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Partnership for Economic Development & Poverty Reduction

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Partnerships for Economic Development & Poverty Reduction

The Mwadui Community Diamond Partnership in Tanzania

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Case Abstract

This case study focuses on an example of a "Partnership for Economic Development and Poverty Reduction". It explores the initial stages of the Mwadui Community Diamond Partnership (MCDP) project in Tanzania.

Williamson Diamonds Limited (WDL) operates an open-pit diamond mine at Mwadui in the northern part of Shinyanga region (Kishapu District) in Tanzania. The company is a joint venture between the De Beers Group (75%) and the Government of Tanzania (25%).

Tanzania is the only country where small-scale informal diamond mining and significant De Beers' operations co-exist; independently operated small-scale informal diggings are adjacent to WDL's mine at Mwadui. Artisanal diamond mining is an important source of income for the neighbouring communities.

The mineral sector in Tanzania has grown dramatically in recent years but the success of the formal, large-scale mining industry has not been fully matched by development of the small-scale sector. Consequently, the Government is keen to see greater harmonization of large-scale operations and small-scale miners/ diggers. In 2006 the Government and De Beers identified an opportunity to work together to address, in a comprehensive way, the socio-economic challenges facing the artisanal diamond mining sector in a way that involves the full cooperation and participation of the local communities.

The overall objective of the Mwadui Community Diamond Partnership is to alleviate poverty and accelerate sustainable social-economic development in communities around the WDL mine at Mwadui.

Specific objectives of the project are [1] to develop a multi-stakeholder partnership to formalize, transform and support artisanal and small-scale mining communities and [2] to promote sustainable economic development in the areas surrounding the mine. Central to this proposition is the necessity to facilitate fair prices for diamonds found, decent working conditions, technology that improves transparency in the payments system and that reduces reliance on intermediaries – for example, using a 'smart wallet' system, as well as providing support for development needs of the miners and their families.

All of these ingredients of the partnership and future solutions on the part of De Beers reflect the commitment of the company to promote and protect human rights within the company's sphere of influence, as a signatory of the UN Global Compact. De Beers is aware that this can only be done in partnership with other stakeholders and is committed to participating as an active partner mindful that all ten compact Principles, in one way or another, will be addressed through the programme of work in the years ahead.

In September 2006, President Jakaya Kikwete and Jonathan Oppenheimer, a director of De Beers and the Chairman of Williams Diamonds Limited, Tanzania, formally launched the MCDP at the Clinton Global Initiative in New York. The Partnership project is currently in the diagnostic phase, which is being funded by De Beers. Moving forward it is anticipated that the project will involve a broad range of non-governmental organisations, development agencies, multi and bilateral donors and the private sector.

Introduction

Objectives of the Case Study

This is a case study on the *Mwadui Community Diamond Partnership* to be presented at Session Five of the United Nations Global Compact Learning Forum, focusing on “*Partnerships for economic growth and poverty reduction*”. The main objective of the study is to identify and discuss the key challenges encountered by those managers who are in the process of developing the partnership project. In doing so the case study aims to explore when and how such partnerships are useful and to discuss the limitations of partnerships as well as the opportunities for them to make a substantive contribution to economic development.

The overriding intention of this case study is to stimulate an open discussion about the real-life managerial challenges and dilemmas that such partnerships confront and to explore potential solutions.

The Global Compact Principles & the Research Question

The United Nations Global Compact encourages participating entities to internalize the Compact’s principles (covering such areas as human rights, labour relations, the environment and anti-corruption) and to engage in partnership projects in support of its global development goals. By taking a principle-based approach to business and engaging in projects that also have a positive developmental impact, companies can help to accelerate progress toward a more sustainable and inclusive global economy (Ayogu, 2001; Eugene, 1998 and Semboja, 2006). Companies have a stake in contributing to development, and partnership projects can be viewed as a practical, concrete manifestation of a strong corporate commitment to the Global Compact and its objectives.

The Performance of the Tanzanian Mining Sector

Mineral sector performance

Mining provides important benefits in terms of income, exports, foreign exchange earnings, royalties and tax receipts to support economic recovery, economic linkage, growth and poverty reduction in Tanzania.

The total value of mineral production increased dramatically from approximately US\$16m in 1997 to almost US\$693 in 2005. The mining sector’s contribution to GDP has steadily increased from 2.1% in 1999 to 2.5% in 2001 and 3.5% in 2005. In 2001 mineral exports accounted for 38.9% of total exports, a figure that had increased to 48.9% by 2005, largely as a result of increased gold production.

The formal mining sector is dominated by gold, diamonds, tanzanite, silver, copper and a range of gemstones (URT, Economic Surveys). Mining activities in Tanzania are conducted by small, medium and large-scale operations. There are many informal, artisanal and small-scale operations largely carried out by Tanzanian citizens.

Traditional partnerships for economic development & poverty reduction

Many large-scale companies in the Tanzanian mining industry play a significant role in supporting community and social services in both urban and rural areas (including education, health services, access to clean water and the establishment of micro-finance schemes). Such expenditure on community projects during the last nine years totals almost US\$33m.

However, the main ways in which the mining sector contributes to poverty reduction is by generating direct income through employment, by creating opportunities for the growth of lateral and downstream businesses, and by paying taxes and royalties.

Our consultations suggest that Williamson Diamonds Ltd's operations in Mwadui have a significant impact on the wellbeing of the population in the community, the surrounding villages in Kishapu district and the wider Shinyanga region.

The extent to which natural resource exploitation benefits the local economy depends largely on the production technology, market, forms of ownership and also the central and local government's use of taxes and levies charged on the extracted resources. In Tanzania both public and private partners are investing these funds effectively, with direct and indirect benefits to the affected rural communities.

Company Profile

Williamson Diamonds Limited (WDL)

Mwadui mine, operated by Williamson Diamonds Limited (WDL), is a famous diamond mine in Tanzania; it became well known as the first significant diamond mine in Africa outside of South Africa. The mine was established in 1940 by Dr. John Williamson, a Canadian geologist, and has been in operation ever since, making it one of the oldest continuously operating diamond mines in the world.

The mine was wholly-owned by Williamson until his death in 1958 when De Beers, the international diamond mining and marketing company, and the Government took over ownership. From 1971 a Government agency, the State Mining Corporation, ran the mine until 1994 when De Beers was invited back to manage the business and increased its shareholding to 75%. The company is one of the longest-standing government-private sector partnerships in existence (De Beers Group internet)

The Mwadui mine is a large open-pit mine that currently employs over a thousand people, of whom less than ten are expatriates.

Rural Location

The mine is located in Kishapu District, about 160km south of the town of Mwanza in the Shinyanga region of Tanzania.

Chronological Account of the Case "Story"

Problem Statement & Issues Addressed

Income poverty in Tanzania

The prevalence of income poverty in Tanzania remains high (URT, 2005). Poverty remains overwhelmingly situated in the rural areas (where 87% of the country's poor live) and is most prevalent in households that are dependant on subsistence farming. As the population of Tanzania increases, the absolute number of poor remains an increasing cause for concern. There is also a significant disparity between urban and rural poverty in terms of both food and basic needs poverty.

The level of income poverty in the Mwadui area is closely related to the development of the agricultural and mining sectors. Sector-based constraints precipitate income poverty to the extent that they limit growth in the sectors and affect the provision of services

that reduce non-income poverty. The challenge is how to make these sectors contribute more fully towards poverty reduction (URT, 2005).

Complex problems and limitations affecting key productive sector

Agriculture is the lead sector in Tanzania accounting for 45% of GDP and approximately 60% of export earnings in the past three years. It is a source of both food and raw materials for industry. It provides a livelihood to 82% of Tanzania's population.

Consequently, the constraints to rural growth and development are closely related to those affecting the agricultural sector (broadly defined to include farming, livestock and animal husbandry).

These constraints include:

- low productivity of land, labour and production inputs,
- underdeveloped irrigation potential,
- limited capital and access to financial services,
- inadequate agricultural technical support services,
- poor rural infrastructure hindering access to markets and effective rural-urban linkages,
- erosion of the natural resource base,
- environmental degradation,
- gender relations,
- weak producers' organizations,
- poor coordination and limited technological capacity,
- depressed prices for primary commodities in global markets,
- insecurity with respect to rights to land and its use as collateral for credit.

Limited Alternative Livelihood and Diversification Opportunities

The development of alternative livelihoods and diversification into non-farm activities in rural areas has not been very successful in Tanzania - such activities remain small-scale and are mainly adopted as a "coping strategy". Generally, these activities are geographically scattered and less amenable to organisation than in urban areas. They face similar, though more severe, constraints as those faced by small and medium-sized enterprises in urban areas. Efforts are required to impart organisational and entrepreneurial skills to rural inhabitants to turn non-farm activities into viable sources of livelihood (Mwaipopo et al, 2004; URT, 1996).

Increased dependency on diamond mining

Artisanal small-scale diamond mining is one of the fastest growing economic sectors in the Mwadui area. Approximately 75% of the local population in the Mwadui area depends on this sector. Serious concerns have been raised regarding the concomitant impact on the environment, increased tension over land rights and access to water and labour relations in areas where artisanal, small-scale activities have increased dramatically.

The Inception of the MCDP

The Diamond Development Initiative (DDI) was launched in January 2005 by De Beers, the World Bank and two leading non-governmental organizations, Partnership Africa

Canada and Global Witness. Its aim is to gather all interested parties into a process that will address in a comprehensive way the social, economic and political challenges facing the artisanal diamond mining sector in order to optimize the beneficial development impact of artisanal diamond miners and their communities.

In Tanzania, the Government and De Beers, in collaboration with local communities, have identified an opportunity to implement a pilot project aligned with the objectives of the DDI. The intention is that, if successful, the pilot project can be used by the DDI partners as a model for transfer to other artisanal producing countries (such as Sierra Leone, Angola, Guinea and the Democratic Republic of Congo) at the invitation of their governments.

The Project

Overall Objective

The overall objective of the Mwadui Community Diamond Partnership is to alleviate poverty and accelerate sustainable social-economic development in communities around the Williamson Diamond Mine at Mwadui. Specific objectives of the project are

1. to develop a multi-stakeholder partnership to formalize, transform and support artisanal and small-scale mining communities and
2. to promote sustainable economic development in the areas surrounding the mine.

Institutional Framework

The partnership is currently organized and managed through direct consultation with different stakeholders and regular meetings with authorities and representatives at village, district, regional and national level. These consultations include discussions on the most appropriate institutional framework for the MCDP as it moves into the implementation phase.

Currently, the MCDP is at the project design stage outlining the way forward of a multi-phased project. Phase 1 is expected to cover the next 18-24 months. In this regard, there are ongoing discussions with other potential collaborative partners regarding how they can be involved.

Currently the MCDP involves the following principle stakeholders:

– Central & Regional Government & Local Authorities

The role of the central and regional government and local government authorities is in preparing a conducive environment for various socio-economic activities within the MCDP context and facilitating these activities within the country's legal and administrative frameworks. Furthermore, the Government's role is to ensure that Tanzanian and international development strategies like the National Strategy for Growth and Reduction of Poverty (NSGRP) and the UN Millennium Development Goals are fully reflected in the MCDP project strategy.

The MCDP has received the backing of:

- President Jakaya Kikwete
- Regional Commissioner, Brigadier General, *Dr Yohana Balele*
- District Commissioner Kishapu, *Hadija Nyembo*
- Local Members of Parliament:
 - Hon MP *Tungu Fred Mpendazoe*
 - Hon MP *Lucy Thomas Mayenga*
- *Suzana Makoye*, Mondo Division Secretary

– *De Beers Group*

The key role of the De Beers Group has been the conceptualisation of the MCDP and its initiation on the ground in Mwadui in close consultation with the Government of Tanzania.

Gareth Penny (Managing Director of the De Beers Group), *Stephen Lussier* (Director of De Beers Group External & Corporate Affairs) and *Jonathan Oppenheimer* (Chairman of Williamson Diamonds Ltd) made the key decision from a company perspective to embark on a pilot project with the Government of Tanzania.

Management decisions regarding De Beers' role in the MCDP are made by *Andrew Bone* of De Beers External & Corporate Affairs, who is the Project Manager. As he is based in London, day-to-day project management decisions on the ground are taken by the Project Coordinator, *Nerys John*, in consultation with Tony Devlin and Andrew Bone.

The Partnership is also advised by *Professor Alyson Warhurst*, a specialist in corporate social responsibility, mining and development. She has been responsible for both advising on the project design and facilitating the multi-stakeholder partnership.

– *Williamson Diamonds Limited*

WDL is hosting the MCDP project on its property in Mwadui, providing human and physical resources, collaborating with the project team on a day-to-day basis and providing technical expertise and administrative backup.

Tony Devlin (as Managing Director of Williamson Diamonds Ltd) was instrumental in initiating the commencement of the MCDP project in Tanzania.

– *Local Village Communities*

– *MCDP Project Team*

The role of the project team includes:

- fact-finding: establishing the community baseline for socio-economic development,
- building partnerships at local, regional and international levels,
- identifying potential sources of co-funding and synergies with other organisations and projects working in the Shinyanga area or in Tanzania,
- developing customised project components for potential collaboration with NGOs and donor agencies,
- designing entry strategies for multi- and bilateral donors,
- raising the project's profile (visibility) with media and local communities,
- developing the participatory stakeholder process and fostering dialogue between parties.

– *Ministry of Energy & Minerals*

Representatives from the Ministry provide guidance and input through the MCDP's Technical Working Group members.

The Zonal Mines Officer, Edward Ngonyani, has played a key role in advising on the potential impact and challenges facing the Partnership at the local level.

Proposed Partnership Projects

The key deliverables will only be finalized at the conclusion of the diagnostic phase (early December 2006). However, at this point it is envisaged that these will fall into four main categories:

- Artisanal and small-scale mining interventions to ensure miners are paid a fair price for the diamonds they find and the Government receives the taxes and royalties it is due (specific interventions to address access to ground, organization, financial inclusion, technological developments, environmental protection, marketing and other issues)
- Cooperation in community development programmes including the identification and promotion of sustainable alternative livelihoods
- The transfer of under-utilized WDL infrastructure to third-parties for the purpose of extending access to social service programmes (in particular with regards to water, education and health).
- This will involve the transformation of Mwadui from a mine township to an open township.

The MCDP Consultation Process

The consultation process of the MCDP is based on a private-public partnership framework basis and will follow planning and preparation, implementation, monitoring and evaluation phases. A joint public-private partnership steering committee and project management team are in place.

In April 2006 an exploratory workshop was held at Mwadui between representatives from WDL, De Beers External & Corporate Affairs and the Ministry of Energy and Minerals. This led to a preliminary appraisal of the artisanal diamond mining sector being undertaken by a local consultancy. The findings of this research were presented at a partnership workshop held in Dar es Salaam in August 2006.

The August workshop concluded with the agreement to engage two specialist organisations to conduct a diagnostic of the dynamics, structure and socio-economic baseline of the informal mining sector in and around the WDL concession:

- MTL – a Tanzanian consultancy with extensive expertise in artisanal mining projects and experience of working with WDL on environmental compliance.\
- Projekt-Consult – an international consultancy with expertise in other artisanal sectors and a good network of contacts in the NGO (non-governmental organization) and donor community

It is envisaged that the diagnostic phase will identify opportunities to ensure that artisanal miners can access ground, technology, financial channels, safety and environmental training and, crucially, a fair market price for their diamond production. The study will also provide clarity on the socio-economic requirements in the area and potential alternative livelihoods including the possible outsourcing of WDL's non-core businesses.

The national MCDP consultative meeting

On 16th October 2006 a broad range of non-governmental organizations, development and donor agencies were invited to an MCDP introductory workshop in Dar es Salaam. The focus was on engaging with organizations operating in the Shinyanga region with a view to identifying synergies and opening up channels to secure shared funding.

The September workshop also incorporated a national consultative meeting aimed at deepening participation in and ownership of the MCDP strategy by stakeholders. Full participation and consensus-building on the way forward are necessary in order to ensure sustainability and confidence in the MCDP.

The MCDP national consultative meeting sought to improve on a number of specific weaknesses and limitations so as to make the consultative process more inclusive.

The following weaknesses were noted during MCDP national consultative consultations:

- The consultation of stakeholders is circumscribed by the compressed timeframe of the diagnostic phase consultation
- Participatory structures are currently formed on an ad-hoc basis
- Collaboration with key stakeholders (farmers, artisanal miners, livestock keepers and traders) will need to focus more on joint decision-making during the implementation phase.
- Involvement of civil society organizations is currently limited
- Workshop participants did not fully represent all sections of Tanzanian society: women, youth, people with disabilities, the elderly and people living with HIV/AIDS
- Participation of the poor in the MCDP is not institutionalised

Challenges Ahead

Project management challenges

As the diagnostic phase draws to an end the majority of stakeholders agree that the MCDP needs to be more inclusive and open. In particular, local ownership needs to be emphasised and to truly underpin the MCDP.

The following issues have been identified as key project management challenges for the MCDP, which is an innovative strategy for both De Beers and the Government of Tanzania:

- Strategic prioritisation and sequencing of interventions
- Enhancement of inter-sector collaboration and linkages to tap synergies
- Securing of sources of ongoing funding

A number of specific challenges were identified through discussions with stakeholders and actors in the MCDP project (project management, consultants, field officers, district officials, artisanal miners and community members). These are summarized below.

Challenges for interventions in the artisanal mining sector

The following were identified as major challenges facing the artisanal and small-scale mining communities:

- Geological and technical challenges
- Suspicions and mistrust on the part of the local community regarding how the MCDP project will work.
- Negative experiences in the past colour the community's perspective on potential cooperation between large-scale and artisanal diamond miners.
- Lack of clarity on the legal challenges i.e. how people are going to work legally within WDL's lease area and third party licensed areas.
- The potential for increased environmental degradation if mining activities increase

- Illiteracy rates among local miners are very high.
- The adoption of formalization strategies that will be acceptable to artisanal and small-scale miners.

Challenges facing the development of alternative livelihoods

The identified challenges relating to the development of alternative livelihoods include:

- High expectations from the targeted groups
- Size of the target communities targeted in this project
- The need to decrease the large income gap that is generated by the current status quo.
- The need for communities to alter their mindset and to be open to the possibilities of change.

Opportunities for the Growth and Development of the MCDP

Despite the challenges identified above there are clear opportunities for the growth and development of the MCDP:

- Being a multiphase project, its continuation will rely heavily on the successful conduct of the initial stages i.e. training, sensitization and awareness campaigns
- The identification of a number of potential workstreams (environmental, health, education, micro-finance etc) means that there is the opportunity for a broad range of NGOs, civil society organizations, government agencies and international organizations to become partners in the project.
- A variety of projects (both local and international) have been identified that can mutually reinforce and support the MCDP.
- Across the range of stakeholders consulted, the majority had a very similar perception of the potential socio-economic benefits that could be brought to fruition by the MCDP.

An Analytical Framework

The Millennium Development Goals (MDGs)

In Tanzania, the Millennium Development Goals (MDGs) have been translated and refined as a National Strategy for Growth and Reduction of Poverty (NSGRP). The NSGRP is a national organizing framework for ensuring that poverty reduction remains high on the country's development agenda. The NSGRP keeps in focus the aspirations of Tanzania's Development Vision (Vision 2025) for high and shared growth, high quality livelihoods, peace, stability and unity, good governance, high quality education and international competitiveness (URT, 2005).

Tanzania is committed to the Millennium Development Goals as internationally agreed targets for reducing poverty, hunger, disease, illiteracy, environmental degradation and discrimination against women by 2015. It will also strive to widen the space for the effective participation of civil society, private sector development and fruitful local and external partnerships, as well as demonstrating its commitment to regional and international initiatives for social and economic development.

Partners Involved in the MCDP

There are many non-state actors in this project, but the focus must be on the household and private sector.

Community-based and civil society organizations are key actors in poverty reduction processes and activities. Their envisaged roles and responsibilities with respect to the MCDP will be:

- to build local capacity and to empower households, families and private sector firms,
- to participate in monitoring and evaluation at the macro level,
- to mobilize and enhance community participation as well as community resources for poverty reduction,
- to advocate for accountability,
- to work closely with other partners to ensure that cross-cutting issues (e.g. environment, gender, child labour) are incorporated and addressed

The private sector as an engine for economic growth and poverty reduction

It is widely accepted that the private sector has an important role to play in achieving poverty reduction as a result of its central role as the engine for economic growth. However, most poor Tanzanians are in the micro, small and medium scale (MSME) private sector. The MSMEs in Tanzania cover farm and non-farm economic activities (mainly manufacturing, agricultural, mining, commerce and social services).

These contribute significantly to employment creation, income generation and stimulation of growth in both urban and rural areas. In the management of the MCDP project micro-scale enterprise is considered to be an independent business undertaking where operational and administrative management are in the hands of one or two persons/families, usually the owners/ managers, who are also responsible for making the major development decisions of the enterprise.

There are many complex problems and limitations. However, these are part of project management and implementation challenges

It is generally understood that many MSMEs are confronted with specific problems including:

- the high cost of doing business and compliance resulting from their size,
- insufficient working premises,
- limited access to finance,
- business development services (related to entrepreneurship, training, marketing, technology development and information) are underdeveloped and not readily available.

Our consultations with various stakeholders in this project suggest that these constraints on developing a sustainable private sector are widely acknowledged. The country has in place relevant policies, laws, regulatory and institutional frameworks for addressing them. However, the key challenge is to move from an understanding of the constraints towards putting together specific, project packages. The focus must shift from determining “what” the constraints are to “how” and “by whom” they are to be lifted. Here we have to design and implement project-specific activities, lines of actions and administrative steps that can alleviate these constraints and help create the capacity that is vital to the development of the private sector, employment and income generation economies.

Strategic project management options

This project assumes that the government will continue to promote reform that removes barriers to growth. The MCDP project will support cooperation and partnerships between public and private players to enhance access to such key factors as finance, education and skills transfer and basic services. The project will spearhead the development of commercially sustainable business models that can be scaled up and replicated.

The need to opt for strategic large, medium and small scale firm linkages

The MCDP project envisages a range of methods for supporting the local private sector. It is intending to develop linkages with large domestic companies whilst nurturing smaller domestic companies. Linkages between different types of firms provide an effective channel for local companies to gain access to markets, finance, skills and knowledge.

The project will investigate how to encourage greater integration between local small and medium size enterprises and how to strengthen links between local micro-enterprises in Mwadui and larger companies based in Dar es Salaam, Mwanza and Shinyanga.

Strategic private-public and civil society partnerships

The project will develop new partnerships and relationships in order to achieve common objectives. Numerous civil society organizations have been consulted and are prepared to become involved in direct partnerships with the private sector in order to combine the latter's management skills and financial capacity with their own knowledge and contacts at the 'bottom of the pyramid'. This kind collaboration between the private sector and civil society organization is of a kind that can build micro credit programmes on a commercial and sustainable basis. Our consultations suggest SACCOS, micro-finance institutions and civil society organizations are closest to the bottom of the pyramid.

Project Implementation Arrangements

It is envisaged that the implementation phase of the MCDP project will be launched in 2007 and will last 3-5 years. The key tasks to be undertaken will be:

- Approval of the MCDP Strategic Action Plan by the Government
- Establishment and appointment of the MCDP Project Implementation Unit
- Securing funds from local and international sources.
- Consensus-building with local communities
- Mediation of potential conflicts
- Implementation of individual project components in collaboration with NGOs and government agencies
- Review process and the adoption of corrective actions.

MCDP Steering Committee

Implementation arrangements for the MCDP project will be finalised once the report of the diagnostic phase has been completed and the project team has made its recommendations. The most appropriate institutional organization will then be decided upon through discussion between the current partners and other partners that will be included.

An MCDP Steering Committee will be established to oversee the MCDP project. It will be the responsibility of the Committee, in collaboration with the Ministry of Energy & Minerals, to endorse, monitor and evaluate all stages of the MCDP. The Steering Committee will need to be inclusive in its membership and representative of all elements of the Partnership.

MCDP Technical Working Group

While the Steering Committee will give general guidance, there will be a need for a strong MCDP Technical Working Group.

MCDP Project Management Unit (PMU)

An MCDP Project Management Unit will be established and located within the project office at Mwadui. The Unit will take on significant management, coordination and implementation challenges. By working closely with key Government ministries, departments and agencies, the PMU will endeavour to encourage the adoption of good corporate management principles and practices (Semboja, 2006).

The Project Management Unit will have three major areas of activity:

- To identify projects and proposals that will benefit from implementation scrutiny.
- To review initiatives that are underway (and to take corrective action, as and when required)
- To identify and support best practice in sector-specific project implementation.

Implementation Plan

The MCDP Implementation Plan will be an overall and detailed project management tool for a specific policy measure or package of measures, designed to assist implementing agencies to manage and monitor implementation effectively.

The Implementation Plan will contain legally non-binding principles and standards which participating NGOs and government agencies will voluntarily commit to implement in a coordinated and comprehensive manner.

Project financing

Initial financing mode

De Beers has provided the initial seed funding for planning and preparation (diagnostic) phases and will be supportive of the next phase of funding development. Part of the diagnosis work includes determining a financial framework for the implementation phase.

Projected Financial Requirements are complex

It is vital that moving forward adequate financial resources are allocated to capacity building efforts, infrastructure and private sector supporting entities. A critical consideration will be the extent of support that is secured from local and international development partners.

Project management will need to take into consideration the plans and budgets of both the Shinyanga region and Kishapu district. The financing strategy for MCDP assumes that both central and local government authorities will play a critical role in the implementation of the strategy to stimulate the participation of the private sector.

Monitoring & Evaluation System

In order for the MCDP to be effective, alive and dynamic its implementation strategies and plans will be subjected to regular and continuous monitoring and evaluation by all implementing stakeholders.

The MCDP will establish a participatory Monitoring & Evaluation System for the implementation and evaluation of the progress of the project. The System will be guided by the overarching principles of the Millennium Development Goals and the National Strategy for Growth & the Reduction of Poverty and will be based on the lessons gained

through the experience of other private-public partnership development projects and activities.

The MCDP Monitoring & Evaluation System will be established with the following general policy objectives:

- To facilitate an ongoing review of the MCDP's implementation and performance, both at the input and output/ impact levels, using quantitative and qualitative indicators.
- To provide feedback on district and national systems/ developments that will enable the development of the MCDP's management and implementation. This will provide a basis for good governance and corrective actions to improve the MCDP's performance.
- To provide comprehensive monitoring reports to inform the MCDP decision-making process.

Project Results

The MCDP project is still in its diagnostic phase. However, the main expected deliverables from its envisaged specific projects are closely aligned to those articulated in the NSGRP (URT, 2005). The MCDP projects will seek to promote sustainable and broad-based growth and to improve the communities' quality of life and social well-being.

Promoting sustainable and broad-based growth

The MCDP's envisaged activities in relation to small-scale and artisanal mining and the development of alternative livelihoods fall under Cluster 1 of the NSGRP. The goal of both sets of activities is to achieve sustainable and broad-based growth.

Improvement of quality of life and social well-being

The MCDP's envisaged projects in terms of accessibility to social services and the transformation of Mwadui from a mining township to an open township fall under the Cluster II of NSGRP. The goal of these activities is to improve the quality of life and social well-being.

Conclusion

The Mwadui Community Diamond Partnership project aims to have a significant effect on the alleviation of poverty and the acceleration of sustainable social-economic development in local communities surrounding the Williamson Diamond Mine in Mwadui through a multi-stakeholder partnership.

The project and its objectives have attracted the interest and attention of many within the public and private sector, local and international organizations, as well as the local community in the Mwadui area. However, the objectives are understandably questioned mainly by the mindset of the people from the local community, including local diamond diggers, concerned by how the project will work in reality.

The public-private partnership approach where the private sector is leading requires a clear regulatory framework i.e., legal establishment/ framework to legally identify local miners, and a legal framework for public-private partnership or institution framework set-up, which can be used as a base line and guide for the sustainability of the partnership.

The project is feasible since it is a multi-phase project, where its continuation relies on the evaluation of the diagnostic phase. The need for ongoing diagnostic work of identifying potential areas and suitable areas for forestation projects, health services, education, small businesses etc will help other partners like NGOs, CSOs and other international organizations to join and support various projects undertaken by the partnership project.

The community should be able to identify and see the positive changes to believe in the sustainability of the project. The MCDP should capitalize on its participatory approach as the National Strategy for Growth and the Reduction of Poverty and other national, regional and international efforts are also geared towards alleviating poverty.

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