Responding to the Needs of Artisanal Miners

Annual Report | 2015
Vision

DDI envisions a world in which artisanal and small-scale miners have access to the opportunities, information and tools they need to work with dignity within flourishing, self-sustaining communities, as valued actors in the formal economy and as contributors to their country’s development.

Mission

The Diamond Development Initiative works to effect systemic change within the artisanal and small-scale mining sector by convening all interested parties in processes and projects that help turn precious stones and minerals into a source of sustainable community development. DDI’s work complements regulatory efforts to favour positive socioeconomic outcomes for miners and their families in developing countries.

Message from the Chair

If you followed diamond industry news during 2015, you know that financial market weakness was reflected in slower jewelry sales, with repercussions back through the pipeline to producing countries and companies. This had an impact on the artisanal miners that DDI works with, but most of them had bigger worries to contend with.

In the Central African Republic, civil war has raged since 2012. There were more than 22,000 uniformed UN peacekeepers in the Democratic Republic of Congo (DRC), where people nervously prepare for general elections in 2016. And there were another 7,000 UN peacekeepers in Cote d’Ivoire. Guinea, Sierra Leone and Liberia were at last declared Ebola-free after the disease disrupted entire economies, ruined livelihoods and killed more than 11,000 people.

Under circumstances like these, it is gratifying that DDI, with assistance from our tremendously supportive donors, was able to continue and to demonstrate that under some of the most arduous circumstances, progress is possible.

Our registration efforts among miners in DRC reached communities that were unknown to the outside world; our support for mining villages in Sierra Leone—forgotten by the mainstream Ebola response—was critical to their health, their dignity and their resilience; our mobile schools demonstrated that if there is opportunity, parents will choose education over mining for their kids every time. Practical DDI mining research was welcomed by the Government of Tanzania, and our early experience with artisanally-mined gold, coltan and tin showed that important lessons can be transferred from the diamond sector.

Yes, there was market weakness, but in the face of a different kind of daily struggle, people along the tributaries and headwaters at the source of the artisanal diamond supply chain survive, revive, and hope soon to thrive. I am proud to be associated with them through the work of DDI, and I look forward with them, our dedicated staff and our all-important supporters, to a successful 2016.

Ian Smillie
Chair, DDI Board of Directors
Message from the Executive Director

There has been an increasing attention given to artisanal mining in recent years. The need to demonstrate a responsible supply chain has led companies sourcing gems and minerals to take more interest in the operations on the ground. And while these companies strive to ensure their goods are recognized as conflict-free, the needs of the people at the source of the supply – the artisanal miners themselves – are often neglected. However, the very sustainability of responsible supply schemes depends on achieving a reasonable standard of living and working conditions for miners.

That is where DDI makes its mark. We focus on people. We work in a manner that will not only assist companies to meet the Dodd-Frank US law and OECD Due Diligence requirements, but also enable miners to operate responsibly in regards to their communities, the environment, future generations and themselves.

The main focus of DDI is formalization of the artisanal and small-scale mining sector, including programs such as registration of miners and Maendeleo Diamond™ Standards. And we understood very early that for formalization to succeed and be sustainable, development support to miners, their families and communities would be essential. Choosing the type of development support was easy – we asked the miners and their community members what they wanted and needed most. Overwhelmingly, their response was schooling for their children and access to clean water.

Now, what of “Ask and you will receive”? How could we put children into classrooms in communities where there were no schools? Modelling on our successful mobile registration project, we designed a mobile schooling program: “Sending Schools to Kids.” DDI’s mission statement speaks of “convening all interested parties in processes and projects,” and so we mobilized other stakeholders to become involved. Thus were born the Brilliant Mobile School and Diamond Empowerment School in the DRC.

We have observed that responding to the needs of miners builds trust, engages commitment to formalization and, most importantly, reduces the conditions and concerns of poverty that miners have in their daily lives and for their future.

Dorothee Gizenga
Executive Director

2015 Highlights

- DDI produced a new video about its work, available here: [https://youtu.be/Al3wt3Ubq2I](https://youtu.be/Al3wt3Ubq2I)
- DDI registered more than 108,000 artisanal miners at 457 mining sites in the DRC
- Miner associations were created in three provinces in the DR Congo, reaching a membership of 225 miners and traders
- 14 mining sites involving 230 miners were selected for the relaunch of the Maendeleo Diamond Standards program in Sierra Leone
- During the Ebola crisis, DDI reached out to 16 neglected artisanal mining communities with a total population of 12,000 people, providing sensitization to almost 2,000 people, 150 portable washing stations, 6750 kgs of rice and 1200 litres of cooking oil in addition to digging four wells.
- The first two mobile schools opened in the DRC, providing remedial education to 40 children in artisanal diamond mining communities
- Executive Director Dorothee Gizenga and other staff members gave presentations at JCK LA Vegas, the Kimberley Process Intersessional, Jewelers of America Education Program, Global Affairs Canada, Conference on formalization in the DRC, the Economic Diversification conference in Botswana and a meeting in Belgium of African ambassadors from diamond-producing countries
- DDI’s mobile school project in Lungudi, DRC was featured in Time Magazine international edition, September 2015
- DDI’s work on the Maendeleo Diamond Standards was mentioned in the Final Communiqué at the Kimberley Process Plenary in Angola in November
- Board member Andrew Bone, formerly with De Beers Group of Companies became the Executive Director of the Responsible Jewellery Council in June and Nerys John of DeBeers, South Africa was welcomed onto the DDI board in his place
The Diamond Development Initiative (DDI) is working to transform artisanal and small-scale mining (ASM) by bringing this largely unregulated informal sector into the formal economy in ways that benefit miners, their communities, regional and national economies, and the diamond and jewelry industry.

Here are some of the programs and activities carried out by DDI in 2015, and their impact on artisanal diamond miners.

**Kimberley Process**

DDI works from within the Kimberley Process and in parallel to the KP Certification Scheme to tackle the development issues affecting artisanal and small-scale mining. DDI is an Independent Observer Member and participated in that capacity in the two annual meetings of the Kimberley Process. At the Plenary in Angola, DDI’s work on the Development Diamond Standards – a program for ASM formalization – was featured at the Working Group on Artisanal and Alluvial Production (WGAAP) by the government of Sierra Leone, and mentioned in the Final Communiqué.

In 2014, DDI assumed the role of focal point for Kimberley Process Technical Assistance and continued in this capacity throughout 2015. Technical assistance is support that enables a country to better implement the Kimberley Process Certification Scheme in its jurisdiction. Requests for assistance are received from producing countries and matched with offers of assistance from other member countries with qualifying expertise.

**Registration of Artisanal Miners**

From January to December 2015, DDI designed and delivered a program for registration of miners in the DRC. Teams composed of government, civil society and private sector representatives registered more than 108,000 miners at 457 artisanal mining sites, of which 260 were previously unknown. Registration agents travelled 12,000 km by motorcycle and 3,000 km by foot to reach the most remote sites.

A key feature of the registration system was a unique database which captured exclusive information on miners, their production and GPS coordinates. Statistics were compiled about the gender, education, role and wages of miners, by district. Information was gathered about the communities that were visited, including development needs.

Through the registration project, provincial and national governments learned who and where miners were, what they mine and how. The database was delivered to the DRC government, which will enable them to support the sector, and to plan for infrastructure and services in isolated communities, some of which were previously unknown. In addition, this information helps government to improve security measures in mining communities. More information about miners and their communities also helps to organize the artisanal mining sector for a greater contribution to local and national economies.

The legal status that accompanies registration provides miners with legitimacy, access to government support and enhanced security.

DDI produced Training and Procedure Manuals for registration and database, to build government capacity to use and optimize the system.

**Miner Registration Quick Facts**

- 30% of registered miners were women
- Women accounted for 6% of diggers, 20% of traders and 77% of auxiliary workers
- 43% of miners were between 25 and 35 years old
- Miners ranged in age from 6 to 76 years old
- 57% of miners had at least a secondary school education
- 68% had no training in mining techniques
- 86% had another occupation, such as farming or trading goods
Organization of miners

The organization of registered miners into associations and cooperatives is an additional step in the formalization of the sector, providing miners with the recognition of local and national governments and support to professionalize their activities.

Associations that follow efficient democratic governance policies and procedures offer a forum to collectively plan for the development of their sector and of their communities, leading to self-reliance and sustainability.

To further the registration process in the DRC, DDI formed miner associations in three provinces, involving 225 members: an association of traders in Orientale, an association of women diggers in South-Kivu, and a mixed association (men and women) in Maniema.

To consolidate organizational capacities of cooperatives members were trained on conflict resolution, cooperative governance, leadership, and entrepreneurship.

The organization of miners is an ongoing effort, with plans to continue developing the capacity of these pilot groups and to expand by creating new associations in 2016.

Maendeleo Diamond™ Standards

The Maendeleo Diamond Standards (MDS) (formerly Development Diamond Standards) form a comprehensive set of auditable standards developed to certify responsible artisanal diamond mines. Among other things, the Standards ensure respect for the environment, for workers’ and human rights, and for community well-being. The overall objective is to improve the conditions of artisanal diamond mining and improve miners’ livelihoods.

The MDS program in Sierra Leone was interrupted by the Ebola virus in late 2014 and on into 2015. A limited number of activities were carried out in July and August, including outreach to the four communities previously enrolled in the project and the six communities identified for follow-on activities.

When it was relaunched in September, the program was expanded from four to 14 sites. Executive Director Dorothée Gizenga and Program Director Ainsley Butler travelled to Freetown to re-engage with project stakeholders, including government officials from the gold and diamond office, a valuation company, BRAC, and GIZ—the German Agency for International Cooperation. They then visited four mining sites in the Kono District to meet with miners, residents and local officials.

Negotiations are underway with potential buyers in an effort to complete the chain from mine to retail, providing a living wage for miners and responsibly sourced diamonds for conscientious consumers.

Overall, the MDS project is highly anticipated by project stakeholders, in particular artisanal miners.

Maendeleo Diamond™ Standards address:
1. Legality
2. Community consent and engagement
3. Human and worker’s rights
4. Health and safety
5. Violence-free operations
6. Environmental management
7. Interactions with large-scale mining
8. Site closure

DDI is grateful for the collaboration of the following program partners:
1. CRONG Kasai Occidental, DRC
2. CRONG Maniema, DRC
3. CRONG Orientale, DRC
4. CRONG South Kivu, DRC
5. GAERN, DRC
6. ANFEGG, Sierra Leone
Ebola Response

From December 2014 to June 2015, DDI carried out an Ebola Response Project in Sierra Leone’s Kono District, consisting of sensitization, support and safeguards.

Through this project, DDI provided resources to 16 communities that were involved or expected to be involved in the Maendeleo Diamond Standards program. Many of these communities had been marginalized by the district’s Ebola response. As such, DDI’s activities were both needed and appreciated by community leaders, miners and their families.

The sensitization component focused on information about Ebola transmission through face-to-face meetings, gatherings, posters and drama skits. DDI reached 750 people in remote areas with sensitization training that was multiplied to others who were unreached by government and international aid programs.

The support component featured the distribution of food staples and hygiene products, including portable washing stations, disinfectant and soap. The safeguards component included the construction of four water wells with hand pumps to support prevention.

DDI’s accompaniment and assistance to these communities through their time of need has led to greater trust and commitment to DDI and the Maendeleo Diamond Standards program.

Mobile Schooling

In 2015, DDI launched an innovative program to respond to a pressing need for educational support in remote artisanal mining areas. Government schools are often too far away and many children do not attend or drop out, and turn to work in the mines. DDI has developed a program of mobile schooling – “Sending schools to kids” – to provide remedial education for these children.

DDI trains teachers, carefully selects the students and supplies a tent or building, furniture, uniforms and materials. Portable desks known as “Tutudesks” are provided to each child.

Two mobile schools began operations in 2015 in Kasaï-Occidental in the DR Congo. The first school to open was the Brilliant Mobile School, funded by Brilliant Earth, located in Lungudi. The second school is funded by the Diamond Empowerment Fund and located in Kankala. In total 40 children are enrolled, following the remedial curriculum approved by the Department of Social Affairs, taught by four teachers.

Lessons learned

The program has demonstrated several important realities. Children want to go to school, and education is a priority for their families. Children who work in the mines prefer school and will go if they have the opportunity. Communities are willing to contribute to their children’s education, whether through the donation of land and labour, volunteering their time, or monitoring and securing facilities and materials.

We also have the evidence, more than ever, that the need for education in these communities goes far beyond one classroom and the implementation of a two-year remedial curriculum. All children, from elementary and secondary levels, should be in school. Communities need buildings to accommodate them, and trained teachers using adequate materials to dispense the courses that will prepare their students for the national exams. The government has chronically lacked the capacity to provide this by itself.

Through the mobile schooling program, DDI has responded in a very basic way to a pressing, essential development need. The grateful reaction from communities is very touching, however, the reality is that DDI does not have the resources to meet the schooling requirements in artisanal mining communities. A new model will require greater financial resources, the strategic involvement of international and local partners, and a commitment on the part of local and national governments to provide all children with primary and secondary education.
Financial Statements

Statement of Financial Position
(Expressed in U.S. dollars)

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<tr>
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<th>December 31</th>
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<td>2015</td>
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Approved by the Board of Directors:

Ian Smillie  
Chair, DDI Board of Directors

John Lowden  
Director

A complete version of the Audited Statements by van Berkom Professional Corporation Chartered Accountants is available from DDI.

Statement of Revenues and Expenses and Changes in Net Assets
(Expressed in U.S. dollars)

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<thead>
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<td><strong>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS</strong></td>
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<td>Other</td>
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<td><strong>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</strong></td>
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<td><strong>NET ASSETS AT END OF YEAR</strong></td>
<td>$10,842</td>
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Board of Directors
Ian Smillie (Chairman)
Rory More O’Ferrall (Honorary Vice Chairman)
Stéphane Fischler (Vice Chairman)
Matthew Runci (Secretary)
John Lowden (Treasurer)
Stephen D’Esposito
John Hall
Dr. Gavin Hilson
Nerys John
Marie-Chantal Kaninda
Dr. Muzong Kodi

Staff (December 31 2015)
Dorothée Gizenga, Executive Director
Marg Buchanan, Communications manager
Ainsley Butler, Program Director
Kingsly Mforteh, Project officer
Christian Storgaard, Finance and administration officer

Volunteers
Valentine Gilloot, Sonia Hamid,
Isabelle Lambert, Sophie Landon,
Laura Nichol, Caitlin Sievert

Advisory Group
Senior Advisors
Andrew Bone – Executive Director, Responsible Jewellery Council, UK
Simon Gilbert – Director, Sustainable Responsible Solutions Ltd., UK
Jon Hobbs – Director, Extractives Sector, WWF International, UK
Ray Simmons – President, Foundation for Environmental Security and Sustainability, USA

Advisors
Saleem Ali – Chair in Sustainable Resource Development, University of Queensland, Australia
Ernie Blom – President, World Federation of Diamond Bourses, South Africa
Abu Brima – Executive Director, Network Movement for Justice & Development, Sierra Leone
Abbey Chikane – Executive Chairman, SSI Holdings, South Africa
Peggy Jo Donahue – Owner, Donahue and Associates, USA
Amir Dossal – President & CEO, Global Partnerships Forum, USA
Chaim Even-Zohar – Tucy Ltd., Author, Journalist, Consultant, Israel
Jeffrey Fischer – President, Fischer Diamonds Inc., USA
Nigel Fisher – COO, Allied BioScience Canada, Canada
Ronny Friedman – President, William Friedman Diamonds, USA
Karen Hayes – Director, Mines to Markets, PACT, UK
Eli Izhakoff – Chairman, World Jewelry Hub, Panama
Baudouin Hamuli Kabarhuza – National Co–ordinator, International Conference on the Great Lakes Region, DRC
Ben Kinzler – General Counsel, International Diamond Manufacturers Association, USA
Rosemary McCarney – Ambassador and Permanent Representative, United Nations and World Trade Organization, Switzerland
António Pedro – Regional Director, United Nations Economic Commission for Africa, Rwanda
David Pratt – Vice President, GCI Group, Former Minister of Defense, Canada
Martin Rapaport – President, Rapaport Group of Companies, Israel
Bernard Taylor – Former Director, Partnership Africa Canada, Canada
Salil Tripathi – Director of Policy, Institute for Human Rights and Business, UK
Steven Ursino – International Management Consultant, UN/UNDP
Greg Valerio – Jeweller and Activist, Valerio Jewellery, UK
Ronnie VanderLinden – President, Diamond Manufacturers & Importers Association of America (DMIA), USA
Alyson Warhurst – Founder and Chief Executive Officer, Verisk Maplecroft, UK
Dr. John Watson – Professor of Social Sciences, University of Ottawa, Canada
Alexander Yearsley – Director, Martello Risk Ltd, UK
Edward Zwick – Film Producer and director (Glory, Last Samurai, Blood Diamond), USA

DDI International is registered in the United States as a Nonprofit 501 (c)3 Organization (EIN/tax ID number: 51-0616171)
DDI Canada is registered in Canada as a non-profit charitable organization with registration number 84188 3606 RR0001.
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www.ddiglobal.org
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