



Building International and Regional Consensus

Policy Dialogue Report No. 16:

Workshop on the Kimberley Process

27 June 2013, Burger's Park Hotel, Pretoria

SPEAKERS & FACILITATORS:

First Session:

Chair: Ms Isabella Matambandzo, Zimbabwean feminist & SALO Reference Group Member

Mr Levy Rapoo, CEO, South African Diamond and Precious Metals Regulator (SADMPR)

Ambassador Nhlapo, Chair of the Kimberley Process

Second Session:

Chair: Ms Rebone Tau, Head International Relations ANCYL & Programme Advisor SALO

Dr Martin Rupiya, Executive Director, African Public Policy & Research Institute (APPRI)

Richard Smith, Action Support Centre Steering Committee and SALO Board Member

CLOSING REMARKS: Showers Mawowa, Post Doctoral fellow UKZN and SALO Researcher

Introduction

In line with its overarching objective of contributing to conflict resolution and sustainable peace through consensus building dialogue, SALO is supporting South Africa's 2013 chair of the Kimberley Process (KP). After ten years of existence, the KP is reflecting on progress achieved so far, challenges

faced and prospects for the future. The KP has successfully reduced trade in conflict diamonds from 15% of global trade to a fraction of a percentage. It has managed to bring together governments, industry and civil society towards a common cause. This notwithstanding, there is an important discussion about the need to reform the initiative and make it more effective. The workshop looked at the KP's current status and its utility in dealing with resource conflicts in Africa. It also looked at the different aspects of conflicts in Africa, the impact of these on the mining communities and whether or not the KP adequately responds to these and other questions about the role of minerals in Africa's development. This was an important opportunity to interface between the KP, diplomats, citizens group and CSOs. Below is a summary of presentations and discussions during the workshop.

First Session

Chair: Ms Isabella Matambandzo, Zimbabwean feminist & SALO Reference Group Member

Mr Levy Rapoo, CEO, South African Diamond and Precious Metals Regulator (SADMPR)

Mr Rapoo gave a brief history of the KP, its objectives, structure, operational modalities, successes and challenges. He described the KP as a tripartite alliance of Participating Countries, NGO's/Civil Society and the Diamond Industry. Diamond funded conflicts in DRC, Angola, Sierra Leone and Liberia among others led to calls of a consumer boycott and in response to this economic threat, Southern African diamond producers led by SA convened meetings to find a way of isolating conflict diamonds from entering legitimate markets. These efforts, supported by a UN General Assembly Resolution No 55/56 of 2000, led to the establishment of the Kimberley Process Certification Scheme (KPCS) in 2003.

Participating countries are required to have laws or regulations to enforce the Certification Scheme. The KP structure is composed of a Chair elected by the plenary for one year, deputy chair and working groups and committees for specific functions. He noted that mining of diamonds often negatively impacts on women and children. He differentiated between human rights abuses in general and those specifically caused by or linked to diamond extraction and trade. His presentation included slides showing valid and invalid KPCS Certificates, pointing out duplicate serial numbers and questionable countries of origin and destination.

He concluded by pointing out KP's successes including reducing trade in conflict diamonds.

Ambassador Nhlapo, Chair of the Kimberley Process

The presentation built upon the previous speaker, clarifying some misconceptions about the KP and responding to topical issues around the KP reform agenda. The ambassador acknowledged the role of both state and non-state actors within the KP. He pointed out that 10 years on, it was necessary for the KP to reflect: “is KP having the intended impact and carrying out its mandate?” Challenges faced by KP members are varied and based on the unique developmental challenges of different member states. He observed that different countries have different levels of capacity hence those with more capacity need to help capacitate others. Also different players in industry have different interests and challenges. Civil Society is heterogeneous, and that this needs to be taken into account when attempting to understand the debates around the validity of the KP. This notwithstanding, the “... success of the KP has been its ability to create a semblance of uniformity amongst diamond-interested stakeholders”.

On reform, he highlighted the pros and cons of the consensus model for decision making in the KP and the difficulty of accommodating everybody. Consultation on this issue is ongoing so as to ensure that all the parties are happy with the decision and can defend and articulate it. Another issue for serious debate has been on the current definition of ‘Conflict diamonds’. Some say it is too limited while others say it is sufficient and captures the mandate of the KP. Is it necessary to separate the definition from the mandate?

“The limitations of the KP must be appreciated, in that the KP cannot be expected to tackle issues such as Human rights when global multilateral efforts for Human Rights already exist. Therefore collaboration between the KP and existing efforts should be sought...The KP can work with these institutions and give them support (e.g. draw UNHCR attention to human rights violations) but must not take on this terrain. The decision at the Review therefore was to separate the definition from the mandate and include excessive violence and human rights violations”.

The KP is currently engaging on future plans and strengthening the technical operation of the KP e.g. the capacity to establish scientifically the source of any diamond.

He also spoke on the Central African Republic suspension, noting that re-admission to the KP is pending a review mission to the CAR. This is important to allow CAR to recover, rebuild and put conflict behind it. On the Democratic Republic of Congo: the DRC is currently not directly on the KP agenda.

Q&A to the First Session

The chair thanked the speakers, noting that it would be interesting to get the point of views of the communities in diamond producing areas considering the reported negative impacts of diamond extraction in their lives.

Dr Ola Bello

Suggested bringing more countries into the KP, maybe as associate members. Would this help?

Khululekani Magubane ('Business Day')

In terms of conflict resolution, how does the KP reconcile legitimate governments?

Richard Smith

For Mr Rappo: Do other African countries have such regulators as the South African Diamond and Precious Metal Regulator (SADPMR) and is South Africa doing anything to capacitate countries that do not have?

Lushego [Second name not captured]

Does South Africa get paid to do investigations such as the diamonds stolen in Brussels? Are there people from the diamond zones who are trained to identify their own gems?

RESPONSES**Ambassador Nhlapo**

The Working Group on Artisanal Alluvial Producers (WGAAP) is working with the UN in looking at risk and impact of artisanal mining in relation to Children and Women as per the Washington Declaration. Workshops have also been held to look into the matter.

Regarding associate membership: people who want to contribute to the KP reform from outside are welcome, but the KP is comfortable with the current structures and process. The question would depend on how the participants view it.

Regarding legitimate governments: the KP recognises legitimate governments as per the AU and the UN.

On supporting other African countries SA is looking at supporting the development of institutional capacity. "The South African government does not get paid, it's a matter of solidarity and also own interest ..." In the Belgium issue, it was the KP that was involved not the South African government

Mr Rapoo

The KP works on the notion that countries have different capacities and institutional strengths and has a principle that countries with capacity assist in the development and capacity building of others. He stated that South Africa offers a lot of assistance, technical and institutional. For example he (Mr Rapoo) and the KP Chair have a program by which they visit various states and respond to invitations from countries supporting dialogue and putting mechanisms in place to address citizen concerns, e.g. "...in Zimbabwe the mining companies have moved the communities from around Marange and built them houses which they wouldn't even have dreamt of having".

SESSION 2:

Chair: Ms Rebone Tau, Head International Relations ANCYL & Programme Advisor SALO

Dr Martin Rupiya, Executive Director, African Public Policy & Research Institute (APPRI)

Presentation was broad in scope, looking at the KP as a management platform and how it can be emulated for other minerals. He observed that the market for minerals (including diamonds), is not on the African continent. He emphasised the importance of correct policy frameworks in managing Africa's mineral resources if the continent is to benefit from the current minerals bonanza. Minerals are finite plus the global context is changing and the high minerals demand will not continue forever. The fracking industry is a potential threat for African mineral based economies.

"Given the resource endowment of the African Continent, the continent does not need aid. What is needed is effective resource management which will be harnessed for the developmental needs of continent".

Lack of capital hinders Africa's ability to extract its own resources, e.g, Namibia is unable to tap into the newly discovered water and Mozambique's natural gas remains unexploited. Attention must also be paid to agriculture, skills, technology, capacity building, entrepreneurship development and reducing youth unemployment in Africa. He concluded by underscoring the need for conversations on how to ensure that the African natural resources can contribute to prosperity and stability in Africa. There is need for a partnership between state and civil society to manage natural resources. Can lessons from the KP inform a model this partnership may take?

Richard Smith: Action Support Centre Steering Committee and SALO Board Member

Mr Smith's presentation highlighted the geo-political dimensions of conflicts in Africa and proposed an integrated response. He observed that while natural resources contribute to conflicts on the African Continent, the detrimental impact that geopolitical interests and the balance of power have had on the exploitation of mineral resources on the African continent should not be overlooked. This has resulted in negative attitudes towards the continent when it comes to the exploitation of resources in Africa.

There is a need for integrated systems, structures and institutions to change the way natural resources are exploited. He said the KP cannot be separated from the broader institutional infrastructure for efficient resource management – at UN, AU etc. He identified three pillars for the effective management of the continent's resources to benefit the poor namely:

1. Dealing with or containing violence and conflict and creating proactive strategies as well as efficient regulatory arrangements;
2. The setting of minimal standards as well as greater cooperation/dialogue both bilateral and multilateral; and
3. Ensuring compliance for stakeholders including the European Union and keeping them accountable.

He said weak and opportunistic governments are also part of the problem. There is need to take into account the historical context – the needs of people who are displaced, denied and exploited must be respected. Going forward, there is need to establish and sustain a tripartite cooperative partnership between government, civil society & the corporate sector; and isolate and marginalise rogue companies and their backers.

In conclusion, he proposed a more in- depth workshop on how processes around resource governance work. What is needed is sound leadership for where it is that we are trying to go in terms of harnessing resources for development.

Q&A to the Second Session

Tawanda Sachikonye

1. How does the political strategy feed into the natural resource agenda? What about state and minerals: people, the state and land? Nationalisation ? How can the Public Private Partnerships be used such that the government has a stake in the natural resources?
2. What is your view on the Sovereign Wealth Fund (SWF)?
3. How can the government support or investment be intensified? What options are available to African governments; and what of their impact on foreign investment?

Karabo (surname not captured)

Research is time-consuming: by the time one is ready to act on these matters certain forces are already jockeying to line their own pockets. Comment on this.

Third questioner

Which common approach can be used to resolve the political wars of economy? Can Africans do this for themselves?

Reneva Fourie

What is the role of communities in terms of ownership in the spill off at policy level (in terms of decentralisation) and ensuring peace and stability and thus benefiting thereby?

RESPONSES

Dr Martin Rupiya

Sovereign Wealth Funds have been done well elsewhere (Norway took lesson from Iraq); it is therefore a possible political economy if we're looking at it broadly to ensure that other sectors are not marginalised in order to ensure sustainable balance of the economy. SWF raises issues of public policy and trust (Angola has set up the SWF which is managed by the president's son).

Richard Smith

Noted that SALO needs to have an in-depth workshop discussing these issues. He argued that the drive for foreign direct investment has caused a lot of the problems. Government have entered into ludicrous contracts. In future these agreements need to be looked at to ensure community development, and old contracts need to be revisited to see if there are areas that can still be rectified. Policy formulation and implementation can sometimes be hindered by limited capacity and lack of political will. There is need for leadership that has a vision for common purpose and it can be from civil society, government and even communities.

Closing Remarks:

Showers Mawowa, Post Doctoral fellow UKZN and SALO Researcher

Showers briefly summarised the inputs and discussion of both sessions. He also added that it could be useful if resource depletion was also incorporated into GDP calculations. The African Continent needs to move away from resource dependence to other value-adding industries. From this he drew out the over-riding question – *What is the African Agenda in all this that we have discussed?* - and made the point that in KP the African voice must be heard.

The analysis and recommendations included in this Policy Dialogue Report do not necessarily reflect the view of SALO or any of the donors or conference participants, but rather draw upon the major strands of discussion put forward at the event. Participants neither reviewed nor approved this document. The contents of the report are the sole responsibility of SALO, and can under no circumstances be regarded as reflecting the position of the donors who provided financial assistance for this policy dialogue session.

About the Southern African Liaison Office:



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