

SHIFTING PARADIGMS

annual report 2020

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.

INNOVATING THROUGH TIMES OF UNCERTAINTY

2020 was a pivotal year.

Not only did the COVID-19 pandemic change the social, economic, and security situation for many of the partners and communities we work with—it forced us to change how we work and how we respond.

We've strengthened our focus on research and closely collaborated with our local partners to understand how the pandemic and restrictions have affected livelihoods, security, supply chains, illicit trade, and gender equality. By understanding the shifting landscape, we are able to adapt the support we provide to partners and communities to ensure its relevance for all stakeholders, maximizing its impact.

At the same time, we are investing in building the capacity of our partners and staff in countries of focus to have the technical and operational expertise to transform how natural resources are managed, with virtual support from our headquarters in Canada.

The uncertainty felt around the globe has been amplified in local communities. Our work to support them has continued during this time.

We kicked off the newest Just Gold project in Côte d'Ivoire, building the capacity of local artisanal gold miners to produce and trade responsible gold. The export of a 755 gram ingot of gold to a European London Bullion Market-listed refiner marked the first responsible artisanal gold export for Côte d'Ivoire. Gold exports are accompanied by traceability and due diligence data—proving the conditions of production and trade are responsible, in alignment with laws and regulations—and paid for separately by market actors.



We released our investigation into the illicit gold trade in eastern Democratic Republic of Congo, *The Intermediaries: Traders Who Threaten the Democratic Republic of Congo's Efforts for Conflict-Free Gold*. The report found how legal traders are circumventing legal channels and pocketing massive profits from smuggling—sparking renewed cross-border conversations for strengthened controls with Rwanda and Uganda.

We launched the first ever gender impact assessment tailored to the artisanal and small-scale mining sector. The *Toolkit: Gender Impact Assessments for Projects and Policies Related to Artisanal and Small-Scale Mining*, responds to a gap in tools available to analyze the impact of field-based projects addressing formalization on women. The toolkit supports those implementing projects and revising mining policies to better understand how women and men may be affected differently, guiding them on how to minimize potentially negative impacts.

The global crisis in 2020 has spotlighted the disparity between the world's most vulnerable and those who profit off of them. At the height of the pandemic, IMPACT's research found artisanal gold miners suffering, while smugglers who were able to take risks, made significant profits.

For meaningful and lasting transformation, the work we do must be evidence-based in order to know if and how social, environmental, and security improvements are being attained in producer communities. We need to leverage international focus to prioritize sustainable development and not lose hard fought gains. COVID-19 has stressed the importance of, and strengthened our resolve to support artisanal mining communities to be directly seated at the table and to be heard, leading the change they advocate for.

JOANNE LEBERT
Executive Director

NICOLE PIGGOTT
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.



2020 GLANCE

JANUARY

- We begin the preparatory phase of our Digging for Equality project to support gender equality in the artisanal mining sectors of Democratic Republic of Congo (DRC), Uganda, and Zimbabwe. Planning kicks-off with local partners Zimbabwe Environmental Law Association (ZELA) and *Réseau d'Innovation Organisationnelle* (RIO), along with initial baseline assessments in all three countries.

FEBRUARY

- DRC's Minister of Mines is presented with the first comprehensive documentation of DRC's export taxes for artisanal gold, along with opportunities for reform and alignment. IMPACT has been supporting national and provincial authorities in the country to review and harmonize export procedures for artisanal gold, ensuring they are aligned with legislation. High taxes and fees applied to legal artisanal gold production and trade undermine its commercial viability, incentivizing illegal trade.
- Community dialogues are held in artisanal gold mining communities in DRC's Ituri Province as part of the Women of Peace project. The dialogues are led by local partner the Network for the Empowerment of Women in Mining Communities (REAFECOM), an association of women artisanal miners. Theatre performances illustrate localized conflicts regularly experienced by women and men and how to resolve them peacefully.

MARCH

- Local radio and megaphones circulate broadcasts about peaceful conflict-resolution across artisanal gold mine sites and communities in DRC's Ituri Province. 24 radio broadcasts are produced by the association of women artisanal miners, REAFECOM, and members of its Peace Hubs.
- IMPACT restructures its operations as travel and gathering restrictions increase due to the COVID-19 pandemic, forcing the temporary closure of our offices in Canada and abroad. We pivot to working virtually and continue to provide headquarter-support to all partners and projects remotely. In countries of operation, programming delivery adapts to national COVID-19 restrictions as they evolve.

APRIL

- We publish our first analysis on how COVID-19 is affecting illicit trade and the artisanal gold mining sector, *COVID-19 & ASM: Illicit Traders Cashing in on Vulnerable Miners in Conflict-Prone Areas*. Our research finds that while the pandemic is causing many to sink deeper into poverty, large cross-border traders are seizing on the opportunity. As a result, the illicit gold trade from DRC is booming.

90 conflicts were peacefully resolved through mediation sessions by women members of Peace Hubs as part of IMPACT's Women of Peace project. Conflicts were most often related to psychological, physical, and economic violence affecting women, or related to land and interpersonal disputes.

“THE INDUSTRY

is hurting but the pain is not spread evenly. The ability to buy low and sell high means that business continues for traders with deep pockets and appetites for high risk. Production continues—despite the potential for outbreaks of COVID-19 in crowded mine sites. The logistical challenge of commercial flight bans aside, illicit exports continue to leave East Africa for international markets.”

– Alan Martin, Sechaba Consulting and Joanne Lebert, Executive Director

Photo: Sven Torfinn/IMPACT



- We begin providing capacity building to the mining cooperative, COOPEDA, operating in Dabakala, Côte d'Ivoire. As part of our Just Gold project and based on needs assessments, members of the cooperative are provided with support to strengthen operations and management, laying the foundation for a responsible gold supply chain.

MAY

- We publish research into lessons learned from supporting artisanal gold mining communities through the Ebola epidemic and COVID-19 pandemic, *Epidemics, Conflict, and Gold: What We Can Learn from DRC's Ebola Outbreak As We Respond to COVID-19*. While the research finds setbacks with formalization and increased insecurity overall, it also finds that women's insecurity at IMPACT's areas of intervention has not increased unlike in adjacent communities.

“A KEY PILLAR of IMPACT's approach to responsible sourcing in conflict-affected areas is to support women's empowerment in the ASM sector, especially by supporting grassroots women's associations. That women's insecurity has not increased during this past epidemic could suggest that the outreach and capacity building conducted with our local partners over the last years has contributed to the resilience strategies of local women.”

– Kady Seguin, Policy and Research Director and Alan Martin, Sechaba Consulting

- 182 women artisanal gold miners in DRC's Ituri Province receive their own mining equipment. An earlier signed Memorandum of Understanding between the mining cooperative CODEMA and REAFECOM ensures the women miners have exclusive responsibility for this equipment.

JUNE

- Due to the support of IMPACT since 2015, technical knowledge of government officers in Zambia and Uganda to conduct mine site inspections and implement export procedures in accordance with regional standards has increased. IMPACT has supported Uganda and Zambia to implement the tools of the International Conference on the Great Lakes Region's (ICGLR's) Regional Initiative against the Illegal Exploitation of Natural Resources (RINR), including by building capacity to develop mine site inspection manuals and document export procedures.

JULY

- The completed Regional Database on Mineral Flows is handed over to the ICGLR. After successful prototyping and testing with Member States, it marks a major milestone in our ongoing support to implement the six tools of the ICGLR's RINR. Once operational, the web-based database will store publicly accessible information to monitor and track the flow of tin, tantalum, tungsten, and gold.

AUGUST

- REAFECOM continues accompanying survivors of sexual violence from artisanal mining communities in the territory of Mambasa to access health care, psychological support, and legal services. Between May 2018 and August 2020 they accompanied 120 survivors of rape, many of who were minors. 100% of the survivors have received medical care.

SEPTEMBER

- We announce the first traceable and responsible export of artisanal gold from Côte d'Ivoire. With this successful first export, the traceability and due diligence system from mine site to the international market for artisanal gold from Côte d'Ivoire has been successfully operationalized as part of the Just Gold project.



- We publish our in-depth research on the illicit gold trade in eastern DRC, *The Intermediaries: Traders Who Threaten the Democratic Republic of Congo's Efforts for Conflict-Free Gold*. The report uses case studies to analyze how legal traders are pocketing massive profits from smuggling. Authorities in DRC begin using the report and its recommendations to spark a conversation with neighbouring countries on ending illicit cross-border trade, as well as needed national and provincial-level reforms.

- Installation and training is completed on a second mercury-free processing plant at an artisanal gold mine site in Ituri Province, DRC. The Just Gold project provided technical assistance to women and men miners to improve their mercury handling techniques, including safely managing its use and disposal.

- The DRC mining cooperative, CODEMA, incorporates 15 new mine sites from the Mambasa area in Ituri Province and begins setting up a responsible gold supply chain at the additional sites. CODEMA is now operating independently without any support from IMPACT. It implements its own business plan and the Just Gold Traceability and Due Diligence System.

OCTOBER

- IMPACT documents how it adapts an environmental stewardship approach to artisanal gold mining using the case study of the Just Gold project. The lessons of how to protect biodiversity, reduce and eliminate mercury reduction, protect water, as well as promote health and safety—in a gender sensitive way—are shared with partners and stakeholders worldwide in an effort to collaborate on international efforts for a more environmentally responsible ASM sector.



A **755** gram ingot of gold mined in Dabakala was traced to Abidjan, where the exporter is located, with full due diligence completed on the supply chain. The gold was exported legally with accompanying data to a European LBMA-listed refiner.

“**MARKET ACTORS** increasingly expect evidence of less environmental degradation in mineral extraction. Yet preservation of biodiversity, rehabilitation of mine sites, environmental management, ecosystem preservation, and mercury reduction are seldom prioritized over production and profits, particularly among artisanal miners who lack the knowledge and resources to incorporate environmental protection into their activities.”

– Environmental Stewardship, briefing paper

NOVEMBER

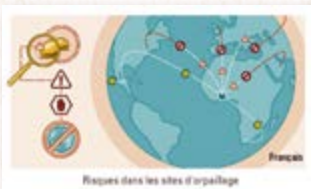
- IMPACT begins working with the United Nations Environmental Program (UNEP) to support the project preparation phase for implementing the Global Opportunities for the Long-term Development of ASGM (GOLD+) project in Uganda. GOLD+ is funded by the UN's Global Environmental facility (GEF) through a large, multi-country program focused on reducing the use of mercury in the ASM gold sector.

- Stakeholders in Côte d'Ivoire participate in workshops on due diligence in the artisanal gold sector. Artisanal miners, traders, the cooperative COOPEDA, and exporters learn more

about what due diligence means, how it applies to them, and how they can carry it out. Videos and posters explaining due diligence are broadcast across the mine site and community.

- IMPACT designs the principles

and structure of an effective governance framework to advance the ASM formalization process in Ethiopia. The report, *Developing an Effective Governance Framework to advance ASM formalization in Ethiopia*, is delivered to the Canadian International Resource and Development Institute (CIRDI) for the Supporting the Ministry of Mines (SUMM) Project.



DECEMBER

- We launch the first ever gender impact assessment to be tailored to the ASM sector. The *Toolkit: Gender Impact Assessments for Projects and Policies Related to Artisanal and Small-Scale Mining*, responds to a gap in tools available to analyze the impact of field-based projects addressing ASM formalization on women. The toolkit offers 14 strategic tools to those implementing projects and updating mining policies, supporting them in predicting how gender relations will be affected and how to minimize potentially negative impacts.



“It’s about **ASKING** a woman artisanal miner permission to walk in her shoes in order to better understand the day-to-day barriers she faces, which can then be more meaningfully considered in any projects and policies related to artisanal mining. This Gender Impact Assessment Toolkit will guide that process.”

– Joanne Lebert, IMPACT’s Executive Director.

- Activities begin as part of the Digging for Equality project in DRC, Uganda, and Zimbabwe. Consultations kick-off needs assessments for the local mining associations, *Association de Lutte contre l'Exploitation des Femmes et Enfants des Mines* (ALEFEM) in DRC, Mberengwa Mining Development Trust (MMDT) and Zvishavane Women’s Mining Association (ZWMA) in Zimbabwe, and Mubende Women Gold Miners Association (MUWOGOMA) and Mubende United Miners Assembly (MUMA) in Uganda.

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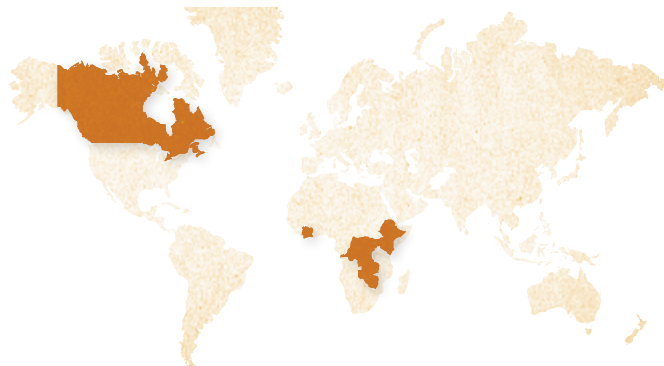
**Organization for Economic
Co-Operation and
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SAP

**Tungsten Industry-Conflict
Minerals Council**

**UN Environment
Programme**

WHERE WE WORKED IN 2020



IMPACT works in areas where security and human rights are at risk through research, field operations, and collaboration with partners:

Canada

Côte d'Ivoire

**Democratic Republic
of Congo**

Ethiopia

Kenya

Rwanda

Uganda

Zambia

Zimbabwe

STATEMENT OF OPERATIONS

REVENUES AND EXPENSES FOR THE YEAR ENDING	March 31, 2021	March 31, 2020
REVENUES		
Global Affairs Canada	2,074,064	2,999,142
European Union	978,298	600,628
German Agency for International Co-operation (GIZ)	434,827	592,588
Temporary wage subsidy – Government of Canada	18,644	-
Netherlands Enterprise Agency – EPRM	-	11,070
Swiss Federal Department of Foreign Affairs	-	150,029
Canadian International Resources and Development Institute (CIRDI)	10,000	10,000
Organization for Economic Co-operation and Development (OECD)	57,543	42,419
UN Environment Programme	81,948	-
Apple	133,985	-
SAP	63,920	-
Google	36,177	-
Microsoft	7,328	-
Dell USA L.P.	-	90,265
Colorado School of Mines	1,720	-
Contributions to PWYP	154,937	352,569
Other	60,223	52,309
Share of loss from investment in Knowledge for Impact Inc.	(2,295)	(15,262)
Interest	28,393	17,265
TOTAL	\$4,139,712	\$4,903,022
EXPENSES		
Direct Project Costs	1,393,084	2,305,674
Salaries and Benefits - Canada	1,375,164	1,302,932
Salaries and Benefits - International	912,030	749,654
Project Development	2,111	35,768
Communication (Public Awareness)	9,535	51,340
Administration and Project Support	284,854	334,940
TOTAL	\$3,976,778	\$4,780,308
Excess (deficiency) of revenue over expenses	162,934	122,714



Photo: Tommy Trenchard/IDRC

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