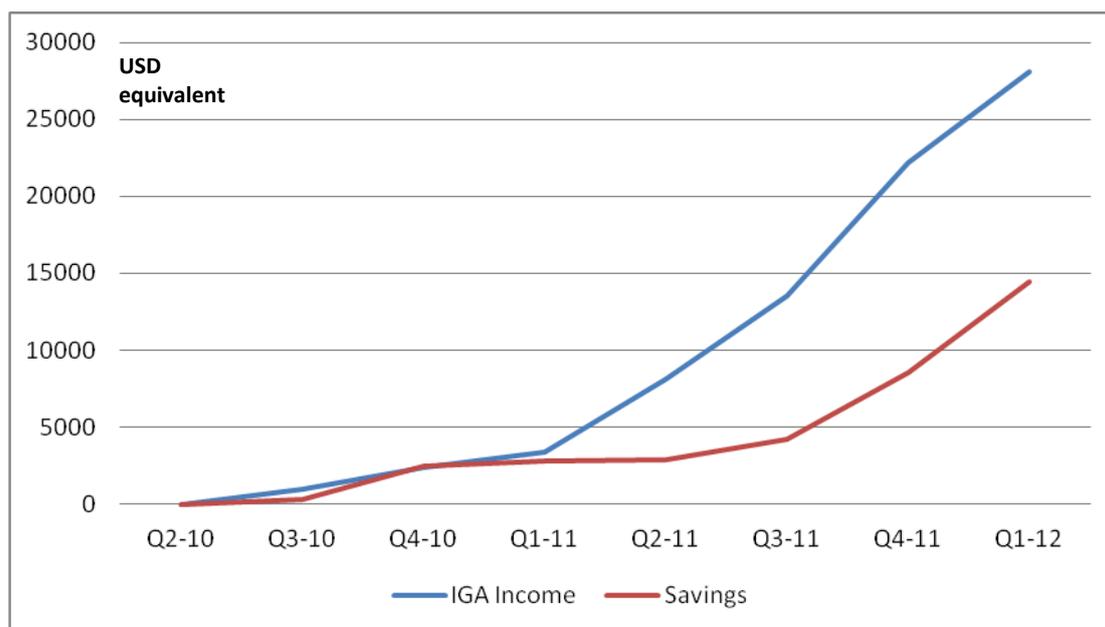
Figure 4: Income Generated by Groups Supported by PRADD

Type of Association or Activity	Total Production (Q2 2011 only)	Total Monetized Income (USD equiv.)	Number of participants			Total Monetized Income per Individual (USD equiv.)
		Q1 2012	W	M	Total	Q1 2012
Soap-Making Groups	3,806 batches of soap	785	513	25	538	1.5
Fish Farming Groups	2,005 kg of fish	4,204	6	50	56	75.1
Agricultural Groups	Various baskets of cassava and vegetables	627	170	35	205	3.1
Petty Trade Groups	Cassava grinding, etc.	280	14	5	19	14.7
Savings Associations (artisanal miners*)	Savings & diamond valuation fees	3,168	9	269	278	11.4
Savings Associations (IGA)	Savings	2,797	318	169	487	5.7
TOTAL		11,861	1,030	553	1,583	7.5

* Includes the five diamond valuation associations.

The total additional income slightly decreased from \$12,969 to \$11,861 since the last quarter. However, this income is benefiting more people across the intervention area: 818 individuals made profits from income-generating activities (IGA) this quarter against 484 in the one before. Artisanal miners supported by PRADD have generated \$42,579 in additional income since June 2010. The table below shows the increase in income from both IGA and savings.

Figure 5: Cumulative Non-Diamond Income to Artisanal Miners Attributable to PRADD⁷



2.5.2 Advancing Gender Equity

PRADD's Gender Strategy aims at promoting women's access to land, economic opportunities, and employment opportunities.

⁷ PRADD uses the same exchange rate of 500 XAF to \$1 in all quarters; the data does not reflect exchange rate fluctuations.

PRADD's promotion of women's access to land has not yet produced noteworthy results, as only 5.2% of the validated claims belong to women. Despite a higher participation of women owners at the validation workshops – 60% of the initially identified women's claims were validated, against 51% of the men's – change is slow. However, the report on POMIGER shows that women are keener to reclaim their exhausted mining site into a fishpond or vegetable garden, so this might become a factor to exploit in promoting women's access to land.

PRADD's promotion of economic activities continues to bear fruit. As in the previous quarters, two thirds of those benefiting from additional income are women, with a higher proportion in agricultural (83%) and soap-making (95%) activities. USAID's POMIGER study showed how women, especially the most destitute, successfully organized themselves into socio-economic groups to conduct POMIGER activities. As the increased breadbasket is mostly due to women-led agricultural activities, women participate more in decision-making: 50.4% of households in PRADD's intervention areas report a better participation of women in December 2011 than a year before. This improvement is even more visible in key economic decisions such as food expenses (52% of households), school expenses (58.8%) and large family investments (61.9%), which are strong indications of a better livelihood.

During this quarter, PRADD focused on improving the soap-making IGA, which has always been conceived as a sustainable economic activity among women. However, women's soap-making groups are often struggling with income management and access to raw material (e.g. palm oil and caustic soda). In February, PRADD conducted a general review of this activity and found that around 25% of the soda distributed to the groups of Boda and Nola one year ago, and over 95% of the soda distributed to the groups of Mambéré Kadéï in October 2011, had still not been used. PRADD decided to concentrate on the women's organization, dedicating International Women's Day of March 8 to technical and financial training sessions to improve this activity. The focus seems to have produced a positive outcome in the Sangha Mbaere province, where 16 women's groups merged into a provincial federation, successfully pooled savings and profits together, and launched a second round of investment by acquiring raw material. This level of initiative, however, has not reached the groups of the other two provinces.

In the area of employment opportunities, PRADD's support to the MM is gradually helping the women managers of the GIS Unit gain more exposure and responsibilities, but gender equity among governmental partners still has a long way to go.

2.5.3 Improving Artisanal Miners' Ability to Negotiate Fair Prices

Artisanal Mining Associations: PRADD's support to local mining associations became a focus of attention with the prospect of a direct supply chain between North American traders and Central African cooperatives (see below 2.5.4. on Direct Supply Chain). In January, PRADD set up a system to collect data production on a monthly basis. In addition to the gross production figures, PRADD Community Mobilizers verified the purchase slips to determine the amount of legal sales and added a qualitative indicator accounting for each association's strength and sustainability. Even though many artisanal mining associations initiated by PRADD are still only organizing themselves in the hope that diamond investment would somehow come eventually out of this, especially in the new province, a significant number of miners are realizing that they work better in partnership with each other. The table below summarizes the evolution of these associations during the last three months.

In addition, PRADD participated in the long-awaited General Assembly of the Union of Central African Mining Cooperatives (UNCMCA) organized by the MM in early March. Mismanagement by the previous UNCMCA board had discredited the cooperative system, which tended to favor the creation of fake cooperatives buying rather than mining diamonds. The election of a new board, composed of legitimate cooperative presidents, and the MM commitment to control the UNCMCA better bode well for the future of the cooperative system. PRADD will carefully follow the evolution of this new Union.

Figure 6: Production and Sales from Mining Associations Initiated by PRADD

Province	Number of Associations	Quarterly Production (carats)	Average Proportion of Legal Sales	Average Internal Integration*
Lobaye	24	6,808.5	70%	6.9
Sangha Mbaere	6	589.8	54%	7.9
Mambéré Kadéi	14	1,028.9	100%	8.2
Total	44	8,427.2	73%	7.5

* This qualitative indicator measures the strength of the mining association, hence its capacity to become a successful profit-sharing cooperative. It adds up four internal criteria measured from 0 (very fragile) to 3 (very solid): structure (status, rules), information (meetings, decision making), management (administrative, financial) and cohesion (solidarity, problem solving).

Diamond Valuation Workrooms: PRADD completed the competitive process for the selection of two new diamond valuation associations in the province of Mambéré Kadéi. PRADD then helped the selected communities of Balego and Nandobo to procure construction material, hire local masons and build the workrooms, which are 80% completed at the end of the reporting period. The valuation equipment, procured last year, is stored at the Bangui office ready for distribution.

Figure 7: Volume of Diamond Valuated at the PRADD's Peer-To-Peer Valuation Workrooms

Village	Province	Volume of Diamond Valuated (carats)			
		Q3 2011	Q4 2011	Q1 2012	Total
Bossoui	Lobaye	0.34	19.68	45.62	65.64
Boulaye		2.16	18.7	16.88	37.74
Camp Goum		22.51	23.35	92.03	137.89
Loppo	Sangha Mbaere	0.34	8.06	10.64	19.04
Ngoulo		3.4	14.3	3.65	21.35
Total		28.75	84.09	168.82	281.66

The existing five valuation workrooms continue to deliver services to artisanal miners. Despite the reluctance of many miners to display their most valuable finds, and the prohibition set by some collectors to approach these valuation sites, the amount of diamonds brought for valuation keeps increasing. In Camp Goum, where miners are particularly independent and somewhat better off than in other communities, the valuation association reports that miners are now able to use the estimated prices as the basis for sales to local buyers and collectors.

Finally, PRADD was unable to hire a local consultant capable of writing a training module on diamond knowledge enhancement to deliver to illiterate miners. PRADD received and reviewed dozens of resumes through the end of January but could not find a qualified expert. PRADD/CAR will now wait for PRADD/Liberia to complete a similar training module, and hopes to translate it into French.

Diamond Fixed Price List: PRADD tried to introduce a fixed price list indexed on the official dollar exchange rate for small stones, thinking to affix prices on the boards of the diamond valuation workrooms for everyone's knowledge. However, establishing a reasonable price list that would serve all miners' interests proved immensely difficult. Not only is the old official price list unsuccessfully introduced by the government a couple of years ago is obsolete, but many price lists used by local collectors are more beneficial for certain types of stones. After comparing four different price lists used by provincial buyers, collectors, and the state-run buying house COMIGEM, PRADD concluded that the establishment of such a list was too complex to be effective. It would not be beneficial to all artisanal miners and relevant for all types of stones. This deliverable will be removed from the workplan.

2.5.4 Supporting Smarter and More Profitable Mining Operations

Equipment Rental Pool: After the US Embassy helped PRADD elicit agreement from the Ministry of Mines that the equipment pools would be managed by local communities' benefit societies, which would be in charge of renting and retrieving the equipment, PRADD assisted the three selected communities in building their local equipment rental warehouses on a cost-sharing basis. The obligation to share costs caused some delays, for some communities did not show much eagerness to pay for part of the construction material or for unskilled labor, but PRADD maintained its position. Eventually, the isolated community of Camp Goum, in the Boda area, was the first to complete its warehouse in mid-March. PRADD delivered the equipment and inaugurated the first equipment rental pool on March 27 in the presence of USAID COTR Timothy Fella, TtARD STA/M Stephen Snook, State Department official JJ Harder and the Regional Mining Director. The other two warehouses are still under construction.



In the three selected communities, local miners created a benefit society, elected a management board, and signed a MOU with PRADD for the temporary donation of equipment⁸. PRADD assisted them in developing internal controls, so that communities can register their associations at the Ministry of Interior and acquire legal rights, as well as the rental template and other basic management tools. PRADD also set the rental prices based on amortization and costs; maintenance and salaries of the board members are included in the rental prices too. As soon as the Camp Goum pool opened, the PRADD Microfinance Advisor delivered an intensive training on administrative, logistical and financial management. The scheme looks promising: a week after its opening the benefit society of Camp Goum generated \$30 in cash, equivalent to the cost of five mining shovels of good quality. The sustainability of the activity seems possible.

At the end of the reporting period, PRADD had not received the six mechanical jigs imported from the Republic of South Africa, but their delivery is imminent.

SMARTER Mining Techniques: Since February 20, PRADD is funding and supervising a comprehensive model mining operation in a site located near Berberati. PRADD and the Regional Mining Directorate selected the site together and agreed on the terms with the artisanal miner owning the site. Using the model extraction as training, PRADD and the Regional Director invited AFLs in the province and some neighboring miners to key work shifts such as the prospection, the design of the pit or the site's division in blocks and trenches. In addition, PRADD photographed every phase of the operation to produce a training tool in the next quarter.

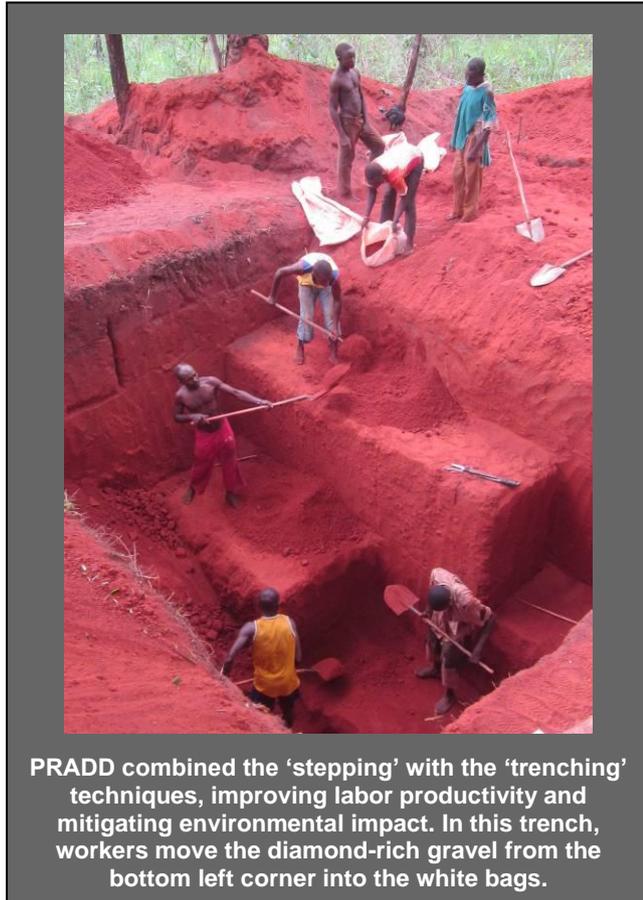
PRADD organized the following works:

- **Prospection:** The use of a systematic geographic pattern in the digging of prospection holes maximized underground analysis and the finding of geological indicators. After workers dug samples of diamond-rich gravel out of the holes and washed it, PRADD designed an ideal pit to minimize removal of overburden and maximize access to the diamondiferous gravel. Based on these samples, PRADD taught the artisanal miners to calculate the estimated volume and thickness of the gravel present in the site. This calculation is a key improvement with respect to

⁸ As with the diamond valuation equipment, the donation is provisional and all tools and equipment remain the property of USAID pending approval of a request for the disposition of property.

common diamond mining as it helps setting up a better and more transparent division of labor – allowing paying diggers by volume of earth removed rather than by working day – and helps the miner and his sponsor calculate the overall cost of extraction with better accuracy.

- **Earth-removal:** PRADD opened a pit of 8X15 meters and divided it into four blocks or eight trenches. Diggers worked each trench in sequence, one after another, separating the gravel and backfilling the exhausted trenches with overburden from the new one – the so-called ‘trenching technique’. In each trench, PRADD introduced a system of terraces allowing diggers to reach the gravel quickly and easily by throwing the soil gradually up the pit: this is the so-called ‘terrace’ or ‘stepping’ technique. The combination of these two advanced extracting techniques significantly reduces the amount of labor, as workers only extract a small amount of soil out of the pit, leaving the rest within it. Out of the 420 m³ of earth workers moved, 270 m³ remained within the pit, while only 90 m³ of arable soil and 60 m³ of diamond-rich gravel were extracted.
- **Reclamation:** While removing the earth, workers separated the sterile, arable and diamond-rich layers of soil. They then washed the gravel (only 6 out of 60 m³ is already washed) and backfilled the pit with the arable soil to plant local species. In this site, the preference went to banana trees, which are abundant in the area. PRADD will complete the reclamation technique during the next quarter.



The main advantages of the SMARTER mining technique is the improvement of labor cost estimates, the reduction in labor (and hence cost), the maximization of access to gravel and the mitigation of environmental impact. Most of the gravel had not yet been washed at the time of writing. PRADD hopes to find diamonds, as it will help convince miners that these methods are appropriate.

Microfinance: Microfinance expert Tara Simpson carried out the fieldwork portion of her study in Liberia and CAR from mid-January to early February. In CAR, she met many collectors, buyers, diamond investors, bankers, representatives of international institutions as well as miners. While the final feasibility study will be submitted soon, this exercise helped stir much interest among Central African stakeholders. One major entrepreneur already involved in both diamond buying and banking, as well as the International Finance Corporation (IFC), expressed interest to follow through PRADD’s findings and possibly help open microcredit lines to artisanal miners. Once USAID approves the feasibility study, PRADD will translate it into French and circulate it widely among potential partners.

One core conclusion is that artisanal mining microfinance, though not impossible, is highly risky. The key to success will be to spread risk among miners by lending to associations and groups rather than individuals. PRADD concluded that a field test based on artisanal miners’ pooled savings is necessary, for it will provide potential partners with a set of reasonable figures on investment, profit and reimbursement on a small scale. As socio-economic groups and artisanal mining associations initiated by PRADD nearly pooled the equivalent of \$15,000 in savings (see 2.5.1 above), PRADD believes

that it can gradually lead those groups to a tentative microcredit scheme, and possibly convince some partner to invest an additional small amount of money for such test.

Therefore, the PRADD Microfinance Advisor dedicated much time and energy building revenue management tools, and completed the first training tool focusing on household income in the previous quarter. PRADD started rolling it out, in cascade, through its Community Mobilizers down to the mining households. PRADD completed the second tool, focusing on group/association's revenue management, during this quarter, and started training some of its Community Mobilizers. This more complex tool proposes the introduction of a rotating credit scheme by which individual members can access part of the pooled savings, invest it in a given income-generating activity⁹, and reimburse it with interest after an agreed upon period. The purpose is to lead participants to think of their common cash pool as a microbank lending to members rather than a large financial asset to use only for global group investments¹⁰. Once the principle of a microbank becomes common practice, PRADD plans to scale up to larger microbanks for various groups and associations, and then, gradually, to appeal to preexisting microfinance banks for loans.

Direct Supply Chain: During this reporting quarter, with the support of the State Department and the US Embassy in CAR, PRADD organized a trade visit of North American diamond traders and jewelers in Bangui from March 21 to 29. The visitors participated in a workshop, met with relevant Central African stakeholders including the Ministry, the UNCMCA, miners, collectors, and buying houses, and made a site visit to Camp Goum.

The March 22-23 workshop with miners and collectors helped clarify the interests, hopes and concerns of each stakeholder. Participants were able to propose a first sketch of a viable direct supply chain from local miners to North American buyers. The scheme is compliant with the 2009 mining law, which enables Central African mining cooperatives to export directly on the international market. The workshop was a success, as ministerial cadres, diamond collectors and presidents of already existing cooperatives made multiple contacts and exchanges with PRADD after the visit. The reaction of some diamond buying houses, however, was more confrontational, as expected. The visit to Camp Goum helped deepen understanding of the challenges in artisanal mining such as the use of child labor and unlawful diamond transactions.



PRADD believes that a reasonable follow-up to this visit should be the deployment by the North American private stakeholders of an agent for an in-depth visit to draft a business plan and refine the proposed model.

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

During this quarter, PRADD accelerated the establishment of the nine POMIGER business units and launched the 2012 season of vegetable gardening. PRADD also invited environmental expert Terah De Jong to conduct a field study and assess the impact of POMIGER. Mr. De Jong wrote a comprehensive report in March and presented his main findings in a presentation to the Land and Poverty Conference

⁹ PRADD worked out different IGA business plans to propose to mining associations focusing on 'para-mining activities': water pump rental, diggers' ration cooking, fuel sales, etc.

¹⁰ For instance, PRADD is encouraging soap-making women's groups to first produce soaps altogether, then sell them to individual members wholesale so those can sell them retail and keep the profits.

at the World Bank in April 25. Realizing that the success of its environmental component is exceeding its own implementation capacity, PRADD carried out preliminary steps to transfer POMIGER to other stakeholders in CAR.

However, the delay in setting up operational POMIGER business units limited the spread of environmental reclamations, especially in the new areas of intervention, so the increase of POMIGER sites slowed during this last quarter. Similarly, PRADD did not organize other watercourse regenerations due to budget constraints.

2.6.1 Post-Mining Income-Generating Environmental Rehabilitation

Despite the presence of many miners expressing interest in POMIGER, especially in the province of Mambéré Kadéï, miners only built 11 new fishponds during the reporting period. The figure is underestimated due to data collection issues but this is the slowest growth of POMIGER sites since its introduction two years ago. PRADD believes that miners already reclaimed nearly all suitable sites in its longstanding areas of intervention, while the absence of operational business units limited the growth of adoption in the new areas. Intense mining activities during the dry season were another reason for the slowdown.

On the other hand, PRADD trained twice the number of miners during this quarter as last. PRADD thus increased the capacity of already existing POMIGER sites instead of broadening their scope. The table below summarizes the outcome of this activity so far.

Figure 8: Achievements in Environmental Rehabilitation

Type of Rehabilitation	Number of trained people (total)	Number of completely rehabilitated mining sites (cumulative)							Total rehabilitated surface (acres)
		Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	
Fish Farming	728	18	83	159	245	276	350	361	44.4
Agroforestry	68	0	7	26	44	44	54	54	240.4
Vegetable Farming	332	0	0	71	136	136	176	176	238.7
Total	1,128	18	90	256	425	456	580	591	523.5

The study conducted by Mr. De Jong showed that POMIGER is an important innovation in the realm of artisanal diamond mining. Even though the overall number of rehabilitated sites only covers 5% of the total exhausted sites, and only 43% of POMIGER sites are on reclaimed diamond mines, POMIGER does have a significant and replicable economic and ecological impact. Of the three proposed activities, fish farming produces the best outputs, followed by vegetable gardening, while agroforestry seems too grounded in long-term benefits to show positive outcomes at this stage.

POMIGER's success is partly due to PRADD's overall methodology and partly to contextual contingencies. The following are some of the conclusions:

- POMIGER was timely, introduced after the diamond crisis hit mining communities, so miners were actively looking for alternative income sources.
- Fish farming needs to be implemented in a specific type of environment to work: the village of Loppo, which hosts over 80% of all fishponds, has an ideal amount of water streams and slope, while the neighboring village of Mbanza is limited by its geography. Sites also need to be located near villages.
- PRADD's certification of property rights indirectly favors environmental rehabilitation by creating more incentives to invest in and buy exhausted mining sites: 30% of all POMIGER sites are built on certified mining claims.
- PRADD's communication methodology, which focuses on helping the most motivated miners first, either individually or in groups, maximized the rate of adoption by miners.

The study also demonstrated that POMIGER's environmental mitigation impact was particularly significant in the areas of water use and quality, aesthetics and noise, social and health hazards, and land degradation. Finally, it pointed out some technical and scope limitations, especially in the sustainability of business units but also in water management and accurate data collection. This prompted PRADD to look for alternative implementation schemes in the future.

Since its launch in 2007, PRADD has tried to tackle the many problems of artisanal diamond mining on a very broad scope and with a limited capacity. In the previous work plan, it had already concluded that the activity of land-use planning and activities mitigating the penetration of artisanal mining into protected areas were too large for effective implementation. Recently, it realized that POMIGER has grown to such a scope that another stakeholder specializing in environmental protection and food security would be better suited to realize POMIGER's potential impact.

Therefore, in early February, PRADD started reaching out to the newly created Ministry of Environment (it was previously a directorate of the Ministry of Waters & Forests) and to the European Union with the intent of transferring the POMIGER methodology. The Ministry of Environment expressed strong interest in this, for PRADD's methodology fits with both the government's plan of site rehabilitation enshrined in the PRSP, and international conventions signed by GOCAR on land degradation, biodiversity and climate change. The Ministry of Environment started looking for possible additional funding especially from the Global Environmental Fund (GEF), which allegedly set aside around \$40 million for environmental projects in CAR. The European Union also found the methodology attractive, despite the fact that the southwestern provinces do not fall in their priority areas. In mid-March, PRADD organized a field visit for representatives of the European Union and the Ministries of Mines, Environment, and Waters & Forests. PRADD also translated and circulated USAID's POMIGER study. Both the visit and the study helped convince these potential partners that POMIGER was of potential interest, and discussions are ongoing. However, PRADD will have to tackle the political problem of 'territorialities' between the Ministries of Mines and Environment, which have opposing views on certain dossiers such as uranium extraction.

Fish Farming: Both the POMIGER study and PRADD's last household survey demonstrated how fish farming spearheaded unprecedented success in PRADD's communities of intervention – the scope of adoption and the average yields even exceed those of humanitarian NGOs engaged in fish farming. The proportion of PRADD participants owning one or more fishponds grew from 19% to 35% in two years, and the most carefully managed fishponds can yield up to \$1,400 every six months, i.e. much more than a reasonably lucky diamond season. However, the sustainability of this activity remains highly contingent on the successful launch of business units and their capacity to sell fingerlings in the new areas of intervention. This is unfortunately not yet the case and so far, fishponds remain located in PRADD's longstanding areas of intervention.

In the Lobaye province, the fish farming business unit is fully completed: PRADD helped the manager build and stock three ponds. In the Sangha Mbaere, two ponds are stocked with fish and the third one is still under construction. The biggest problem is with the Berberati business unit: derivation canals were well built but the high dam collapsed a couple of months ago; PRADD and the manager/owner have been in conflict ever since regarding who should pay for its reconstruction. PRADD, to whom the Berberati business unit is most important, as demand in the new province is growing, is considering reverting to a lawsuit to settle the matter. In addition, during this quarter, PRADD had six fingerling transporters fabricated by an innovative workshop in Bangui and delivered them to the business units.

Beside construction, the main problem faced by the business units in general is management. No proper business plan and key management tools such as outreach/marketing, technical support, client relation, input renewal, has ever been put into place. PRADD will focus on such training and support in the next quarter.

Agroforestry: The three agroforestry business units were the first ones PRADD established. The owners of those in Boda and Berberati are well maintained, but in Nola, the plants dried out and died due to lack of support and follow-up. This disappointing outcome was linked to more general management problems in the PRADD sub-office of Nola, which in April led to the resignation of its

Team Leader after an audit conducted by the COP. Like fish farming, the agroforestry business units lack management capacity and need training to become operational.

In addition to management and marketing, the POMIGER study made PRADD realize that it lacks the proper technical resources to set up comprehensive agroforestry units. A solid commercial orchard provider should in fact include a germination center for the seeds, a nursery for the plants, and an orchard itself to yield more fruits and seeds. Ideally, this center should also have the possibility to select, compare and improve seeds as well as grafting facilities. PRADD only established simple and non-reproducing nurseries, which are but intermediaries between the commercial fruit tree provider in Bangui and local artisanal miners. Given the difficulties to bring plants from Bangui on a regular basis, the sustainability of agroforestry is thus not guaranteed.

Vegetable Gardening: During this quarter, PRADD launched the second season of vegetable gardening. In early February, it helped the three business owners build their units. Those of Boda and Berberati belong to groups while that of Nola belongs to an individual. Owners procured and sowed the vegetable seeds, and will be able to sell production in May. Out of the three units, that of Nola is the least promising. Although the garden is well constructed and very well taken care of, the owner does not understand the rationale of a seed bank and simply wishes to sell his vegetables on the market. This misunderstanding is due to a lack of follow-up from the Nola sub-office, similar to what ended the local agroforestry unit. PRADD hopes to change his mind through training. Fortunately, the Italian development NGO COOPI established a vegetable seed market in the Nola marketplace and the French humanitarian NGO Action against Hunger organized a seed fair, where PRADD encouraged miners to procure their inputs.

At the end of March, PRADD's Sustainable Development Coordinator organized a weeklong practical training in vegetable gardening in Nola, in the presence of all new AFLs of the province as well as Community Mobilizers from the three sub-offices. Vegetable gardening is the type of POMIGER most adapted to the most vulnerable households – it attracts women's groups in particular – and PRADD asked its field teams to prioritize this activity over the next quarter.



Hawaiian Papayas: In mid-March, PRADD evaluated its attempt to import and multiply quality papaya seeds procured one year ago from the University of Hawaii. PRADD had distributed the seeds to both institutional promoters related to the Ministry of Youth and the Ministry of Waters & Forests, and to individual entrepreneurs. PRADD had also chosen different soils, e.g. wooded savannah and forest, to compare outputs. The overall results are poor, as the papayas recorded two to three months delays at every step. Only 1% of the Solo Waimanalo variety produced ripe fruits, of which PRADD took around 1,000 seeds to distribute to vegetable gardens around Nola. The other variety (Solo Sunrise) produced fruits that are not yet ripe. However, PRADD will keep on monitoring the growth and development of these varieties.

2.6.2 Stream Regeneration

In the previous quarters, PRADD had identified and selected six watercourses damaged by artisanal diamond mining to regenerate and implemented one in the village of Balego, near Berberati. However, the works proved thrice more expensive than budgeted. Faced with growing vehicle costs PRADD has abandoned plans for other stream regenerations under the current work plan.

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

2.7.1 Communication of Proximity

PRADD field teams continued mobilizing mining communities on the most pressing topics and providing targeted training to miners in various areas. As mentioned, PRADD added one new technical training tool on revenue management and rotating credit. The table below summarizes the cumulative output of PRADD’s proximity communications.

Figure 9: Outputs of PRADD Awareness Raising and Technical Training

Theme	Type	Tool	Outreach (number of people)		
			M	F	Total
Fish Farming	Technical Training	Module	976	598	1,574
Agroforestry	Technical Training	Module	652	385	1,037
Vegetable Gardening	Technical Training	Module	120	198	318
Soap Making	Technical Training	Module	326	1,810	2,136
Mining Law (including SMARTER techniques)	Awareness Raising	Guide to Mining Code	4,803	1,547	6,350
Income Diversification (including revenue management)	Awareness Raising	Sensitization Toolkit	4,833	3,898	8,731
Environmental Impact of Artisanal Mining	Awareness Raising	Sensitization Toolkit	3,646	2,452	6,098
Gender Equity	Awareness Raising	Sensitization Toolkit	3,166	2,171	5,337
Artisanal Mining Associations	Awareness Raising	Sensitization Toolkit	3,574	3,047	6,621

The focus of this last quarter was on artisanal mining associations, soap making, and revenue management.

The results of the last household survey show a very inefficient outcome in knowledge of the mining law, as only 0.7% of the surveyed miners demonstrated good knowledge. Percentages vary a great deal from one area to another. Knowledge of land property is well demonstrated by 66%, legal conditions to become an artisanal miner by 21%, legal diamond sales by 34%, knowledge of the purchase slip by 34% and knowledge of the environmental laws by 67%. However, the combined knowledge, which PRADD and the MM have set as a minimum, is extremely disappointing. PRADD will reinforce the capacity of Community Mobilizers to increase it.

2.7.2 Mass Communication

Technical Films: PRADD’s three technical films on POMIGER and stream regeneration are ready. USAID proposed to delegate the vetting of the films, which are all in the Sango language, to the communication department of the US Embassy. The screening is scheduled for next quarter.

Local Radio Program: PRADD continued to disseminate messages and information through its weekly radio program ‘*Nagbata Magazine*’. The programs follow PRADD’s weekly priorities and cover a range of topics.

Recently, the media focused their attention on the gruesome murder of thirteen artisanal diamond miners near Bakouma, in the Eastern part of the country. The miners were found shot, mutilated, their hands tied to their back. The police suspected a local hunting company, which was in conflict with local miners on their property, and immediately arrested the Swedish company owner who is now facing trial. This story has impacted the amount of media coverage given to artisanal mining this quarter.

The table below summarizes the result of the media coverage on artisanal diamond mining in CAR.

Figure 10: Media Coverage in CAR on Artisanal Diamond Mining (cumulative through December 31, 2011)

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	36,278		275	67	80	66	44	18
TV	366		11	2	5	2	0	2
Press		161,514	93	22	46	8	6	11
Web Press		68,469	49	11	17	8	6	7
Web Radio/TV	160		4	0	1	0	0	3
TOTAL	36,804	229,983	432	102	149	84	56	41

2.7.3 Partnerships

PRADD focused on strengthening its usual partnerships and developed many new paths for cooperation, especially in the area of land reform.

The MM remained PRADD's first interlocutor, especially during the busy weeks of property rights validation workshops. PRADD had one issue of contention with the MM in the reporting period on the issue of equipment rental pools. The Directorate of Mining Support wanted to control and supervise them, which PRADD opposed out of concern for embezzlement possibilities. The Deputy Chief of Mission of the US Embassy helped PRADD resolve the issue in mid-January, in PRADD's favor.

PRADD also engaged the MM in the preparation of the supply chain visit and on a reflection upon the country's future mining policy. In early March, PRADD was in frequent contact with the World Bank's Department of Oil, Gas and Mining for the preparation and sponsoring of a workshop focusing on diamonds, which PRADD and USAID succeeded in merging with GOCAR's declaration of mining policy. The MM, which scheduled the workshop in March, then in May, postponed it again to June.

Finally, after many months of insistence, PRADD managed to have the Minister of Mines and the USAID COTR countersign the 2011-2012 MOU, which will now expire with the current work plan at the end of May.

PRADD multiplied dialogue with other governmental partners. Trying to push land reform higher in GOCAR's political agenda, PRADD maintained strong relations with the Ministry of Urban Development while liaising with other institutions such as the Ministries of Justice and the High Commission for Decentralization. PRADD also reached out to the Office of the Prime Minister. Over the reporting quarter, the PRADD Coordination Assistant dedicated half of her time to building a common vision on land reform with these governmental stakeholders.

PRADD's partnership with GOCAR remains excellent, and this sometimes translates into funding contributions too. However, PRADD's significant expenditure on activities during the reporting period resulted in a smaller participation than in the previous quarters, as the following table indicates.



Cadres of the Ministries of Justice (left) and Urban Development (right) at the roundtable on the customary land rights of indigenous peoples.

Figure 11: GOCAR's Direct Counterpart Funding of PRADD's Activities

Date	Description	Funding Institution	Monetized Cost (USD equiv.)
15-16 June 2011	Public Screening of The Diamond Journey and sensitization in Sam-Ouandja (flight)	MM	15,494
	Public Screening of The Diamond Journey and sensitization in Sam-Ouandja (per diem)	MM	128
July-August 2011 (7 days total)	Presentation of PRADD activities and preliminary identification of sites in the communities of Mambéré Kadéï and Sangha Mbaere (Regional Directorate's vehicle)	MM (Regional Directorate)	1,065
November-December 2011 (9 days)	Field evaluation of PRADD's achievements (Ministry's vehicle)	MM	1,370
November 2011 (3 days)	Shooting of PRADD's film on POMIGER (Regional Director's vehicle)	MM (Regional Directorate)	457
November-December 2011 (1 day)	Presentation of PRADD in Lobaye extension zones (Mining Brigade's vehicle and fuel)	MM (Mining Brigade)	189
26-30 December 2011	Compensation for transportation to land tenure reform subcommittee participants	MUD	652
14-15 February 2012	Participation to the organization of the roundtable on Customary Rights of Indigenous Peoples	MUD	1,320
21-29 March 2012	Participation to the direct supply chain workshop	MM	420
21-23 March 2012	Joint POMIGER field trip (car rental)	Ministry of Environment	560
GOCAR's Total Contribution			21,655
PRADD's Cumulative Phase III Activity Expenditure			375,731
GOCAR's Direct Counterpart Funding			5.8%

In addition, PRADD and GIZ took their partnership to a higher level by agreeing to cooperate on land reform (see 2.3.2 above in Toward a Comprehensive Land Code). PRADD also helped the GIZ advance its study on gender and mining in the CEMAC region. In April, PRADD assisted the GIZ in organizing a field visit to artisanal mining communities for its Regional Director based in Cameroon.

2.8 OTHER ACTIVITIES

PRADD went through a very eventful quarter and caught up with the work plan timeframe. As PRADD nears the end of its 2011-2012 work plan, it will meet all deliverables with the exception of the following four:

- The establishment of a diamond fixed price list to artisanal miners (for technical reasons);
- The regeneration of four other watercourses (for budgetary constraints);
- The completion of a training module on basic diamond knowledge enhancement (for lack of a qualified local consultant);
- The upgrade of its Property Rights Certificate (postponed to the next work plan).

During the next quarter, PRADD will prioritize the issuance and distribution of all certificates of property rights and the completion of its technical training tools for environmental rehabilitation and SMARTER mining techniques. Field activities will focus primarily on training miners in revenue management and supporting miners to strengthen their associations, but also to make operational the remaining two diamond valuation workrooms, the two remaining equipment rental warehouses, and the POMIGER business units. Governance activities will mostly focus on supporting GOCAR in its land reform process and in the elaboration of its new mining policy. Most importantly, PRADD will

consult USAID, GOCAR, its staff and usual partners to build the objectives, activities and management structure of its next work plan.

2.9. ACHIEVING TARGETS

As seen in Annex I PRADD/CAR has 15 indicators. Of those 15, PRADD has exceeded its targets in six, and is close to its targets in an additional four. PRADD is distant from its targets in the five remaining indicators.

Of the indicators for which PRADD has exceeded its targets, one of these is by a factor of ten. The proportion of carats entered legally in the legal chain of custody from the PRADD production areas against national exports is 68%. The target is 6.7%

Figure 12: PRADD Indicators, Targets and Results

	Indicator number	Short Description	Actual, as of March 2011	Target
Exceeded	1.3	USG-supported initiatives to reduce conflict	32	18
	2.1	Number of miners in the GIS database	3,252	3,000
	2.3	Proportion of carats from PRADD areas entering chain of custody	68%	6.7%
	3.4	Percent of miners' wives participating in household decisions	50.4%	35%
	4.1	Number of mined out sites rehabilitated	591	400
	4.2	Number of people receiving USG training in NRM	2,929	1,200
Near	1.1	Number of sites validated by recognized authorities	2,849	3,000
	1.2	Percentage of licensed miners	7.5%	8%
	3.3	Percent of mining households earning non-mining income	94%	100%
	5.1	Number of articles and programs broadcast and disseminated	432	450
Far	1.4	GOCAR counterpart funding as percent of PRADD activities	5.8%	10%
	2.2	Number of requests processed by GIS Unit	3	10
	3.1	Number of stakeholders trained in four Cs	43	100
	3.2	Number of people with increased economic benefits from NRM	7,916	10,000
	5.2	Percentage of miners demonstrating knowledge of Mining Law	0.7%	50%

ANNEX I: PRADD PERFORMANCE INDICATORS

#	Indicator Name/Definition	Indicator Type	Unit of Measure	June 2009	Mar 2012	Target (May 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)
1.2	Percentage of properly licensed artisanal miners	Outcome	Percentage	5.1% (Dec-09)	7.5% (Dec-11)	8% (Dec-11)
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
1.4	GOCAR's direct counterpart funding of PRADD's activities (in percentage of PRADD's activity expenditure)	Outcome	Percentage	0%	5.8%	10%
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, <i>disaggregated by gender, pilot site, community, and place of origin</i>	Output	Number	257	3,252	3,000 (cumulative)
2.2	Number of requests processed by the ministerial GIS Database unit	Output	Number / month	0	3	10
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%	68%	6.7%
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,	Output	Number	33	43	100

#	Indicator Name/Definition	Indicator Type	Unit of Measure	June 2009	Mar 2012	Target (May 2012)
	Color, and Clarity)					
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
3.3	Percentage of artisanal mining household reporting they earn income originating from non-diamond activities	Outcome / Impact	Percentage	N/A	94%	100%
3.4	Percentage of artisanal miners' wives declaring a greater participation in household decision-making	Outcome	Percentage	N/A	50.4%	35%
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	591	400
4.2	Number of people (<i>disaggregated by gender, pilot site, community, place of origin</i>) receiving USG supported training in natural resources management and/or biodiversity conservation	FACTS/ Output	Number	0	2,929	1,200
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	432	450
5.2	Percentage of artisanal miners in project area demonstrating knowledge of the Mining Law	Outcome	Percentage	N/A	0.7%	50%

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