

# Countries should reap benefits of mineral resources

PRETORIA: Countries should reap the benefits from their natural resources, Mineral Resources Minister Susan Shabangu said on Thursday, 21 November 2013.



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"As we move forward, it is imperative that producing nations begin to reap real benefits from the natural resources in their land. Development and prosperity are critical for those nations, as they work hard to sustain the peace and stability they have achieved so far," said Shabangu.

The minister was addressing a TNA Breakfast Briefing on the Kimberly Process (KP) which is celebrating its 10th year of its existence.

Established in 2003 by the UN General Assembly, the Kimberley Process Certification Scheme (KPCS) is the process to prevent conflict diamonds from entering the mainstream rough diamond market.

The process was set up to ensure that diamond purchases were not financing violence by rebel movements and their allies seeking to undermine legitimate governments.

Currently South Africa is hosting the KPCS Plenary in Johannesburg.

KPCS brings together 54 participants, representing 81 countries - with the European Union and its Member States counting as a single participant. KP members account for approximately 99.8% of the global production of rough diamonds.

The 10-year milestone, said Shabangu, is a significant achievement for the process.

Under the theme, "Stemming the flow of conflict diamonds," the KP has had successes in the last decade in countries like Sierra Leone, which had experienced tumultuous times as a result of fighting that was mainly fuelled by blood diamonds.

"This work has resulted in 99.8% of all diamonds in the value chain being free of conflict. There is now greater stability in some countries that have suffered from conflicts fuelled and funded in part by diamonds," she said.

However, "fragile situations" still prevail, she noted.

Shabangu expressed her satisfaction that the principles of the Kimberly Process have largely been met in the last decade.

"I'm satisfied that the objectives of the principles of the Kimberly Process largely have [been] met in many countries but also what KP has done [is that] it has created an environment where we can today [see] countries like Sierra Leone and Liberia [as] democratic countries without further conflicts."

## **KP able to trace diamonds**

Additionally KP has made progress in that it is now possible to trace diamonds.

"Now we are able to trace through the certification process of the KP in identifying where the diamonds come from, but properly regulated and managed in various countries," she added.

Chairperson of the KPCS Welile Nhlapo said that data of diamonds is captured to make sure that each diamond is legal and can be traced.

The KP also has mechanisms in place to deal with governments that are not compliant with the process.

"There have been processes to make sure that every country that produces diamonds does comply," she said, adding that KP is complimentary to what member governments have already done in ensuring "clean" diamonds.

Among some of the mechanisms in place to ensure compliance with KP is sanctions, said World Diamond Council President Avi Paz.

South Africa will hand over Chairship to current Vice-Chair, China, who will take over the reins next year.

## **SA mining industry**

South Africa is currently the chair of KP. Shabangu said that she was encouraged by the strides made in the South African mining industry.

"As we celebrate 20 years of democracy in 2014 we are encouraged by the strides made in our mining industry on issues of transformation, contribution to GDP and job creation," she said, adding that she is cognisant of the fact that much more needs to be done.