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SIERRA LEONE INTEGRATED DIAMOND MANAGEMENT PROGRAM

11TH QUARTER ACTIVITY REPORT:
APRIL 1, 2007 TO JUNE 30, 2007

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INTEGRATED DIAMOND MANAGEMENT PROGRAM

11TH QUARTERLY ACTIVITY REPORT: 1 APRIL THROUGH 30 JUNE 2007



**Management Systems
International**

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ANNEX A – FINANCIAL STATEMENT

I. OVERVIEW

Since 1999, the United States government, in collaboration with other donors, non-governmental organizations, and local community based organizations, has been engaged in reforming Sierra Leone's diamond sector with the goal of promoting peace and prosperity. The Integrated Diamond Management Program (IDMP) is part of this effort. The program supports improvements in the management of Sierra Leone's diamond sector at both national and local levels with the goal of increasing benefits to government and communities.

Bringing diamond mining and marketing into the formal sector increases government revenues through taxes and licenses while reducing security threats. A percentage of officially accrued revenue from diamond exports is provided to the Diamond Area Community Development Fund (DACDF). The DACDF is financed from the 3 percent diamond export tax levied by the National Revenue Authority (NRA) for community development within the diamond producing chiefdoms. During the last quarter of 2006, the Government of Sierra Leone implemented revised DACDF mechanisms in line with decentralization strategies to ensure increased local council oversight of development projects and other expenditures as a means to improve transparency.

Following the steady increase in diamond export figures over a seven year period, 2006 saw a decline in official diamond exports figures (see Table 1, below). But there seems to be a rebound in the first half of 2007 with respect to export performance in the same period of 2006 (see Tables 2 and 3, below). In fact, the first half of 2007 registers the best performance ever recorded, topping the previous record-breaking first six months of 2005.

TABLE I: SIERRA LEONE TOTAL DIAMOND EXPORTS, 1992-2006

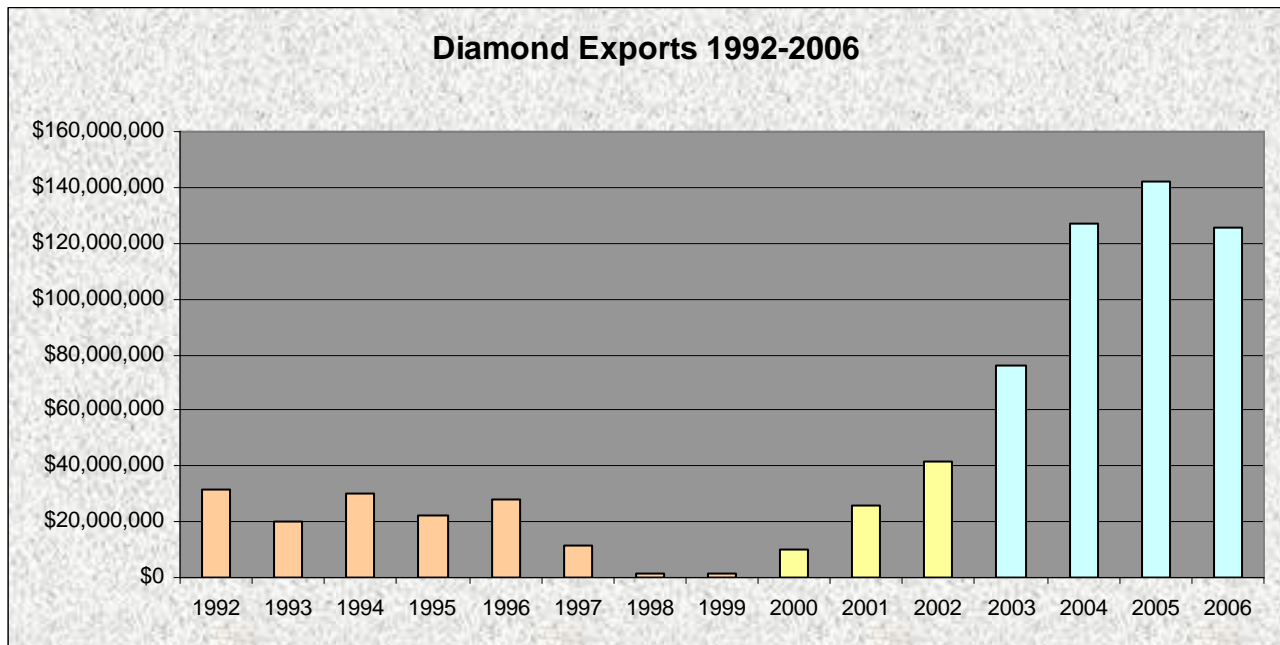


TABLE 2: FIRST & SECOND QUARTER 2007 EXPORT DATA

Month	Alluvial			Kimberlite			Total		
	Export Amount \$	Carats	Price/Carat	Export Amount \$	Carats	Price/Carat	Export Amount \$	Carats	Price/Carat
Jan-07	\$ 5,829,879	30,809	\$189.23	\$3,562,703	34,777	\$102.44	\$9,392,582	65,587	\$143.21
Feb-07	\$ 9,104,738	39,292	\$232.00	\$3,420,706	12,908	\$265.00	\$12,525,444	52,201	\$240.00
Mar-07	\$ 13,465,257	59,430	\$226.57	\$2,547,580	10,084	\$252.64	\$16,012,838	69,515	\$230.35
Apr-07	\$ 10,282,528	38,655	\$266.00	\$2,471,542	24,962	\$99.01	\$12,754,070	63,617	\$200.48
May-07	\$ 16,034,291	61,825	\$259.35	\$2,288,476	10,781	\$212.27	\$18,322,766	72,606	\$252.36
Jun-07	\$ 10,779,991	37,598	\$286.72	\$3,537,407	13,204	\$267.90	\$14,317,398	50,802	\$281.83
Total	\$ 65,496,684	267,609	\$244.75	\$17,828,414	106,716	\$167.35	\$83,325,098	374,328	\$206.05

TABLE 3: FIRST & SECOND QUARTER 2006 EXPORT DATA

Month	Alluvial			Kimberlite			Total		
	Export Amount \$	Carats	Price/Carat	Export Amount \$	Carats	Price/Carat	Export Amount \$	Carats	Price/Carat
Jan-06	\$5,553,599	29,713	\$186.91				\$5,553,599	29,713	\$186.91
Feb-06	\$6,391,812	30,219	\$211.52	\$4,056,223	18,074	\$224.43	\$10,448,035	48,292	\$216.35
Mar-06	\$12,810,263	58,151	\$220.29	\$1,205,870	5,228	\$230.64	\$14,016,133	63,379	\$221.15
Apr-06	\$10,908,389	56,290	\$193.79				\$10,908,389	56,290	\$193.79
May-06	\$9,871,903	35,388	\$278.96	\$1,722,332	7,329	\$235.01	\$11,594,235	42,717	\$271.42
Jun-06	\$11,404,937	57,178	\$199.46	\$3,196,379	14,771	\$216.40	\$14,601,316	71,949	\$202.94
Total	\$56,940,903	266,939	\$213.31	10,180,804	45,402	\$224.24	\$67,121,707	312,341	\$218.78

There are no firm conclusions as to why diamond export figures decline and then rebound. It is possible we are witnessing a potential diamond resource decline after 75 years of mining, particularly in the alluvial sector, as reported in earlier IDMP quarterly reports. However, alluvial caratage exported over the past three years has remained fairly constant. In addition, prices are on the rise, hence the increase in export revenues, particularly during the first half of this year. Poor quality Kimberlite exports in January and April of this year skewed what is otherwise an impressive increase in overall price per carat exported for both Kimberlite production and alluvial winnings. Lastly, it cannot be ruled out that 2006 could have been an anomaly, rather than an indication of decreased alluvial potential.

Still, diamond production figures for 2005, 2006 and now 2007 indicate rising kimberlite source diamond exports. This development most likely signals the relative decline of the traditional alluvial sector in the near future. As political stability and economic policy reform strengthens, the 2006 decline in diamond production and exports will most likely be seen in later analysis as a period of industry adjustment towards a modernized sector. The most outstanding indication of the relative decline of the alluvial sector is the 58% rise in kimberlite caratage exported during the first half of 2007 over the same period in 2006.

Poor infrastructure, porous borders and lax inspection systems, stultifying poverty and minimal official will, all contribute to a dearth of information on economic trends generally and specifically the diamond industry in Sierra Leone. The positive indication for the first half of 2007 is that exports are, so far, strengthening, and we are most likely witnessing the normal business cycles of decline and rebound inherent in the private sector in general and the extractive mineral sector in particular.

REGIONAL ISSUES

The three countries of the Mano River Union, Guinea, Liberia and Sierra Leone have different and varied diamond and mineral policies, export and licensing procedures as well as weak border controls. This situation most likely contributes to smuggling and other illicit activities over the three countries' borders and could affect regional security. The United Nations and other international organizations are engaged in regional diamond and mineral harmonization endeavors in an effort to mitigate illegal cross border trade. USAID and the IDMP are committed to contributing to regional trade policy harmonization. During the quarter, IDMP dialogued with International Alert, currently the operating secretariat on the D4D (Diamonds for Development) cross border and conflict mitigation component of UNDP. IDMP will continue to work with International Alert and the D4D point person at the Sierra Leone Ministry of Mineral Resources.

PROGRAM ISSUES

During the reporting period parliament closed and presidential election campaigns started. IDMP continued to monitor DACDF during the quarter. IDMP also hosted and conducted a national DACDF workshop in Bo during the last reporting period. This workshop was attended not only by community members, local government leaders and Chiefs in IDMP target areas, but by those from all the diamond producing areas receiving DACDF benefits. The workshop was deemed a success by all in attendance.

Following the conclusion of the workshop, IDMP staff conducted a nine day DACDF monitoring trip during this reporting period to assess the impact of DACDF on recipient communities. Although the DACDF is still a relatively unknown quantity in some communities, particularly as regards the involvement of Local Councils directing fund development priorities, it is safe to state that many beneficial projects are being implemented throughout the diamond area communities. Workshop deliberations indeed indicated that much has been accomplished with development projects.

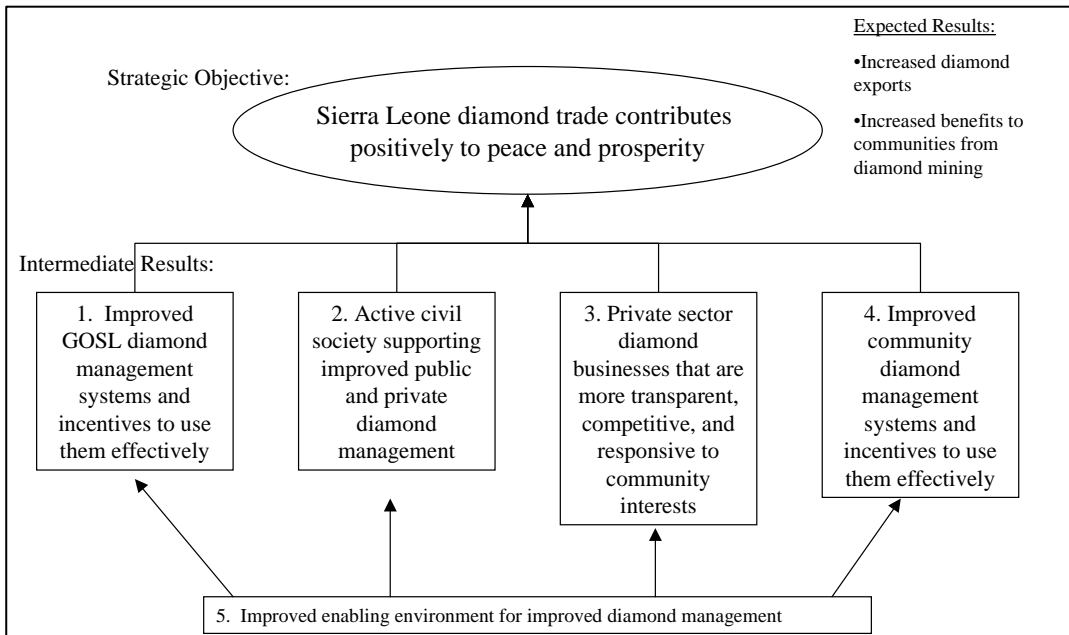
Small Stones Training continued to attract as many participants as could be accommodated. IDMP conducted the last of these trainings during the quarter in preparation to hand them over to the formal education system in anticipation of IDMP's closedown in December 2007. Meetings with Eastern Polytechnic have begun and a contract with CEMMATS to manage this transition is imminent. IDMP zonal and community meetings always have more willing attendees than planned. These activities are extremely popular and welcomed in the communities. Zonal and community meetings were discontinued during the quarter as IDMP staff members are now consolidating their efforts and skills to complete the current work plan activities before project closure.

The month of June saw most IDMP staff involved in organizing and conducting focus group meetings for the PDA national conference scheduled for July 18 and 19 in Freetown. Focus group questionnaires were prepared and conducted in Kono, Tongo Fields and Freetown. The results were collated and analyzed to inform the content and scope of the planned PDA Conference.

Corporate Social Responsibility meetings hosted by IDMP were held in both Kono and Lower Bambara chiefdom in Kenema. There is increasing interest in CSR at both the community and corporate level reflected not only in the attendance at these meetings, but also in official dialogue with IDMP senior staff.

2. INTRODUCTION

This Activity Report describes activities for the eleventh quarter of Cooperative Agreement #636-A-00-04-00217-00, April 1 through June 30, 2007. These activities are executed consistently with the IDMP work plan and the objectives of the Cooperative Agreement. Outcomes from these activities are summarized in the following results framework:



The following sections will present highlights of the quarter. Activities conducted during the quarter are detailed below by Intermediate Result.

3. PROGRAM ACTIVITIES DURING QUARTER

I. IMPROVED GOSL DIAMOND MANAGEMENT SYSTEMS AND INCENTIVES TO USE THEM EFFECTIVELY

I.1 CAPACITY TO MAKE POLICY IMPROVED

SURVEY OF HIGH LEVEL STEERING COMMITTEE (HLSC)

The HLSC and its technical arm (the Technical Committee) have both played a role in enhancing GoSL capacity to institute policies leading to effective management of the Sierra Leone diamond industry. During this reporting period, no meeting for either committee was held. Different expectations between donors and the government may have significantly impacted on the efficacy,

relevance and therefore purpose for continued meetings. Further, government agendas continue to impact on the frequency of HLSC and the Technical Committee meetings, causing breaks or inadequate implementation of suggested activities.

This state of affairs has raised questions regarding the effectiveness of the HLSC as a key policy forum. To address this problem, the IDMP Policy Unit has undertaken a study to review the mandate and structure of both Committees with a view to revitalizing them or suggesting a change. The exercise involved one-on-one interviews with both government and donor participants in the two committees. An open meeting will be organized at the end of the interview process to validate findings and suggest a way forward.

1.2 IMPLEMENTATION OF CORE MINERAL POLICY

Two key objectives of the GoSL and its partners with respect to the Core Mineral Policy are institutional strengthening and improved welfare and benefits to communities. Under the current nine-month extension, IDMP staff, during this quarter, made significant qualitative and quantitative progress in this dual policy area. The specific areas of intervention are summarized below.

STRENGTHENING OF INSTITUTIONS THROUGH TECHNOLOGY TRANSFER

As the 38 month IDMP program comes to an end, the program is focusing on ensuring the sustainability of key activities and building the capacity of local institutions. To this end, IDMP aims to institutionally strengthen Sierra Leone's formal education sector through the transfer of diamond mining technologies. Following the design of a revised curriculum, IDMP contacted Eastern Polytechnic, an institute of the University of Sierra Leone, to integrate the SMARTER mines training course and the Small Stones Training into the standard mines engineering course work.

By the end of the current reporting period, IDMP confirmed the willingness of the Eastern Polytechnic (EP) to participate in this initiative. Because of its previous partnership with IDMP and its own core competencies, the CEMMATS Group Limited, a civil, mechanical and electrical engineering firm based in Freetown, was enlisted to assist with the aforementioned integration. Both EP and CEMMATS agreed to participate in Kenema in a joint meeting June 28, 2007 in the Polytechnic campus. Under the chairmanship of Dr. Sandy Bockarie, principal of the Eastern Polytechnic, attendees at the June 28 meeting in Kenema included: Mr. Abdulai Diallo of USAID/Sierra Leone; Dr. Sandy Bockarie, the EP Registrar, and ten teaching EP staff members; Messrs. John Toure and Salia Jeigula from CEMMATS; a senior official from the Ministry of Education, Science & Technology (MEST); and the IDMP Team Leader Carl Harris, Business Advisor Frank Karefa-Smart; and Deputy Team Leader, Dr. Sahr Tongu from the MSI/IDMP/Sierra Leone.

Outcomes of the three way discussions are detailed below:

- Dr. Bockarie and his staff expressed profound satisfaction with USAID, MSI and the senior IDMP staff for approaching the EP with an educational initiative that has been in EP plans for years.
- On behalf of the EP, EP Council, and of EP students, Dr. Bockarie accepted the idea for EP to become the institutional host for the proposed educational program; he expressed hope that USAID and MSI would support EP in its efforts to host this very worthy educational program. The principal emphasized the need for all sides to move quickly to begin implementing the proposition and promised to report quickly to the EP Council and MEST.
- On behalf of the EP partners, Dr. Bockarie readily accepted the IDMP recommendation that CEMMATS be contracted by MSI, with USAID approval, and support to help implement the proposed training program through a mutually designed and accepted curriculum.

- An ad hoc working committee to expedite actions on the proposition was formed with membership that included: 8 from EP; Mr. Salia Jeigula from CEMMATS; and Dr. Sahr J. Tongu and Mr. Frank Karefa-Smart from the MSI/IDMP.
- MSI/IDMP would mainly play the ad hoc committee oversight functions.
- It was agreed that EP, MSI and CEMMATS were to work together to draft an acceptable Scope of Work for implementation.

IMPROVED WELFARE AND BENEFITS TO COMMUNITIES THROUGH DACDF SUPPORT

During the quarter, IDMP continued to monitor, publicize successes and shortcomings, evaluate and advise on the allocations of the DACDF. Comprehensive data on distribution of DACDF funds throughout Sierra Leone was acquired by IDMP at a Kono District Council meeting and subsequently disseminated at the DACDF workshop in Bo. The Permanent Secretary of the Ministry of Mineral Resources (MMR), after reading through the statistics, assisted the IDMP staff by updating and filling gaps in the allocation data.

DACDF ALLOCATIONS BY DISTRICT

The data showed that from 2001 through June 2006, a total of Le 8,820,483,403 in DACDF funds was distributed among eleven of Sierra Leone's sixteen districts. Kono District, with the highest DACDF allocation, received Le 4,049, 793, 880, or about 46% of the total distribution. Another district targeted by IDMP, Kenema District, came in second with a total of Le 2,556,873,461, about 29% of total distribution. The next scheduled DACDF fund distribution is in July 2007. When the specific fund allocations are made next quarter, they will be published.

At the end of last quarter, the GoSL revised the DACDF in line with its decentralization efforts (per the Local Government Act of 2005) by mandating direct distribution of the fund through district councils. This is an action that is supported by USAID and IDMP. However, and especially in Kono, during the present quarter this change created serious tensions between the local councils and the Paramount Chiefs that formerly were direct recipients of the funds. Efforts continued during the quarter to amicably resolve the contentious issue of distribution.

These tensions notwithstanding, during the quarter the Kono District Council used part of its allocated funds to finance the rehabilitation of two lecture halls at the proposed Eastern Polytechnic campus at Woama. The two lecture halls plus the three earlier staff quarters that have been already rehabilitated represent improved benefits to the people of Kono from the DACDF. Other significant socioeconomic infrastructures continued to be funded by the DACDF.

Lower Bambara Chiefdom, where IDMP is particularly active, received Le 644,767,201, equivalent to 25% of the Kenema District allocation. The PDA Tongo Fields Executive Committee lauded the chiefdom for using the funds to rehabilitate a feeder road, acquire motorbikes and a truck to enhance monitoring of diamond mining, and other community projects.

DACDF POST-WORKSHOP MONITORING

During the last reporting period, IDMP hosted and conducted a national DACDF workshop in Bo on 14-17th March 2007. The workshop was attended by 100 participants, and 40% of the participants were female. Participants included twenty-three paramount chiefs, members of five district/town councils, and the Permanent Secretary of the Ministry of Mineral Resources. The workshop embraced a client-based participatory methodology to assess nationally the successes and failures of the DACDF policy.

After a thorough situation analysis of pre-DACDF policy in mining communities, participants identified a number of critical issues affecting the effectiveness of the Fund.

To validate the various workshop views, and as part of ensuring accurate DACDF policy reform recommendations to the government, the IDMP policy unit embarked on field monitoring trips to selected projects in seven chiefdoms in early April, 2007, after the conclusion of the Bo workshop. Post-workshop monitoring results appear consistent with issues raised at the workshop. The analysis of the implications of these issues will serve as empirical evidence and the basis to advise the government to review the DACDF policy and put in place relevant improvement measures in line with those identified by the workshop.

1.3 EXTRACTIVE SECTOR MONITORING AND INFORMATION DISSEMINATION

During this quarter IDMP staff continued to receive and disseminate GDDO diamond export statistics to the public. Export figures and other relevant information are also displayed at the USAID-supported Regional Information and Community Centers in Koidu and Tongo Fields. The objective of this action is to underscore the popular saying in Sierra Leone and elsewhere that information is power. Lack of information, especially in an industry as opaque as the diamond industry, undermines efforts at transparency and the ability to determine whether smuggling is being controlled, how exporters are performing, and the extent to which stakeholders can correctly determine the effectiveness of DACDF contributions to chiefdoms and to local councils for community development.

Diamond export figures for the quarter are presented in the table below:

GOLD AND DIAMOND OFFICE (NRA) EXPORT FIGURES: APRIL, MAY, JUNE 2007

Month	Total Export Value	3% Export Value	Carats
April	\$12,754,069.89	\$382,622.10	63,616.81
May	18,322,766.30	492,471.10	72,605.87
June	14,317,397.62	341,086.76	50,802.34
Quarter totals	\$45,394,233.81	\$12,161,793	187,025.02

Source: Gold and Diamond Office of NRA, 20

1.4 STEPS TOWARD REGIONAL HARMONIZATION IN THE MANO RIVER UNION

During the quarter, IDMP dialogued with International Alert, currently the operating secretariat on the D4D (Diamonds for Development) cross border and conflict mitigation component of UNDP. IDMP will continue to work with International Alert and the D4D point person at the Sierra Leone Ministry of Mineral Resources.

2. ACTIVE CIVIL SOCIETY SUPPORTING IMPROVED PUBLIC AND PRIVATE DIAMOND MANAGEMENT

2.1 CONFERENCE TO ASSESS PEACE DIAMOND ALLIANCE

The IDMP staff worked on planning and logistics assignments in preparation of the conference to assess the Peace Diamond Alliance. Fact-finding questionnaires were administered to twelve focus groups both in Kono District and Tongo Fields, and in other strategic regions such as Kailahun,

Pujehun, Bo, and Freetown. Participants in the focus groups included representatives of CSOs, local government, traditional rulers, artisanal miners and diggers, and the private sector. These interviews and discussions were intended to help establish whether a PDA-type organization was still relevant, given the fact that the PDA has not met the expectations when it was created in 2003.

Chris Squire, Commissioner of Environment, agreed to act as moderator of the PDA conference and advised on content and methodology. The Bintumani Hotel was the venue and the conference took place on 18 and 19 July, 2007. As of this writing, a report that details the main findings of the PDA Conference is being drafted.

2.2 PDA CONCEPT ORGANIZATION FOUNDED AT NATIONAL LEVEL WITH ASSISTANCE OF INSTITUTIONAL DEVELOPMENT EXPERT

This will be addressed in August and September, following the PDA Conference in Freetown, and after the conduction of the presidential elections.

2.3 FOLLOW UP ON MINING COOPERATIVES

This activity will begin in August/September, as per the work plan time frame.

3. PRIVATE SECTOR DIAMOND BUSINESSES ARE MORE TRANSPARENT, COMPETITIVE AND RESPONSIVE TO COMMUNITIES

Since its inception, IDMP has devoted effort towards raising awareness in mining communities. It has also intervened to arbitrate mining-related conflicts between companies and communities. Issues of land ownership, employment of community youths, and infrastructure enhancement are addressed. With this approach in mind, two successful meetings were held with the predominant mining companies in Kono District. Included were Koidu Holdings S.A., Sierra Leone Diamond Company (SLDC), Basama Diamonds Ltd., African Diamonds PLC, Fastrack Services Ltd., and Mile Stone Company. They all met with the Ministry of Mineral Resources, Youth representatives and the Integrated Diamond Management Program (IDMP) on the 11th May and 27th June 2007.

Some of the themes discussed are the following:

- Water source destruction and mining lands distribution were recognized as problems that need to be addressed if mining companies are to enjoy an enabling environment for their operations.
- The way development funds and resources offered by the mining companies are allocated is a major concern to most companies.
- Employment of local youth and women.
- The issue of environmental/resource management (protection) including land reclamation where most of the companies are still operating on the lands within their concessions.
- The issue of effective communication and managing expectations of the communities.

These meetings were so fruitful that there were calls for such meetings to be held regularly on a monthly basis. Important information was revealed. For example, it was learned that GoSL has cancelled the exclusive regional acquisition of exploration licenses for SLDC, thereby breaking that counter-productive monopoly of mining areas. Community concerns with the environment, child

mining, illicit mining, smuggling, and the merits and demerits of the much needed and appreciated DACDF were very constructively discussed.

UPDATES ON COMPANY DEVELOPMENT ACTIVITIES IN MINING COMMUNITIES

Koidu Holdings S.A.

- Three hundred scholarships have been given to school children, with greater preference to girls.
- Construction of Ansaru Boys Secondary School was completed.
- Construction of Tongo-Koidu road is ongoing, although suspended for the time being due to the rainy season.
- Medical facility for workers and their family members now available free of cost.
- 0.1% from the company sales of diamond is given to Tankoro chiefdom for Agricultural development (The Tankoro Kimberlite Agricultural Project).
- Thirty six thousand (\$36,000) dollars was given to Tankoro Chiefdom as a development fund for Social Development.
- Thirty million Leones has recently been donated to the Koidu New Sembahun City Council for the reinstallation of electricity to the township.
- 52 dwelling houses that have been built and transferred to the Affected Property Owners
- More than four hundred local community members are currently employed by the company. Some of these are now being sent to South Africa for various professional training courses.

Sierra Leone Diamond Company (SLDC)

The company lays great emphasis on community development and pledged to continue in that path through already existing programs of community youth employment and construction of youth centers.

Fastrack Services

The company is currently training community people in basic knowledge of identification and classification of diamonds, a project akin to the IDMP Small Stone Training program.

Basama Diamond Mining,

The employment of workers is mostly community-based and this has further drawn the company closer to the community. Also, the company is funding of community social infrastructural development projects, like schools construction and roads.

Africa Diamonds PLC

This company as of now is embarking on road maintenance in Kamara, Gbense and Tankoro Chiefdoms.

Mile Stone Mining Company

- Five class rooms have been built at Bagbema, a town with a population of 2000 people, and located in a community of eight villages with the nearest school being about four kilometers away.
- Five million Leones is allocated yearly for educational development programs, including scholarships for primary school children, especially girls, and the supply of school materials, like books, chalk, and furniture.
- The road linking Waidala and the chiefdom headquarter town of Kayerima has been reconstructed.
- Over two hundred Sierra Leoneans are employed by the company as operators of various machines, security guards, secretaries, and so forth.

SPECIFIC IMPACTS OF IDMP INTERVENTION

- The Government Mining Engineer and other company representatives pointed out that a more harmonious atmosphere in mining communities reigns as of late. Successful arbitrations that IDMP has been engaged in, especially between Koidu Holdings and the Affected Property Owners of Tankoro on issues of relocation of the affected people have definitively played a positive role.
- Problems of land ownership, especially where companies are putting artisanal miners out of business, are being more systematically addressed, as information on land transactions, and exploration/prospecting licenses extended to mining companies are discussed in the IDMP awareness meetings.
- The acute problem of especially youth employment is gradually improving.

4. IMPROVED COMMUNITY DIAMOND MANAGEMENT SYSTEM AND INCENTIVES FOR USING THEM

4.1 CONDUCT OF SMARTER MINING TRAININGS AT FIELD LEVEL

No SMARTER Trainings were held at the field level this quarter, as efforts are now focused towards the handover of these trainings to a Sierra Leonean educational institution. However, during the quarter, certification ceremonies were held in Kono and Tongo fields. A total of 270 trainees in Kono and 199 trainees in Tongo Fields were recognized in these ceremonies and awarded certificates on May 19th and May 23rd, respectively.

Whereas in Kono the just-hired Kono District Council Administrator, Mr. Tamba Allieu, chaired the training certification ceremony, in Tongo Fields the ceremony was chaired by Mr. Representative Sheku Farma who is also the Tongo Fields Chairman of the PDA Executive Committee. The Resident GoSL Minister, Hon. Sahr Randolph Fillie Faboe gave the keynote address.

4.3 ENVIRONMENTAL AWARENESS AND LAND RECLAMATION

To date, much of the program's effort in this line has been directed towards information sharing, either through the community and zonal stakeholders awareness raising events, or in liaising with partner organizations like FESS, NMJD or Forest Resource Promoters (FORPS). The template for the declaration of 'mined out lands' for land reclamation prepared by this office was used in the Youth Employment Scheme (YES). This document was also given to FESS. The idea of land reclamation is increasingly gaining momentum. A thorough study of the activities of the partner organizations as well as the cultural background of mining communities in line with proper land use practices and reclamation will soon be undertaken.

The Government of Sierra Leone (GoSL) has begun supporting youth groups, including women, to undertake community reclamation through YES, a project that was researched and documented by the IDMP 2005/2006. This has not only helped in putting back lands that have once been destroyed by mining into better use, but has in a way gone ahead to start addressing the acute youth empowerment problems in mining communities, thereby reducing the overdependence of the working class on diamond mining alone.

5. IMPROVED ENABLING ENVIRONMENT OF ENHANCED DIAMOND MANAGEMENT

5.1 COMMUNITY AWARENESS

COMMUNITY AND ZONAL STAKEHOLDER MEETINGS

From April through June, 2007 IDMP staff continued with community and zonal stakeholder meetings. These meetings generated a lot of interest among the participants, demonstrated by the enthusiasm with which the meetings were received. It was, for example, at these meetings that allocations of DACDF were made. Also plans to transfer the IDMP trainings to a reputable academic institution in Sierra Leone, and benefits of safe mining and control of diamond smuggling were announced, discussed and clarified.

During the time under review, in Kono, four community and zonal stakeholders meetings were held with 340 attendees in four chiefdoms, including 109 females and 231 males. Nine zonal meetings were held at different locations in Lower Bambara/Tongo Fields. A total of 900 people attended these meetings, of which 508 were male and 395 female. Some of the topics discussed include: current mining policies and legislation, licensing procedures both for artisanal and large scale mining companies, duration of mining leases and right to renewal of such licenses, the qualification for and access to Diamond Area Community Development Fund, and allocation and proper use of the fund. Crucial issues raised at such meetings include the extra costs incurred during the acquisition process of mining licenses, and reclamation of artisanal mining lands.

IMPACT OF ZONAL STAKEHOLDER MEETINGS

One positive impact of the zonal meetings is that they help diggers and miners better understand the respective roles of IDMP and that of the Ministry of Mineral Resources (MMR). In the past, 15-20 people per week would approach the IDMP to inquire on renewal of mining licenses or request assistance to deal with illicit buyers and miners and to settle boundary disputes. During this past quarter, only one person came to the Tongo Field IDMP office requesting that we issue him a license for his plot. He was directed to the correct office.

Another impact of IDMP zonal meetings is a decrease in incidences of mining license being delayed or individuals being overcharged for licenses because payment for such license were not made to the appropriate MMR personnel. Now, more miners know who in the MMR has the authority to receive monies for the issuing of license. Also, increased awareness on the purpose and usefulness of the DACDF has enhanced local vigilance to curb illicit mining. This is demonstrated by Lower Bambara, which steadily ranks as first in the number of legal mining activities among the 16 chiefdoms in Kenema district.

Increased female participation in diamond related meetings is a positive change that is very much welcome. Before, anything related to diamonds was thought of taboo for women and a purely male affair. Today, in large part because of IDMP awareness activities, women participate in such meetings.

RADIO DISCUSSIONS ON KEY ISSUES HELD IN KONO

On-the-spot radio interviews by Manjia Balema Samba of UN Radio were conducted during meetings and at reclamation sites.

Some of the issues discussed on the local radios include:

- Corporate social responsibilities and rights of mining companies in mining communities.
- The issue of safe mining procedures, especially the comparison between the rudimentary open cast mining method and the SMARTER recommended trench method.
- DACDF allocation, method of distribution, communities that deserve to benefit and other issues pertinent to recipient communities.
- Export figures for each immediate past month and an analysis of diamond production trends.
- Current mining policy information especially on official mining license costs, method of acquisition, duration of licenses and the right to handle diamonds.

This aspect of the work plan will begin to be transferred to appropriate CSOs/CBOs. At present, IDMP is devoted to identifying credible partner organizations to carry this forward in the near future.

IMPACT OF RADIO DISCUSSIONS AND AWARENESS RAISING ACTIVITIES

Some of the changes evident in the communities as a direct result of these information packages include:

- There is more openness and information sharing on diamond business transactions. Without the radio discussions, it was easier for rogue investors to take advantage and exploit local miners and diggers.
- Discussions of mining processes are becoming more common among diggers and miners.
- Youth are becoming more vigilant in the monitoring of mining activities in their communities. For instance, the youths of Gbaneh have begun stopping illicit miners and in some cases seizing their mining equipment. This move has not only reduced illegal mining, but has also forced more miners to acquire mining licenses, thus increasing the amount of DACDF funds allocated to this chiefdoms.
- Grassroots people now have the opportunity to directly face authorities on crucial issues that need immediate clarification. A case in point is the last tranche of DACDF revenues sent through the District Council of Kono, rather than the checks being handed directly to the chiefs as it was in the past. This was neither announced by the council nor was it explained by the beneficiary chiefdom authorities. Important issues, such as allocated amount and official receipt of the monies were only made clear by the concerned authorities when some of the audience of our radio programs brought it up in one of our discussions.

5.2 GOLD STUDY

An experienced consultant has been identified to carry out the gold resource study during the next quarter.

6. PROGRAM MANAGEMENT ACTIVITIES

During the reporting period, the IDMP was the host to a USAID financial review team from USAID/Guinea, and a project assessment mission sponsored by USAID/Sierra Leone.

6.1 WEEKLY STAFF MEETINGS, PROGRESS REPORTS AND WEEKLY WORK PLANS

Weekly staff meetings were conducted regularly in Kono District, Tongo Fields, and in Freetown.

In these meetings project implementation progress and constraints were discussed. Occasionally, senior staff of the three units were brought to one agreed upon location for general staff meetings. Two such meetings were held respectively in Freetown and in Kono. During the quarter although the Team Leader, and the IDMP logistician individually visited the Tongo Fields unit, no general senior staff meeting was conducted in Tongo.

6.2 STAFFING MATTERS

- During the quarter the IDMP financial assistant of the Tongo Fields office resigned his post for personal reasons. The Freetown-based IDMP driver was administratively dismissed for negligence. Both of these individuals received from the IDMP employment benefits to which they were entitled.
- IDMP Finance and Administrative Officer facilitated the departures of the two staff members as the processes of handing over the IDMP assets were amicably carried out.
- In anticipation of the imminent closedown of the IDMP at the end of 2007 and because of the reduction in staffing level for various reasons, several staffing re-arrangements were implemented during the quarter: a) more and relevant programmatic responsibilities were re-assigned among the senior staff, thereby redoubling the programmatic responsibilities of the affected senior staff; b) two IDMP security staff members were relocated each, to the Freetown office and one to the Tongo Fields office; c) due to the resignation of the accountant from the Tongo Fields office, another competent accountant that already worked at the Freetown IDMP office was re-assigned to work at the Tongo Fields office.
- In order to assist with documentation of IDMP inventories to facilitate the imminent USAID programmatic assessment of the IDMP, a temporary clerk-like, short-term consultant was hired to assist the logistician and technical adviser.

7. OPPORTUNISTIC ACTIVITIES DURING THE QUARTER

During the quarter, Non-Governmental Organizations (NGOs), national and international, invited several staff of the IDMP staff to participate in and/or observe their activities. Most of these types of collaboration were useful because they exposed the participating IDMP staff to some of the best practices in the field. The activities included land reclamation by FESS, advocacy interventions by the NMJD, crop rehabilitation activities and general agricultural activities by Germany's GTZ-FRS., World Bank funded workshop by the CEMMATS Group, and the peace and reconciliation festivals by the Sierra Leonean and German Red Cross Society.