



PAC to

IMPACT



PARTNERSHIP AFRICA CANADA
PARTENARIAT AFRIQUE CANADA

ANNUAL REPORT 2016

MISSION

IMPACT transforms how natural resources are managed in areas where security and human rights are at risk. We investigate and develop approaches for natural resources to improve security, development, and equality. We are an independent non-profit, collaborating with local partners for lasting change.



INTRODUCING IMPACT

2016 MARKED A PIVOTAL TURNING POINT FOR PARTNERSHIP AFRICA CANADA.

As we celebrated three decades of collaborating with partners, supporting sustainable peace and development, and transforming how natural resources are managed in areas where security and human rights are at risk—we undertook a long process of strategic reflection.

This process led us last year to look back on 30 years of milestones, and now today, we're thrilled to be bringing you exciting developments for the future.

After more than a year of consultations with staff, past and present Board Members, partners, and various stakeholders, we've refined our identity—our mission, vision, and how our approach to natural resource management guides our work. It became clear that these principles and objectives have been inherent in our work for years, unspoken throughout everything that we do.

We are now putting words to paper and emerging with a sharper definition of who we are, so that our partnerships with old and new allies can grow stronger.

Consultations also left us with the most visible transformation to date—a new name for our organization. We heard a clear call that our name needs to reflect the active change we are making on the ground and the international scope we've undertaken over the years.

WE'RE EXCITED TO INTRODUCE IMPACT.

But our roots, as Partnership Africa Canada (PAC)—are not forgotten. Just as PAC is within IMPACT, we acknowledge how 30 years of expertise, partnerships, and research have shaped us into the organization we've become today.

Today we have five offices in three countries, with over 30 staff. We continue to reveal how the mismanagement of natural resources can fuel or sustain conflict, for example with our ground breaking investigation this year into how conflict diamonds from the Central African Republic enter the legal supply chain through Cameroon.

Our field research across the Great Lakes region on the role of women in artisanal mining is now translating into recommendations for communities, policymakers, and institutions to support women's empowerment in the sector.

Our work to test and develop improved systems for natural resource management is stronger, as with our capacity building to the International Conference on the Great Lakes Region (ICGLR), its Member States, and civil society partners to end the illegal trade of conflict-prone minerals.

And we will always remain steadfast in our dialogue with stakeholders to improve how natural resources are managed, as was evidenced by our engagement with industry and policymakers to push diamond governance forward as a member of the Kimberley Process (KP) Civil Society Coalition.

With IMPACT, we're opening a new chapter on how natural resources can contribute to peace and development. We hope to work with you in the decades to come.

SUSAN CÔTÉ-FREEMAN
Board President

JOANNE LEBERT
Executive Director



VISION

We envision a world where resources contribute to equitable peace and development, and where communities are empowered to decide how their natural resources are managed.

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2016 GLANCE

JANUARY

- As part of a three year research study on the role of women in artisanal mining in Central and East Africa with Carleton University and the Development Research and Social Policy Analysis Center (DRASPAC), we undertake field research across Democratic Republic of Congo (DRC), Rwanda, and Uganda.

FEBRUARY

- We participate in the Kimberley Process (KP) Review Visit to DRC to evaluate the implementation of internal controls that govern diamond production and trade. The Review Visit team investigates the measures in place to stop the illicit trade of diamonds between Central African Republic (CAR) and DRC.
- The Great Lakes Region Civil Society Coalition against the Illegal Exploitation of Natural Resources (COSOC-GL) hosts its General Assembly with our support, bringing together regional civil society working on natural resource governance. At the meeting, the network welcomes new members and formalizes its institutional structure, including the launch of a new website, while we develop a detailed plan for collaboration.
- The first Congolese gold exporter takes steps to implement international due diligence measures, as they apply to artisanal gold, as part of their participation in the Just Gold project. Exporter *Muungano na Maendeleo* (MNM), located in Ituri's capital city, Bunia, suspends ties to a member previously cited in a UN Group of Experts Report.



6,296 grams of fully
TRACEABLE ARTISANAL GOLD are
sold by miners to the verified exporter
as part of the Just Gold project.

MARCH

- In partnership with the United Nations Environmental Programme (UNEP), we undertake an Environmental Assessment of two artisanal mine sites in DRC.

2 environmental
field assessments
are carried out, with the
second providing steps for
IMPLEMENTATION of the
recommendations on envi-
ronmental management and
technical assistance to
REDUCE MERCURY usage.

- We host a workshop on the ICGLR's Regional Certification Mechanism for stakeholders in Ituri Province, in northeastern DRC. Fiscal reform is identified as a key lever to curb the illicit trade of conflict minerals in the region and a field-based study is launched to undertake a further analysis of the provincial tax structure.

APRIL

● With technical partners, we organize a meeting of the Mano River Union Regional Approach to KP compliance. The meeting is the first since the Ebola crisis, bringing together the governments of Côte d'Ivoire, Guinea, Liberia, and Sierra Leone to develop a joint plan to address the illicit trade of diamonds in the region.

● We participate in the KP Review Visit to Sierra Leone to measure progress in stopping the illicit trade of diamonds and human rights abuses taking place in the diamond fields first raised in our 2000 report, the *Heart of the Matter: Sierra Leone, Diamonds, and Human Security*.



● We travel to Colombia to participate as a member of the civil society pillar at the Voluntary Principles on Security and Human Rights plenary, promoting the implementation of principles guiding security and human rights in the extractive sector.

MAY

● As a member of the KP Civil Society Coalition, we meet in Paris to begin developing a long-term strategy to improve diamond governance and end the illicit trade of diamonds. The Coalition reaffirms its commitment to boycott the KP Chair, the United Arab Emirates (UAE), due to lax trading practices that allow illicit diamonds to enter the legitimate supply chain. The Coalition does not attend the Intersessional held in Dubai.

“Companies are failing to demonstrate that they are assessing or addressing human rights and other supply chain risks sufficiently, and they lack robust annual reporting.”

Statement from us and over 50 other civil society groups at the OECD 10th Joint Forum on Responsible Mineral Supply Chains.

● We participate in the OECD 10th Joint Forum on Responsible Minerals Supply Chains in Paris calling for increased commitment by governments and companies to implement due diligence. We strongly encourage the implementation of the OECD Due Diligence Guidance for diamonds.

JUNE

● In Nairobi, Kenya, we hold a preliminary training for policymakers on the implementation of ICGLR Regional Certification Mechanism and OECD Due Diligence for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

● We participate in the Global Law Enforcement Conference on Diamond Trafficking, Illicit Trade and Threat Financing at The Hague to address the challenge of the illicit diamond trade financing conflict and terrorism.



JULY

- Work kicks off with the ICGLR and technical partners on the first phase of the ICGLR's Regional Database on Mineral Flows, with consultations on a design for the architecture of the database.

The ICGLR celebrates **10** years since Heads of States signed the Pact on SECURITY, STABILITY & DEVELOPMENT.

We've worked with the ICGLR since then to address the illicit trade of natural resources, including the IMPLEMENTATION OF THE REGIONAL CERTIFICATION MECHANISM and formalization of the artisanal mining sector.

- As part of our submission to the Government of Canada's International Assistance Review consultations, we focus on five key elements: meaningful partnerships, climate change, women's economic empowerment and equality, innovation and risk tolerance, as well as a holistic and cross-sectoral approach to natural resource governance.

SEPTEMBER

- We hold consultations in Tanzania and Kenya to prepare for upcoming trainings on the ICGLR Regional Certification Mechanism and OECD Due Diligence.
- We sign a Memorandum of Understanding with the DRC's Ministry of Mines, outlining the government's support for our work and defining the areas of cooperation to strengthen natural resource governance. Importantly, the MoU recognizes the Just Gold pilot project as a system of traceability for artisanal gold in DRC—the first of its kind—and encourages its implementation.

AUGUST

- We participate in the ICGLR's Operational Planning Meeting in Bujumbura, Burundi to coordinate workplans with other technical partners for the upcoming year, as well as meet with incoming Executive Secretary Ambassador Zakary Muburi-Muita.
- With funding from USAID through the Capacity Building for Responsible Minerals Trade (CBRMT) project, we expand the Just Gold project to two additional mine sites in Mambasa District in Ituri Province, DRC.
- Throughout the year we hold 10 trainings on the ICGLR Regional Certification Mechanism and OECD Due Diligence, and an additional 16 meetings to plan for its implementation, across seven ICGLR Member States. Three countries develop detailed workplans to implement the ICGLR Regional Certification Mechanism, identifying where technical assistance is required.

595 miners in 6 mine sites in Ituri Province are participating in the Just Gold project, with **86%** of their gold sold through the legal supply chain.



OCTOBER

- The KP Civil Society Coalition meets in Freetown, Sierra Leone to continue developing its strategy on improved diamond governance, as the KP Chair—the UAE—invites the Coalition to attend the Plenary. Along with other members of the Coalition, we reaffirm our boycott of the KP Chair.
- With partners, we organize the Mano River Union Regional Approach to KP compliance in Freetown, bringing representatives from the local diamond industry to participate as stakeholders in efforts to end the illicit trade of diamonds.
- We present the preliminary findings of our research on women in artisanal mining in Central and East Africa at a conference in Germany organized by the Growth and Economic Opportunity for Women (GrOW) program.

NOVEMBER

- For the first time in history, the KP Civil Society Coalition does not attend the KP Plenary.

“—Our boycott must continue due to the lack of concrete action taken by the Chair to address serious failings within its own jurisdiction that impact the integrity of the diamond supply chain, and consequently, the KP’s credibility. This renders the UAE’s presidency of the KP as flawed at the end of 2016, as it was in Luanda in November 2015.—”

Letter from KP Civil Society Coalition to the members of the KP reaffirming its boycott of the Chair

- A private sector third-party carries out an independent due diligence assessment on the Just Gold project and its artisanal gold supply chain, from mine site to export, with positive results.
- We begin collaborating with the Artisanal Gold Council to provide expertise on gender in artisanal mining in Peru and Indonesia, marking the first time our work expands to South America and Asia.

During 3 years of research on women and artisanal mining, we collect

878 surveys

from 7 artisanal mine sites across 3 countries.

We undertake **60** focus groups

with 400 WOMEN and MEN, 28 life histories, and interviews.

DECEMBER

- We hold a first workshop with members of COSOC-GL to develop and test a new tool that allows civil society members to undertake mine site and supply chain monitoring, and report on risks. The reports will be made public and will support the private sector in reporting on risks in their supply chain.

- Our report, *From Conflict to Illicit: Mapping the Diamond Trade from Central African Republic to Cameroon*, investigates how Cameroon has failed to implement the KP and is allowing conflict diamonds from CAR to cross over its borders, and into the legal supply chain.

“—Traceability of diamonds between Cameroon and the Central African Republic is a joke. If the Americans with drones and advanced technologies have not been able to control the flow of illicit drugs between Mexico and the USA, what makes you think the Kimberley Process can control the trade of illicit diamonds between Cameroon and the Central African Republic? —”

Cameroon diamond buyer in *From Conflict to Illicit: Mapping the Diamond Trade from Central African Republic to Cameroon*



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HOW WE DRIVE CHANGE

● REVEAL

We investigate, monitor and analyze how natural resources are managed and how these systems can be improved.

● INNOVATE

We develop, test and deliver improved systems for the management of natural resources through technical assistance, information sharing, and capacity building.

● ENGAGE

We advance constructive dialogue with stakeholders including civil society, policymakers, industry, and communities to improve how natural resources are managed.

APPROACH

We are guided by the core belief and principle that lasting and transformative change in the natural resource sector will come by providing capacity, investment, and spotlight to local actors. Our work focuses on supporting those who suffer the effects and injustice of weak systems—to mobilize and challenge how their resources are being managed.

FIVE FOCUS AREAS



**REGULATORY AND
LEGAL REFORM**



**SUPPLY CHAIN
TRANSPARENCY**



**ENVIRONMENTAL
STEWARDSHIP**



**GENDER
EQUALITY**



**ILLICIT TRADE
AND FINANCING**

PILLARS

HOLISTIC

integrating gender equality and environmental protection across our work.

MULTI-STAKEHOLDER

embracing dialogue while partnering with civil society.

INNOVATIVE

pushing the boundaries by testing bold, new models.

FACTUAL

basing our work on evidence-based research and evaluation.

SUSTAINABILITY

providing capacity, investment, and spotlight to local actors.

PEACEBUILDING

working in areas of insecurity, practicing and promoting non-violence.

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Apple

Artisanal Gold Council

European Partnership on Responsible Minerals

European Union

Global Affairs Canada

Carleton University/International Development Research Centre

International Organization for Migration/USAID

MONUSCO and the Office of the Special Envoy for the Great Lakes Region of Africa

USAID/DRC Capacity Building for Responsible Minerals Trade

Tungsten Industry-Conflict Minerals Council

United Nations Environmental Programme

STATEMENT OF OPERATIONS

REVENUES and Expenses for the Year Ending	March 31 2017	March 31 2016
REVENUES		
Global Affairs Canada	2,650,438	1,135,777
European Union	607,479	368,775
Tetra Tech/USAID	121,067	-
IOM/USAID	9,477	363,314
Netherlands Enterprise Agency - EPRM	6,409	-
Artisanal Gold Council (Canada)	2,978	-
AusAid (Australia)	-	4,099
Carleton University	160,231	195,603
Private Sector/Industry	11,997	32,840
Contributions to Publish What You Pay-Canada	124,721	130,789
Other contributions	4,860	9,749
Interest	1,160	2,997
TOTAL	\$ 3,700,817	\$ 2,243,943
EXPENSES		
Conflict Diamonds	617,672	373,842
Conflict Minerals	2,891,115	1,699,773
Transparency and Accountability	121,677	136,931
Security and Human Rights	4,882	646
TOTAL	\$ 3,635,346	\$ 2,211,192
Excess of Revenues over Expenses	65,471	32,751



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IMPACT
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Empowering communities

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