

PUSHING BOUNDARIES

annual report 2017

IMPACT

Transforming natural resource management
Empowering communities

MISSION

We transform 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.

INNOVATIVE SOLUTIONS FOR LASTING CHANGE

Our work at IMPACT focuses on systemic transformation in areas where security and human rights are at risk. Local populations are failing to benefit from the natural resources in their communities, such as minerals, oil, timber, wildlife, and water. Climate change heightens the competition over resources, while corruption and weak political systems increase the risk of human rights violations.

In 2017, we challenged ourselves and others to be bold and to embrace thinking outside of the box to contribute towards lasting change.

We collaborated with new stakeholders and partners, welcomed new research and technology that shaped our understanding of how natural resources can affect communities and supply chains, and critically evaluated the lessons we've learned from tested approaches.

Our research on women in the artisanal mining sectors in Democratic Republic of Congo, Uganda, and Rwanda wrapped up and revealed to policymakers the sector's importance to women's economic empowerment. Women artisanal miners in each country drew on this analysis to share their stories with decision makers and media—and called for reforms that would increase equality in the sector.

It also proved to be a milestone year for our innovative approach to traceable, legal, and conflict-free artisanal gold in Democratic Republic of Congo, with the Just Gold project proving a successful chain of custody from mine site to export. Soon after, in an important step for the sustainability and scalability of the project, Canadian-based Fair Trade Jewellery Co. began purchasing the exports of artisanal gold and making the first consumer products available on the international market from traceable gold from Democratic Republic of Congo.



Finally, our work towards a traceable and conflict-free diamond supply chain underwent a seismic shift this year as we announced our withdrawal from the Kimberley Process. As a founding civil society member of the scheme, our decision was not made lightly and came after extensive evaluation at the end of the reform year. We concluded that the Kimberley Process has lost its will to be an effective mechanism for responsible diamond governance. Our work towards traceability and due diligence in the diamond supply chain continues outside of the initiative.

After 30 years, we've witnessed first-hand how easy it can be for brave and innovative new approaches to quickly get stuck in old ways of thinking. Whether failing to evolve and adapt for new contexts, oversimplifying complex issues, stagnating and simply being forgotten about by the international community—we must all push ourselves to be creative and think outside of the box when it comes to transforming how natural resources are managed in areas where security and human rights are at risk.

That's why we've entrenched these values into the foundation of our organization. Importantly, by grounding our work in partnership and collaboration with local partners, we see first-hand the importance to mobilize new approaches to the transformation of natural resource management.

Transformation may be radical and uncomfortable, but it is also an important part of how we move towards equitable peace and development.

Together, in partnership, we're challenging the status quo.

JOANNE LEBERT
Executive Director

SUSAN CÔTÉ-FREEMAN
Board President



VISION

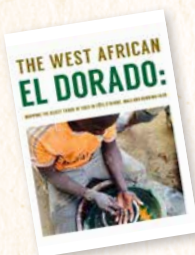
We envision a world
where resources
contribute to equitable
peace and development,
and where communities
are empowered to
decide how their natural
resources are managed.



2017 GLANCE

JANUARY

- We publish, *The West African El Dorado: Mapping the Illicit Trade of Gold in Côte d'Ivoire, Mali and Burkina Faso*, an investigation into challenges in the governance of artisanal gold mining in the three countries and the vulnerabilities posed by illicit trade on the region. The report calls on Mali to undertake a comprehensive review of its tax regime to address the loopholes that make it a magnet for gold produced in West Africa.



FEBRUARY

- We speak out against threats to suspend or repeal Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States. The Dodd-Frank Act requires all companies listed on the US stock exchange to disclose whether the minerals they use are sourced in the Democratic Republic of Congo (DRC) or neighbouring countries and if so, how they ensure the profits of these minerals don't benefit armed groups.
- As a member of the Kimberley Process (KP) Civil Society Coalition, we meet in New York to develop the Coalition's priorities for the KP reform cycle and continue strengthening the Coalition's long-term strategy to improve diamond governance. The Coalition also meets with governments and the diamond industry to raise concerns about the current state of the KP and the need for major reforms to ensure legitimacy.

MARCH

- Together with the Coalition of Civil Society Organizations in the Great Lakes Region (COSOC-GL), we finalize the Civil Society Toolkit on Supply Chain Risks through a series of workshops. Members of civil society organizations in the region are trained on how to use the toolkit and undertake field missions to mine sites in the region to monitor and report on risks in the supply chain. These reports are made available to the private sector to support their public reporting requirements.

13 reports are published on the COSOC-GL website from field missions to 3T (tin, tungsten, tantalum), and gold mine sites in 3 countries in the Great Lakes region. The reports evaluate a number of risks including human rights abuses, child labour, illicit trade, and environmental concerns.

- We launch the Artisanal Mining Women's Empowerment Credit and Savings Project, known by its French acronym AFECCOR. AFECCOR supports women and men in DRC's artisanal gold mining communities to access savings and credit in an effort to promote entrepreneurship and economic security.

APRIL

- We kick-off a series of workshops in Mambasa Territory in DRC's Ituri Province, bringing women from artisanal gold mining communities together for women's rights and leadership training. The workshops, hosted in collaboration with local civil society partners CVAP and SOFEPADI, focus on raising awareness of gender equality and empowering women to share what they've learned with other women in the communities.

MAY

- We travel to Australia where the KP Intersessional is being held as a member of the KP Civil Society Coalition to call for major reforms to bring legitimacy back to the scheme. As the KP enters a reform cycle, the Coalition calls for a new conflict diamond definition, strengthened internal controls at the country level and in trading hubs to prevent the illicit trade of diamonds, as well as space for an independent civil society.
- We participate in the OECD 11th Joint Forum on Responsible Minerals Supply Chains in Paris, calling for an increased commitment by all actors to implement due diligence. After the Forum, we take over as the civil society co-chair of the OECD Multi-Stakeholder Steering Group, working to advance implementation of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*.
- At a press conference in Kinshasa, we announce that our Just Gold project has successfully implemented a system to trace legal and conflict-free artisanal gold from mine site to export in DRC. The Just Gold project is the first traceability and due diligence system for artisanal gold in DRC.

JUNE

- Toronto-based Fair Trade Jewellery Co. imports traceable, legal, and conflict-free artisanal gold from DRC through the Just Gold project, producing jewellery. The milestone marks the first time any consumer good is made of conflict-free artisanal gold from DRC that is fully traced from mine site to consumer.
- Stakeholders in Democratic Republic of Congo's Ituri Province form a Provincial Monitoring Committee which will support the implementation of the International Conference of the Great Lakes Region's (ICGLR) Regional Certification Mechanism, formalization, and address challenges with mining governance. The committee, similar to ones that exist across the country, is headed by the governor and includes members of state agencies, the private sector, and civil society. We provide support to the creation of the committee and its work.

238 grams of artisanal gold are bought by Canadian-based Fair Trade Jewellery Co. from a legal exporter in DRC participating in the **Just Gold** project. It's the first gold made into responsible jewellery traceable back to the mine sites in DRC.



JULY

- We join UNEP's Global Mercury Partnership, sharing our lessons learned in reducing and eliminating mercury from artisanal gold mining. Throughout the year, we introduce new training and equipment for miners on mercury reduction at mine sites participating in the Just Gold project in DRC.
- The ICGLR's Regional Database on Mineral Flows reaches a milestone as the Regional Committee approves its design and the project moves onto the next phase. We are supporting the ICGLR to operationalize the Regional Database, which will store publicly accessible information used to monitor and track the flow of 3Ts (tin, tantalum, tungsten), and gold sourced from or transiting across a Member State.

AUGUST

- We hold meetings with stakeholders in Zambia to prepare for upcoming sensitization workshops on the implementation of the ICGLR's Regional Certification Mechanism. The workshops result with Zambia developing an implementation workplan for RCM. Meetings to follow up on the implementation of country workplans are held throughout the year with Uganda, Tanzania, and Kenya.

SEPTEMBER

- As part of the Just Gold project, our work in DRC's Ituri Province with the local mining cooperative in Mambasa—CODEMA—reaches a milestone as its board members adopt official statutes and the cooperative becomes legally recognized by the government. We continue to provide institutional development support to CODEMA as it grows, while building its capacity and providing technical guidance for the cooperative to progressively implement the traceability and due diligence system as part of the Just Gold project.
- We begin a series of sensitization workshops in South Kivu to highlight the findings from UNEP's Environmental Assessment on an artisanal gold mine site in Walungu Territory. Partnering with local non-profit organization RIO, environmental concerns and mitigation strategies are shared with provincial and local policymakers, the community members, and artisanal miners—leading to the development of a community action plan.

OCTOBER

- Partnership Africa Canada (PAC) is now IMPACT. After over 30 years, we change our name to more accurately reflect our work on natural resource management in areas where security and human rights are at risk, with a new visual identity and website to match. The name change is rolled out in the field offices in Uganda and DRC the following month in a series of meetings and press events.



Over **300** community members in Kaziba, South Kivu, including over **90** WOMEN, meet to develop an ACTION PLAN to address findings and recommendations from an ENVIRONMENTAL ASSESSMENT report on the local artisanal gold mine site. Part of the commitment includes teaching students in school about the negative IMPACT OF MERCURY.

NOVEMBER

● Together with community representatives and researchers, we hold a series of provincial and national workshops in Uganda, Rwanda, and DRC to present our findings and recommendations to decision makers from three years of research on women in the artisanal and small-scale mining sectors of the countries. Women artisanal miners and community members speak directly to their political representatives and share their experiences, concerns, needs—and call for reforms. The findings and recommendations are shared through media, multilingual briefing papers, and videos.

In DRC, researchers share and validate the findings on WOMEN AND ARTISANAL MINING and the importance of the sector to WOMEN'S ECONOMIC EMPOWERMENT with local communities through popular theatre. The events in Ituri and South Kivu Provinces each bring together over

1,000 community members, including customary chiefs.

● We pilot our Gender Assessment Tools that provide guidance on integrating gender and human rights into mineral policies, as well as projects supporting the formalization of the artisanal mining sector. The *Gender Assessment for Minerals Policy, Law, and Governance* is introduced and piloted with stakeholders in Uganda where mineral policy reforms are being proposed. The second tool, the *Gender Assessment for Artisanal and Small-Scale Mining Technical Assistance and Formalization* is developed and tested at our Just Gold project—leading to an improved technical assistance plan that ensures gender opportunities are addressed within proposed interventions at the project.

● We meet with partners at the ICGLR's Regional Committee meeting in Sudan to assess the progress in the implementation of the six tools against the illegal exploitation of natural resources in Member States and develop a coordinated strategy for the next year. We continue working with the ICGLR's Technical Unit, providing support and technical guidance.

DECEMBER

● We announce our withdrawal from the KP at the Plenary in Australia. After extensive evaluation, we determine the KP did not make enough progress on any of the reforms needed to bring legitimacy back into the scheme.

“Customers are being sold something that is not real. The Kimberley Process—and its Certificate—has lost its legitimacy. The internal controls that governments conform to do not provide the evidence of traceability and due diligence needed to ensure a clean, conflict-free, and legal diamond supply chain. Consumers have been given a false confidence about where their diamonds come from. This stops now.”

Joanne Lebert in a speech to the KP in Australia announcing our withdrawal.

● Our AFECCOR project ramps up, with community volunteers trained and Village Savings and Loans Associations formed across communities. Members meet to begin contributing to their savings.

50 Village Savings and Loans Associations are formed with more than **1400** MEMBERS ACROSS **13** COMMUNITIES AND MINE SITES. More than half of the members are women.

BOARD MEMBERS

SUSAN CÔTÉ-FREEMAN

Canada
President

ROLLAND MORIER

Canada
Treasurer

ALEX NEVE

Canada

ALLAN RITCHIE

Canada

BRUCE BROOMHALL

Canada

CHARLES MUTASA

Zimbabwe

EZRA MBOGORI

Kenya

GEORGE SHAW

United Kingdom

KATE MCINTURFF

Canada

NICOLE PIGGOT

Canada
nominated

PAULO DE SA

USA

YIAGADEESEN (TEDDY)

SAMMY
Canada



ACKNOWLEDGMENTS

Our work is made possible with the generous financial support we receive from a range of governments, institutions, and non-governmental organizations around the globe. We are deeply grateful for this support.

Artisanal Gold Council

Carleton University/International
Development Research Centre

Dell

European Partnership on
Responsible Minerals

European Union

GIZ (*Deutsche Gesellschaft für
Internationale Zusammenarbeit*)

Global Affairs Canada

Tungsten Industry-Conflict
Minerals Council

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

USAID/DRC Capacity Building
for Responsible Minerals Trade

STATEMENT OF OPERATIONS

REVENUES and Expenses for the Year Ending	March 31, 2018	March 31, 2017
REVENUES		
Global Affairs Canada	3,491,310	2,650,438
European Union	241,726	607,479
Netherlands Enterprise Agency - EPRM	272,238	6,409
Tetra Tech/USAID	134,744	121,067
German Agency for International Co-operation (GIZ)	46,086	-
IOM/USAID	-	9,477
Artisanal Gold Council (Canada)	8,141	2,978
Carleton University	130,430	160,231
Dell USA	6,764	-
Private Sector/Industry	37,736	11,997
Contributions to Publish What You Pay-Canada	191,384	124,721
Other	7,449	4,860
Interest	1,450	1,160
TOTAL	\$ 4,569,458	\$ 3,700,817
EXPENSES		
Direct Project Costs	2,030,932	1,835,542
Salaries and Benefits - Canada	1,344,587	1,153,349
Salaries and Benefits - International	586,315	277,777
International Offices	179,449	105,281
Project Development	16,191	8,457
Communication (Public Awareness)	46,382	13,473
Administration and Project Support	368,755	241,467
TOTAL	\$ 4,572,611	\$ 3,635,346
(Deficiency) Excess of Revenues over Expenses	(3,153)	65,471



Photos by Zuzia Danielski/IMPACT

IMPACT
Transforming natural resource management
Empowering communities

