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## **The Kimberley Process Certification Scheme in Cameroon: What Challenges and Impact to Date?**



## BRIEFING NOTE

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The opinions expressed in this Briefing Note are those of RELUFA and do not in any way reflect the policy or official position of the European Union that contributed to financing the RELUFA national project.

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## INTRODUCTION

This Briefing note examines the progress made to date and the challenges faced by the Kimberley Process Certification Scheme (KPCS) 11 years after Cameroon became a participant country in this international diamond certification scheme. The KPCS, created in 2003 by UN General Assembly Resolution 55/56, responded to the public outcry that emerged in the 1990s about rough diamond-fuelled conflicts in some African countries, notably Angola, Liberia, and Sierra Leone. The KP currently has 59 participants, representing 85 countries, with the European Union and its 27 Member States, represented by the European Commission, counting as a single participant.

In 2023, RELUFA engaged in a national project to empower local communities in the diamond mining areas, maximize community awareness of the KPCS, and amplify community voices affected by diamond mining. This endeavour is part of the general advocacy campaign conducted in various diamond-producing countries by members of the Kimberley Process Civil Society Coalition (KP-CSC) [i]. The implementation of the Kimberley Process Certification Scheme at national, regional, and international levels is, therefore, the principal arena where the KP-CSC wants the voices of diamond-affected communities to be amplified. The KP-CSC has been trying to achieve such outcomes at all levels, so it is timely to assess the KPCS implementation in Cameroon to determine the challenges and progress made to date.

For nearly a decade, RELUFA has been conducting independent monitoring of the KPCS implementation in Cameroon. The mandate of the KPCS is to ensure the origin, traceability, and certification of local diamond production to stem “conflict diamonds” from formal trade circuits. Conflict diamonds, according to the Kimberley Process, are narrowly defined as “rough diamonds used by rebel movements or their allies to finance armed conflicts aimed at undermining legitimate governments”. [ii] African countries with KP CSC members are Cameroon, Central African Republic, Democratic Republic of Congo, Liberia, Sierra Leone, Cote D’Ivoire, Guinea, Zimbabwe, Lesotho, and

Botswana. A non-African Coalition member is based in Belgium.

[ii] <https://www.kimberleyprocess.com/en/kpcs-core-document>

Consequently, ascertaining the origin of local diamond production and its certification is the mission of the KPCS in Cameroon. This Briefing Note examines the challenges and progress of the Kimberley Process Certification Scheme for rough diamonds in Cameroon.



## 1. BACKGROUND

Although a marginal diamond-producing country, Cameroon became a participant in the Kimberley Process Certification Scheme in 2012. Its average annual diamond production reported by the Kimberley Process Office in Yaoundé for 2022 was 2.431.16 carats. Diamond mining in the country is essentially alluvial and artisanal, and the most significant difficulty faced by the Kimberley Process implementing structure in Cameroon is channeling all possible national diamond production through formal circuits.

Cameroon remains a crucial player despite being a marginal diamond producer associated with the challenges of controlling national diamond or mineral production. It attracts a lot of attention within the Kimberley Process. Its proximity to the Central African Republic (CAR), which shares a 901 km (560 miles) long border, makes it a possible transit country for diamonds produced in CAR. Unlike Cameroon, CAR is a major diamond-producing country with a production of 118.044,09 carats declared for 2022. However, CAR has been under scrutiny for several years by the Kimberley process due to security concerns related to its diamond production. In 2013, following a coup d'état that plunged the country into a protracted civil war, the government imposed a Kimberley Process embargo on its diamond exports, with reports of rebel groups financing their activities through control over diamond mining and trade. The ban has only been partially lifted, allowing for diamond exports from some KP-approved green or compliant zones, including Boda, Carnot, and Nola prefectures. Other newer challenges related to mercenary groups operating in the country have also emerged. Under this context, implementing the KPCS Cameroon, which is perceived by some within the KP as a transit zone for diamonds from CAR, is a daunting task because it further adds a layer to the existing national complications to the sane implementation of the KPCS in Cameroon. Assessing the KPCS implementation in Cameroon to establish progress to date and the key challenges is very relevant.

## 2. SUB-REGIONAL POLITICAL AND SOCIO-ECONOMIC CONTEXT.

The political situation in Cameroon and other countries of the Central African subregion is fragile. Security challenges persist in most countries, with public institutions generally characterized by poor governance and corruption. Economically, the sub-region countries are richly endowed with oil and mineral resources, including diamonds. The exploitation of these resources regularly constitutes the primary source of public revenue, alongside exports of other raw materials like timber. Paradoxically, most countries face poverty and increasing external debt. [i] Artisanal diamond miners who are equally involved with women and children lack primary health care and other social services for a decent life.

Meanwhile, their activity exposes them to significant physical risks that their erratic income cannot handle. Semi-industrial mining companies are leaving environmental damage, including deforestation and river pollution that unfit the rivers for human consumption while also affecting local fishing. Amidst all these problems, two fundamental questions that have guided our analysis in this Briefing are: What are the challenges facing the KPCS implementation, and what progress has the KPCS in Cameroon made to date? [i] N’kodia, C. (1999), *L’intégration économique : les enjeux pour l’Afrique centrale*, Paris/Montréal, L’Harmattan-Logiques économiques.

### 3. THE KIMBERLEY PROCESS CERTIFICATION SCHEME IN CAMEROON: CHALLENGES AND IMPACT

#### A. Challenges faced by the KPCS in Cameroon?

To commercialize its diamonds, Cameroon, as a diamond-producing country, had yet to join the Kimberley Process Certification Scheme. Diamond trade can now only occur among KP participant countries since the inception of the KPCS in 2003. In Cameroon, the adoption of Decree No. 2011/3666/PM of November 2, 2011, on the Creation, Organization, and Functioning of the Kimberley Process Certification Scheme consecrated the KPCS implementation in the country with the National Permanent Secretariat of the Kimberley Process (NPSKP) which headed by the National Permanent Secretary (NPS) as the certification structure. The National Permanent Secretary ensures the daily management of the KPCS in Cameroon, with over 100 staff working to accomplish its mission, as presented in the 2023 NPS-KP performance project report. To ensure the NPS-KP functioning and investments, financial resources are made available by the Ministry of Finance (MINFI), Ministry of Economy and Planning (MINEPAT), Ministry of Mines and Technological Development (MINMIDT), and NPS-KP own funds generated from the issuance of KP certificates for diamond exports. This government attention given to the KPCS, and other mineral governance initiatives lies in the fact that mining has been touted as one of the essential pillars of the country's National Development Strategy 2020-2030, making improved governance and presence in mining governance-related processes a prerequisite. We can, therefore, argue that one of the rationales for Cameroon's participation in the KP lies in the fact that no diamond-producing country can sell its diamonds in the international market without belonging to the KPCS and the avenue for global presence and cooperation that the KP provides.

The porous nature of Cameroon's long and extensive border with CAR and other neighbouring countries is a handicap to the traceability of national diamond production. Under these conditions, underground activities of artisanal miners and traffickers who supply informal



marketing channels with diamonds obtained in the different mining sites dispersed in the East Region of Cameroon hinder the capture of all local diamond production. These underground trade chains are often well-established and complex to understand and break. Such a situation is further compounded by the need for proper registration of local artisanal miners, which has made the diamond mining sector in Cameroon largely informal. There are, however, efforts by the NPS-KP to register all the artisanal miners. Still, the expected results have yet to follow, further undermining the capacity of the NPS-KP to channel all local production to official circuits. The dispersed nature of the mine sites equally makes compliance with internal control mechanisms complex. Most of the mine sites are in remote locations, requiring regular and appropriate means of transportation to be able to reach there.

Complete legalization of all artisanal mining operations  
Systematic and total recording of all transactions from mining to marketing  
Various financial means and equipment.

For some time, high diamond export taxes contributed to some diamond exporting agents going underground. But Cameroon, in its 2023 Finance Law, reduced the diamond export duties by 50% by bringing down from 10% to 5% of the Free On-Board export duties for diamonds. This may be an incentive that brings back some of the underground transactions to the official circuits since official exports slumped despite continuing diamond production. But considering the assumption that all diamonds must have a KP certificate before entering the market, one question remains: How do these agents export their diamonds without passing through the NPS-KP?

Another challenge is the need for diamond purchasing offices near the mining sites. After finding diamonds, artisanal miners must look for possible convenient places to sell their diamonds locally in the black market. From the preceding, it can be argued that there is insufficient control of the production and circulation of diamonds in Cameroon.

## Colossal financing, yet insufficient resources?

Financial resources provided by the government for running the NPS-KP in Cameroon far exceed the funds Cameroon is generating from its diamond mining and trade. Yet more resources are requested by the NPS-KP to accomplish its mission.

Below, the budget forecasts and resources provided for 3 consecutive years give an overview of the funds engaged.



**Tableau 1 Prévisions de recettes et recettes recouvrées de 2020 à 2022 par le SNPPK (FCAF)**

Type de recettes	2020			2021			2022		
	Prévisions	recouvrées	Taux de recouvrement	Prévisions	recouvrées	Taux de recouvrement	Prévisions	recouvrées	Taux de recouvrement
Fonctionnement	1 065 334 688	595 579 619	55,91 %	750 000 000	674 448 901	89,82 %	863 865 400	862 693 920	99,86 %
Investissement	854 900 000	228 400 000	26,72 %	630 400 000	230 450 000	36,55 %	254 003 300	1 965 00	0,77 %
TOTAL	1 920 234 688	823 979 619	42,91 %	1 380 400 000	904 898 901	65,55 %	1 117 868 700	864 658 920	77,34 %

SOURCE : projet de performances 2023 SNPPK page 24 sur 72

The NPSKP is a resource-consuming organ when we consider the revenue generated by Cameroon from its diamond trade. The rationale for Cameroon joining the KPCS is economic and political since the finances used for its implementation cannot be explained from any financial perspective.

## **B. IMPACT OF THE KPCS IN CAMEROON**

As highlighted earlier, Cameroon joined the KPCS as a necessity to have an outlet for its diamonds, even though it is not necessarily a big player in diamond production. One of the impacts of the KPCS in Cameroon is the slight improvement in the follow-up of its artisanal mining and the traceability of rough diamonds due to the operations of the National Permanent Secretary of the Kimberly Process. This has contributed to some limited control of the diamond trade in Cameroon by bringing part of the diamond production into the official circuit, which was different. Some expertise in the valuation of rough diamonds destined to export has been gained through various trainings, thus increasing qualified local human resources in the local diamond sector.

Guaranteeing the traceability of the diamonds produced in mining sites for certification is the core mission of the KPCS. This, however, continues to be a daunting task for the NPS-KP in Cameroon due to the challenges of access to the mine sites outlined earlier. The NPS-KP dispatches local focal points to the mine sites spread around the East Region of Cameroon to ensure the registration of local production by the artisanal miners. However, the limited number of staff members available for this assignment makes it cumbersome for them to cover all the mine sites that are so dispersed appropriately. This makes their coverage of the mine sites and capture of the actual production difficult. Although the field staff of the NPS-KP have been accorded motorbikes to facilitate movement to the mine sites, this is still difficult and insufficient because of the complex access number of mine sites dispersed everywhere.

Artisanal miners operating in mining fields in Cameroon sometimes conceal their diamond finds and cross the Bombe River into the

Central African Republic for their sale. Several KP-related reports about Cameroon mainly focus on being a transit country for CAR diamonds; meanwhile, cross-border movement facilitated by historical and cultural ties between people at the border of both countries conceal a lot of underground cross-border trade. Despite the NPS-KP efforts to promote traceability, the situation remains challenging.

In all, establishing a traceability procedure for rough diamonds from production to export in Cameroon exists because of the KPCS that preceded several sensitization meetings in various locations and mine sites in the East Region of Cameroon.

### **C. CONCLUSIONS & RECOMMENDATIONS**

The NPS-KP implements the KPCS in Cameroon, but the impacts of its activities in channeling all local diamond production through the official circuit still need to be discovered. Diamond Production data in Cameroon remains challenging due to the many abovementioned difficulties. The contribution of the KPCS to revenue from diamond production seems minimal, with a mismatch between its expenses and the revenue generated from the sector. The results are mitigated despite the colossal financial resources used to implement the KPCS in Cameroon. But Cameroon's presence in the KP might be essential in controlling conflict diamond exports from CAR, which can facilitate peace and security in that country. That is why more collaboration between all the countries within the sub-region is necessary, and this presupposes introducing a strategic collaboration framework like the regional cooperation in West Africa. But for this to happen, enhanced internal controls are required. The absence of diamond purchasing offices in the mining sites does not improve the disposal of diamonds by artisanal miners through official circuits. Equally, the lack of purchasing houses and artisanal miners in the national platform to implement the KP is a weakness, as one pillar of the KP is completely missing at the national level in Cameroon. But some hope can be imagined with the newly created public company SONAMINE, which has been mandated to purchase gold and diamonds produced within the country.

- **Recommendations for government**

- Introduce local civil society, local community representatives, Diamond purchasing offices, and companies to the KPCS implementation committee in Cameroon.

- Support sub-regional cooperation in implementing the KP in the central African sub-region.

- **Recommendations for civil society organizations**

- Strengthen capacities and initiate more CSOs to monitor diamond and mineral exploitation in Cameroon

- Connect and integrate CSOs from other countries in the sub-region into a familiar dynamic for regional cooperation.

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