The Great Mosque of Mopti, Mali

Photo: PAC
Mandate
Partnership Africa Canada works with organizations in Africa, Canada and internationally to build sustainable human development in Africa. PAC seeks to:

• Strengthen African and Canadian efforts in research and policy dialogue relating to sustainable human development in Africa.
• Facilitate, among African, Canadian and international decision-makers, the adoption and implementation of policies that foster sustainable human development in Africa.
• Promote greater understanding of and commitment to sustainable human development in Africa.

Thematic Areas
PAC undertakes a number of inter-related activities with the broad aim of promoting sustainable human development in Africa. It focuses on several inter-connected themes, each of which has an impact on human security and development in Africa:

• Natural Resources, Human Security and Development
• Governance

The initiatives undertaken in these areas are varied, but each serves to develop the central goal of deepening our understanding of issues critical to the development of Africa, particularly in regions that have experienced conflict. In carrying out this programme, PAC sees its role as a forum for research, dialogue and action on African development.
Africa has frequently been portrayed internationally as a poverty-stricken continent with no major economic development results. This image has been projected by many despite the reality that Africa is endowed with vast natural resources, including such minerals as gold and diamonds. For centuries, Africa’s natural resources have been exploited chiefly for the benefit of countries outside the continent, and this continues today aided by poor governance in many African countries. There is now, however, a growing consensus that Africa has to take control over its natural resources and manage them for the benefit of its peoples. Africa’s civil society organizations are part of this consensus and are seeking to play a more central role in key development and governance processes. They are also calling for strong continental leadership on Africa’s development agenda for the benefit of the majority of its people.

Partnership Africa Canada has developed strong relationships with African civil society organizations working on natural resource and governance issues. Together with other Canadian and northern organizations, we are aligning our efforts in support of important initiatives such as the Kimberley Process, the Great Lakes Peace Conference, the international Publish What You Pay campaign, the African Peer Review Mechanism, and the Coalition for the Protection of Africa’s Genetic Heritage. These are key developmental initiatives in Africa, which require joint action in order to achieve significant outcomes.

These partnerships are even more relevant now, as countries and peoples face the consequences of the global financial and economic crisis, a crisis that is bringing new challenges to the four corners of Africa. Falling commodity prices and reduced aid levels will put even greater pressure on African governments and economies. In this new context, it is all the more important that renewed efforts are made to bring improved governance, particularly in the area of natural resource exploitation. Transparency and accountability are two key principles that civil society in Africa is demanding and which PAC fully supports.

This Year in Review seeks to highlight our efforts in working together with African partners in these various initiatives. The report describes what has been achieved, as well as what are some key challenges that lie ahead as we work to help make empowerment and inclusiveness a reality for Africa and its peoples. We sincerely thank those who have generously supported our work during the year and we look forward to continued collaboration.
On December 30, 2008 our good friend and colleague Ralph Hazleton died in Ottawa of a massive heart attack. He had been in fine form and had celebrated his 70th birthday only the day before.

Ralph was a man of great principle and dedication. Not long after completing a PhD in economics, he left his native United States in protest against the war in Vietnam. The US’s loss was Canada’s gain. Ralph worked for many years in the field of international development, among others with World University Service of Canada and CARE. With CARE, his work took him to some of world’s toughest locations. He worked for a time in Liberia during its worst moments, and he ran CARE’s operation in Goma at the height of the Rwanda genocide exodus.

He left CARE and “retired” about ten years ago after a heart bypass operation, but he quickly became bored, and when Partnership Africa Canada asked if he would like to work on the diamond issue in Sierra Leone, he jumped at it. Ralph co-authored PAC’s first diamond study, *The Heart of the Matter: Sierra Leone, Diamonds and Human Security*. He represented PAC at the very first Kimberley Meeting in South Africa in May 2000 and at the UN later that year, and he went on to author several other PAC studies of the diamond industry. He was one of the pioneers in the conflict diamond campaign, and was one of the architects of the Kimberley Process that now regulates the world’s rough diamond trade.

We at PAC remember Ralph Hazleton as someone who worked for a better world, and as a friend who will be greatly missed.
Diamonds and Human Security

The Kimberley Process, an African-inspired Conflict-prevention Initiative

PAC has been working on the conflict diamonds issue now for a decade. Our first report, The Heart of the Matter: Sierra Leone, Diamonds and Human Security, was published in January 2000 and helped galvanize international action that led to the creation of the Kimberley Process. In the face of growing pressures, the government of South Africa took the initiative to invite governments, the diamond industry and civil society organizations (including PAC) to discuss the ‘conflict diamond’ problem in the town of Kimberley, South Africa, in May 2000. Regular meetings of stakeholders followed, and in a remarkably short time – less than 18 months – what came to be called the Kimberley Process (KP) was able to articulate a system for managing and certifying the internal and international trade in rough diamonds. This was an extraordinary achievement.

The Kimberley Process Certification Scheme (KPCS) came into effect on January 1, 2003, and required all participating governments – more than 40, plus those represented by the European Commission – to enact new laws and regulations in order to continue trading diamonds. Under the KPCS, all international rough diamond shipments must be accompanied by a forgery-proof certificate issued by the government of the exporting country. The certificate includes a detailed description of the diamonds, and signifies that they are conflict free. The certification is supported by a system of internal controls in each country, including those that produce diamonds, as well as those that trade rough diamonds. The KPCS is backed by a peer review system and by an international database which can be used to reconcile diamond production and the trade between countries.

The KPCS has been in operation for more than six years. There are now a number of serious difficulties confronting the KP, and PAC is at the forefront of efforts to help the KP deal with them. PAC’s research on the KPCS in Brazil, Guyana and Venezuela between 2006 and 2008 showed major difficulties with its implementation in South America. The problems identified by PAC in Brazil were seriously addressed by the authorities there, who suspended all exports for six months in order to reorganize their KPCS system. In Venezuela, however, the authorities remain essentially in denial and refuse to recognize PAC’s assertion that all Venezuela’s diamonds are exported illegally. In the face of continued pressure, however, the government of Venezuela announced in 2008 its temporary withdrawal from the KP.

Research by PAC and its civil society partners in Africa indicates a serious continuing problem of illicit diamond flows from several countries in Africa, especially where artisanal diamond mining is predominant. It has become apparent that, despite initial efforts, there is little governmental capacity in these and other countries to monitor and regulate alluvial production and implement an effective system to track diamonds from mine to export. Smuggling is intimately linked in many countries with weak internal controls. The Kimberley Process has to become much more proactive in monitoring infringements, and much tougher in curtailing this illicit trade.

In late 2008, PAC and its partners raised the issue of human rights abuses by the authorities in Zimbabwe, where artisanal diamond miners had been killed when the authorities took control of a mining area. PAC called for Zimbabwe’s suspension from the Kimberley Process.

Supporting Artisanal Diamond Mining Communities

Africa is very important to the diamond industry and more than half of the world’s diamonds are mined there. Diamonds are one of Africa’s most important exports, but in many countries they have produced little development and much strife. Artisanal diamond mining areas is where conflict diamonds began. More than a million African artisanal diamond diggers and their families live and work in absolute poverty, outside the formal economy, in countries struggling to recover from the ravages of war. Small-scale informal mining produces 15% of the world’s gem diamonds each year, with an estimated value of $1.9 billion. Diggers number about 1.3 million in Africa and they survive on an average of $1 a day. Although conditions are poor, the absence of alternative livelihoods brings many into this situation, creating a cycle of poverty and making them vulnerable to economic, political and – historically – military predators. There is unlikely to be a sustainable peace in any of the major artisanal diamond countries until this security and development problem is addressed.

In response to this situation, PAC helped create the Diamond Development Initiative (DDI), which became an independent organization in 2008. The DDI is a unique effort to bring NGOs, governments and business together to convert diamonds from a fuel for war into an engine for development. PAC helped DDI produce “Standards and Guidelines for Sierra Leone’s Artisanal Diamond Mining Sector” in 2008. PAC continues to support civil society organizations in several African countries that are working with artisanal diamond mining communities to help them improve their livelihoods.
The illegal exploitation of natural resources has been at the heart of conflict in the Great Lakes region of central Africa for many years. The conflicts and tragedies in the Great Lakes region led the United Nations Security Council, through its resolutions 1291 and 1304, to call for an International Conference on Peace, Security, Democracy and Development in the Great Lakes Region (ICGLR).

The ICGLR is a process which seeks to bring all the countries of the region together to dialogue and agree on strategies to bring peace and prosperity to the region. It groups eleven core countries: Angola, Burundi, Central African Republic, Republic of Congo, Democratic Republic of the Congo, Kenya, Rwanda, Sudan, Tanzania, Uganda and Zambia.

In November 2004, the eleven Heads of State and Government of the member countries of the ICGLR unanimously adopted the Dar Es Salaam Declaration on Peace, Security and Development in the Great Lakes Region. In this Declaration, they announced their collective determination to transform the Great Lakes Region into a space of sustainable peace and security for states and peoples, political and social stability, shared growth and development. In December 2006, the Heads of State and Government convened again in Nairobi to sign a Pact on Security, Stability and Development. The Pact came into force in 2008.

The Pact includes protocols and programmes of action and is divided into four thematic areas:

- Peace and Security
- Democracy and Good Governance
- Economic Development and Regional Integration
- Humanitarian and Social Issues

As a result of its experience within the Kimberley Process, PAC was invited in 2005 by the ICGLR to provide advice during the drafting of the protocols and projects related to the certification and movement of natural resources in the region. PAC participated in the Dar Es Salaam and Nairobi summits and ICGLR working groups, and is now working with the ICGLR Secretariat (based in Bujumbura, Burundi) to help move forward the implementation of the project dealing with the certification and movement of natural resources in the Great Lakes Region.
The international Publish What You Pay (PWYP) campaign aims to help citizens of resource-rich developing countries hold their governments accountable for the management of revenues from the oil, gas and mining industries. Despite billions of dollars of incoming revenues, citizens of more than 50 resource rich countries around the world remain steeped in poverty. If governments managed these revenues transparently and effectively, they could serve as a basis for successful economic growth and poverty reduction. However, this has proved to be the exception rather than the rule. All too often, revenues remain hidden thereby preventing public scrutiny.

The PWYP campaign was launched in 2002 by the Open Society Institute and a number of UK-based NGOs. In 2003, following the creation of the civil society PWYP campaign, a number of governments launched an international initiative called the Extractive Industry Transparency Initiative (EITI). This initiative sets a global standard for companies to publish what they pay and for governments to disclose what they receive through the verification and full publication of company payments and government revenues from oil, gas and mining.

PAC is a member of the international PWYP coalition, which comprises over 350 civil society organizations worldwide. In 2008, PAC helped establish the PWYP-Canada coalition, which it hosts in its Ottawa office. PWYP-Canada calls on Canadian extractive companies to disclose all types of payments (royalties, taxes, bonuses etc) made to governments for every country of operation in their annual financial accounts, and to disclose to which level of government the payments are made. PWYP-Canada also calls on the Canadian government to reinforce its support to the EITI and on provincial governments to ensure that extractive companies based in their jurisdictions practise the highest standards of transparency and avoidance of corruption.

During 2008, the Canadian coalition organized several activities including the Canadian launch of the Transparency International report: Promoting Revenue Transparency in Oil and Gas companies. At the international level, PWYP-Canada has supported African PWYP coalitions to engage more in the EITI. PWYP-Canada has undertaken research on the transparency of publicly traded companies in Canada in order to identify and understand what standards and laws govern corporate disclosure in Canada. The research aims to identify the strengths and weaknesses of Canada’s disclosure laws and examine why Canada has developed such disclosure requirements for corporations. It examines also whether some companies disclose more than others and discusses why some may wish to reduce or increase Canada’s current level of disclosure. The study is being carried out in an international context where many Canadian companies are being criticized for their behaviour in southern countries. The research will be published in 2009.

**Corporate Accountability in Canada**

In response to a 2005 parliamentary report, the government of Canada held a series of National Roundtables on Corporate Social Responsibility and the Canadian Extractive Sector in Developing Countries. These took place in 2006 in four Canadian cities and attracted wide participation from civil society and the private sector. The consensus report published by the National Roundtables Advisory Group summarized the input received and provided many recommendations to the government of Canada.

In February 2007, the government of Canada announced its support for the Extractive Industries Transparency Initiative (which had been one of the recommendations in the Advisory Group report) and joined the EITI Board in February 2009. In March 2009, the government published its CSR strategy paper, *Building the Canadian Advantage: A Corporate Social Responsibility (CSR) Strategy for the Canadian International Extractive Sector*. Many Canadian civil society organizations, including PWYP-Canada, have expressed their disappointment at what they view as a very limited response by the government to the National Roundtables Advisory Group report.

In February 2009, Canadian MP John McKay introduced a private members’ bill that would impose tighter controls on the provision of government support to Canadian extractive companies. Numerous studies have highlighted the significant environmental and human rights impacts of oil, gas and mining operations overseas. The 2005 report by the Parliamentary Standing Committee on Foreign Affairs and International Trade (SCFAIT) drew attention to the fact that some Canadian extractive companies which are responsible for adverse impacts receive financial and political support from the government.

Mr. McKay’s bill, C-300: *An Act respecting Corporate Accountability for the Activities of Mining, Oil or Gas in Developing Countries*, limits eligibility for government support to those extractive companies that comply with environmental, social and human rights standards, and covers services provided by Export Development Canada and the Department of Foreign Affairs and International Trade. The Bill also covers investments made by the Canada Pension Plan in extractive companies. Bill C-300 incorporates some recommendations made in 2005 by SCFAIT and in 2007 by the Advisory Group to the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Sector in Developing Countries.
The African Peer Review Mechanism

In 2001, as part of a plan to encourage economic development and strengthen governance, the African Union launched the New Partnership for Africa’s Development (NEPAD). An important component of NEPAD is the African Peer Review Mechanism (APRM). The APRM seeks to promote better governance in Africa in a wide range of areas – political, economic, corporate and social. Countries voluntarily submit to peer review with the aim of sharing best practices. Civil society and the private sector are meant to play a major role in the peer review process in each country. As such, the APRM constitutes a participatory process through which a dialogue between all national stakeholders leads to the elaboration of a national programme of action on priority governance issues.

PAC recognizes the great potential of the APRM to promote dialogue and action on governance issues in African countries. For the APRM to succeed, however, it’s imperative that African civil society play a major role in the process. PAC is supporting civil society participation in the APRM by:

• Helping African civil society organize training workshops and participate actively in the APRM process in their country.
• Supporting research on the APRM.
• Publishing a newsletter - The APRM Monitor - which seeks to inform civil society about the latest developments in the APRM.

PAC provides both technical and financial support to African civil society organizations working collaboratively on the APRM in their respective countries. Workshops at the national level were supported in Djibouti, Burundi and Côte d’Ivoire during 2008. In July 2008, PAC supported a sub-regional training workshop in Bamako on the APRM for civil society representatives from all 16 West African countries. This event helped increase understanding and capacity with respect to the APRM and is leading to initiatives at the national level in several West African countries. Further training workshops are planned for Cameroon, Sierra Leone, Togo, Guinea and Senegal in early 2009.

Twenty-nine countries have formally acceded to the African Peer Review Mechanism:

Countries that have yet to join the APRM are:
Food Sovereignty in West Africa

In February 2007, an international Forum on Food Sovereignty was held at Nyéléni, Mali. The Forum’s Declaration states in its opening paragraphs:

“Food sovereignty is the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems. It puts the aspirations and needs of those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporations.”

The Nyéléni Forum took place at a time when the issue of control over food production began to emerge as a major issue in West Africa and around the world. As a response to world fuel shortages, multinational companies have been scrambling to secure land in Africa to grow agro-fuels, this on a continent where food shortages frequently occur. At the same time, international seed and fertilizer companies see Africa as a new frontier for their technology, which includes genetically modified organisms (GMOs). In parallel with this commercial push, US foundations have launched a new ‘green revolution’ for Africa - AGRA.

In response to this situation, a campaign has been launched in West Africa by the Coalition for the Protection of Africa’s Genetic Heritage (COPAGEN), a network of over 250 civil society organizations. COPAGEN is working to encourage national governments in the different countries to establish and enforce stringent bio-safety legislation, as well as legislation recognizing community rights over their genetic resources, including traditional seeds. In addition, the coalition is raising awareness about the dangers of GMOs and the need for communities to exercise their rights over their genetic resources and associated traditional knowledge.

COPAGEN supports independent scientific research which uses local resources, as well as traditional and modern science, for the benefit of small-scale producers and consumers. It also seeks to protect community rights over their genetic heritage, which is increasingly under threat from those that seek to patent plants and profit from them. West Africa’s biodiversity is collectively owned and COPAGEN sees the privatization of plants and agriculture as an expropriation of communities. Women are key actors in helping to maintain this biodiversity, which has deep cultural roots.

Partnership Africa Canada believes that the key to securing adequate and appropriate food production in West Africa lies in communities retaining full control over their agriculture. This is why PAC is supporting COPAGEN’s efforts to educate and sensitize communities across West Africa. PAC is also helping to strengthen linkages between West African organizations and civil society organizations in Canada working on related issues. Representatives from the COPAGEN network took part in a trans Canada tour in 2008 to dialogue with farmers, members of the public and government policy makers about the issue of agro-fuels – or ‘crops for cars’. Representatives from COPAGEN will visit to Canada again in 2009.
Statement of Revenue and Expenses
At March 31, 2008

REVENUES
Canadian International Development Agency 204,479
Irish Aid 185,825
International Development Research Centre 165,447
Foreign Affairs and International Trade Canada 100,000
Diamond Development Initiative Partners 27,152
World Bank – CASM 23,950
EGMONT, Royal Institute for International Relations (Belgium) 22,756
FPS Foreign Affairs, Foreign Trade and Development Cooperation (Belgium) 18,904
Canadian NGOs
Canadian Autoworkers Social Justice Fund 20,000
World Vision Canada 4,816
Other Canadian NGOs 7,363
International NGOs
Cordaid 22,228
Revenue Watch Institute 7,704
Other International NGOs 5,102
Donations 15,686
Project Administration 13,853
Interest 2,995
Other 7,049
Total 855,309

EXPENSES
Peace and Human Security 111,981
Education, Advocacy and Kimberley Process Participation 180,427
Research and Publications 120,530
Diamond Development Initiative 146,744
Capacity Building for African Civil Society 148,529
African Peer Review Mechanism 96,965
Publish What You Pay – Canada 26,452
Total 831,628

A complete version of the Audited Statements by van Berkom & Ritz Charted Accountants is available from Partnership Africa Canada.

Acknowledgements

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Canadian International Development Agency
Irish Aid
International Development Research Centre (Canada)
Foreign Affairs and International Trade Canada
Diamond Development Initiative Partners
World Bank - CASM
EGMONT, Royal Institute for International Relations (Belgium)
FPS Foreign Affairs, Foreign Trade and Development Cooperation (Belgium)
Cordaid (Netherlands)
Canadian Autoworkers Social Justice Fund
Revenue Watch Institute (USA)
Federal Department of Foreign Affairs (Switzerland)
World Vision Canada

PAC collaborated with a variety of civil society organizations, governments and private sector bodies in Africa, Canada and internationally during 2008, including the following.

Africa Governance Monitoring and Advocacy Project (AfrIMAP)
ASSAFE (Mali)
Black History Ottawa
Canadian Autoworkers Social Justice Fund
Canadian International Development Agency
Canadian Labour Congress
Centre du Commerce International pour le Développement (Guinea)

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Diamonds and Human Security Annual Review – 2008
This year’s Annual Review covers the diamond trade in 13 countries of Africa and South America. It tells the story of Venezuela, where 100% of the country’s diamond production vanishes without a trace every year. It reports on Côte d’Ivoire, the last bastion of conflict diamonds, and it reveals a widening array of other diamond ‘mysteries’. It describes how an increasingly formulaic Kimberley Process regulatory system, once described as a glass three quarters full, is becoming less rather than more effective in curtailing abuse and criminality.

The report describes the development challenge in countries like Sierra Leone, Angola and the Democratic Republic of the Congo, emerging from years of diamond-fuelled wars. It says that just as peace is not simply the absence of war, an end to conflict diamonds does not necessarily mean that diamonds will create prosperity or that human security will prevail in the areas where they are mined. This year’s report concentrates on these three countries, on the plight of Africa’s million-plus artisanal diamond miners, and on the “police”, inspectors, middlemen and other predators who grow rich from their work.

Loupe Holes in the Kimberley Process: Gateway for Conflict Diamonds, November 2008
As the Kimberley Process (KP) rough diamond certification scheme’s sixth year drew to a close at the end of 2008, the trafficking in conflict and illicit stones looked more like a dangerous rule than an exception. In a joint report issued before the November 2008 KP Plenary Meeting in New Delhi, Global Witness and Partnership Africa Canada warned that the illicit trade in rough diamonds is one of the greatest threats facing the Kimberley Process. The report called for specific action by the Kimberley Process and the 76 governments that have agreed to its minimum standards.

The APRM Monitor, a periodic newsletter about the implementation of the African Peer Review Mechanism (APRM)
APRM Monitor 6, October 2008
• APR Forum Summit held in Egypt: Togo Joins the APRM
• Civil Society Workshop Reviews APRM Progress: West African CSOs launch network on APRM
• Bamako Workshop Declaration
• Adding Value to African Peer Review?
APRM Monitor 5, April 2008
• The APRM moves forward: More countries embark on their governance reviews
• Countries make progress on implementing their national programmes of action: Extracts from the ECA APRM Update
• Reflections on the South African National Self-Assessment Process: A call for critical and principled participation by civil society
• Was the APRM process in Kenya a waste of time? Lessons that should be learned for the future
• EISA APRM Toolkit for Civil Society

Other Facets, a periodic newsletter about the international effort to end diamond-related conflict.
Other Facets 28 - October 2008
• Venezuela Saga Continues
• KP Ineptitude Endangers Global System
• Rekindled War in DRC
• ‘Porous borders’ just an excuse: PAC Releases 2008 Diamond Review
• Kimberley Statistics Revealed: ‘Limited Utility’ says Critic
• Liberians follow Taylor Trial
• US Toughens Diamond Regulations
• Sierra Leone: A New Era of Reform?

Other Facets 27 - June 2008
• Venezuela shames Kimberley; mocks vacillating committees
• Merchant of death arrested; caught in classic sting operation
• Another warlord set for trial; Bemba arrest sends important signal
• DRC mining contracts review published
• Taylor’s missing millions
• Côte d’Ivoire: Conflict diamonds continue
• New DDI Publication on Sierra Leone

Other Facets 26 - February 2008
• Taylor War Crimes Trial Begins: PAC’s Ian Smillie is First Witness
• Kimberley Process Annual Plenary: NGO Participation Increases – But Funding Problems Remain
• DDI Appoints Executive Director
• Venezuela Agrees to KP Visit
• Congolese Diamond Reforms Remain Elusive: Diamonds Earn Diggers $1 per Day
• Diamond Riches Contribute Little to Angolan Development: Management and Human Rights Problems Persist
• DDI Workshop in Sierra Leone: Standards & Guidelines an Important Step

Leaflet describing PAC’s work on Conflict Diamonds in Africa
This leaflet describes how Africa is very important to the diamond industry, where more than half of the world’s diamonds are mined. Diamonds are also one of Africa’s most important exports, but in many countries diamonds have produced little development and much strife. PAC has been working on the conflict diamonds issue now for a decade. Our first report, The Heart of the Matter: Sierra Leone, Diamonds and Human Security, was published in 2000 and helped galvanize international action that led to the creation of the Kimberley Process.

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