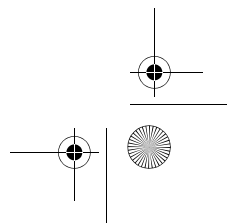
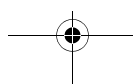
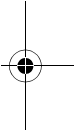
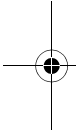


**A FARMER'S BEST FRIEND?
ARTISANAL DIAMOND MINING AND RURAL CHANGE
IN WEST AND CENTRAL AFRICA**



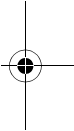
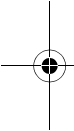


A FARMER'S BEST FRIEND?

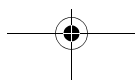
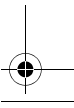
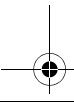
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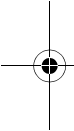
Editors

STEVEN VAN BOCKSTAEL & KOEN VLASSENROOT

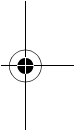


ACADEMIA PRESS





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Eekhout 2
9000 Gent
Tel. 09/233 80 88 Fax 09/233 14 09
Info@academiapress.be www.academiapress.be



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ISBN 978 90 382 ##### #
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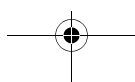


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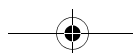
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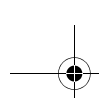


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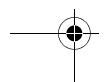
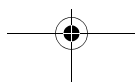
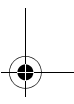
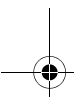
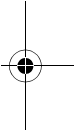
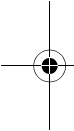
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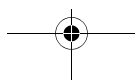
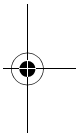
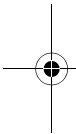
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INTRODUCTION

Steven VAN BOCKSTAEL & Koen VLASSENROOT

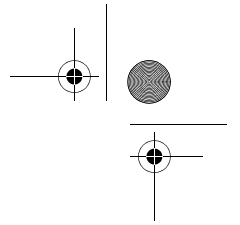
In November 2008, the Egmont Institute published the results of a research project on artisanal diamond mining and the challenges this activity presents for the Kimberley Process, the global initiative launched in 2000 to counter the smuggling of 'conflict diamonds'. The study also discussed the opportunities artisanal diamond mining presents for stimulating rural development in some of the world's poorest countries. Funded by the Belgian Federal Public Service of Foreign Affairs, the Foreign Trade and Development Cooperation, then Belgian Foreign Minister Karel De Gucht presented the book *Artisanal Diamond Mining: Perspectives and Challenges* (Vlassenroot & Van Bockstael 2008) to the 2008 Kimberley Process Plenary Meeting held in New Delhi.

This book presents the conclusions of the second phase of the Egmont Artisanal Diamond Mining Project which ran from 2009 until mid-2011 and again was funded by the Belgian government. It pays particular attention to those communities for whom artisanal diamond mining (ADM) often represents the most important of limited opportunities available to earn small amounts of cash income, whether on a full-time basis or in concurrence with traditional agricultural or other livelihoods.

Scholarly research over the past two decades has conclusively shown that in sub-Saharan Africa rural livelihoods have increasingly come under threat: smallholder farmers, struggling to make ends meet, have been moving towards other

non-farm livelihoods in order to supplement their incomes (Bryceson 1996, Ellis 1998). This process of de-agrarianisation and the resulting necessity of income diversification has resulted in what can be termed multiplex livelihoods, stressing 'the complex multidimensional interplay of social, political, cultural and economic dynamics that are recasting the terms and conditions of rural work' (Bryceson 2002:2). Artisanal mining, being a low-tech, labour-intensive activity with few entry barriers, is a prime example of such a non-farm rural livelihood. Coupled with the likely growing numbers of artisanal miners in an era of increasing demand and prices for minerals, a comprehensive approach to artisanal mining has the potential to transform it into 'a catalyst for economic growth and sustainable development' (CASM 2009:2). Nevertheless, most of the African Poverty Reduction Strategy Papers (PRSPs) continue to place smallholder agriculture at the heart of national development efforts, and downplay the economic importance of non-farming livelihood diversification as well as the various factors which have fuelled rural livelihood diversification in the region (Banchirigah & Hilson 2010).

For many African governments, artisanal mining activities continue to represent a nuisance, a hindrance to potential foreign investors, even though artisanal diamond miners usually exploit alluvial deposits which are rarely economical for large scale mining development. Influenced by empirical studies linking easily accessible alluvial diamond deposits to a greater



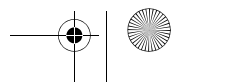
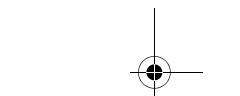
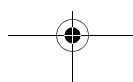
incidence of civil war, especially in countries which have had to face the spectre of 'conflict diamonds' in the recent past, additional security-related objections to artisanal mining are raised. Therefore, governments (and donors such as the World Bank and the International Monetary Fund) almost exclusively favour the industrial exploitation of alluvial diamond deposits, the continued exploration for kimberlitic primary deposits over existing forms of artisanal mining, or a collaborative effort between the two modes of resource exploitation (Le Billon & Levin 2008, 2009). On the other hand, disappointment with a large-scale mining industry that has not fulfilled anticipated development outcomes has led some countries to adopt more supportive policies regarding ASM. Ghana and Tanzania, for example, looking towards domestic alternatives to foreign-owned large-scale mining companies, have stressed the role of ASM as an important complementary element in terms of providing economic opportunities for rural communities, reducing rural-urban migration, and ensuring a higher degree of domestic returns from their natural resource endowments (Jonsson & Fold 2011:480)

While artisanal mining has been legalised in a great number of countries, existing legislation requires many ASM operators to comply with strict guidelines and costly mining licenses. Such legislation is often not fully adapted to the realities of ASM as a poverty-driven livelihood, and often at odds with the general lack of government capacity to adequately publicise, monitor, and enforce the Mining Code.

Unfortunately, adequate statistical information on artisanal diamond mining (and

artisanal mining in general) is hard to come by. Further research is needed in order to better ascertain the actual importance of artisanal mining for mining communities and countries at large. Unlike large-scale mining operators, artisanal miners do not enjoy decade-long tax-breaks or repatriation of capital: their meagre profits stay at home, and are invested in their communities through commercial interaction with local traders and service providers. And while diamonds (and therefore government resource rents) are sometimes smuggled out of the country, this is hardly the responsibility of the individual miners, but rather the outcome of a system of internal controls that is often too narrowly focused on individual miner's responsibilities, instead of the various brokers and middlemen who enable mining (both formal and informal) through funding arrangements, connecting rural economies with wider markets.

Despite efforts of the members of the Kimberley Process and a select number of international donors and NGO's, artisanal diamond mining continues to be a mainly informal enterprise. Current regulatory frameworks seem to have reached their maximum potential, with the remaining informal production being either integrated into the formal diamond trading networks by subsequent buyers and sellers, or illegally leaving the country through informal international networks. Apart from the clear implications this has on the credibility and effectiveness of the Kimberley Process Certification Scheme, it also represents significant losses for governments who are missing out on revenue. In addition, the global landscape for high-value minerals is changing.



The negative public profile of artisanal and small-scale mineral extraction, perceived as having slave-like labour conditions, causing untold environmental damages, and under the control of criminal networks, is becoming increasingly at odds with a growing global demand for 'clean', 'fair', or 'ethical' mineral supply chains. In addition, the image of artisanal mining continues to be tarnished by its involvement in armed conflict. Spurred by activist campaigns similar to those against the conflict diamonds of Sierra Leone, Liberia, and Angola of the late 1990s and early 2000s, public outcry over the perceived role (artisanally mined) natural resources have played in exacerbating the continued insecurity in eastern Democratic Republic of the Congo (DRC) has led to a flurry of initiatives that aim at stopping rebel militias benefiting from the trade in artisanally mined gold, tin, and coltan in Central Africa.

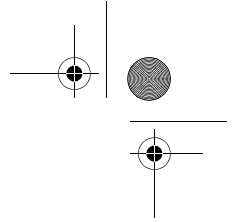
While large-scale mining companies can fairly easily ramp up their environmental or social credentials in order to pass certain standards and have the ability to market their diamonds as such, artisanal miners do not have this same ability. The Responsible Jewellery Council (RJC), for example, is a body established 'to reinforce consumer confidence in the jewellery industry by advancing responsible business practices throughout the diamond and gold jewellery supply chain'¹. It uses a set of standards on the basis of which it certifies its members as promoting 'responsible ethical, human rights, social and environmental practices in a transparent and accountable manner throughout the industry from mine to retail'. Following the high standards

required of each certified member, it is impossible for artisanal miners' organisations or miners' cooperatives to aspire membership of this body. In other words, large-scale mining companies are increasingly differentiating themselves and their diamonds from the 'other' diamonds: the roughly 25% of the world market that is produced by artisanal miners. Given its importance to rural livelihoods, the potential disenfranchisement of artisanally mined diamonds could have disastrous effects. While there will always be less conscientious buyers this will likely also result in negative repercussions on prices offered for artisanally mined diamonds. Without proactive policies adjusted to the needs and realities of artisanal mining communities instead of seemingly last-minute addenda to the Mining Code, artisanal miners are likely to suffer from these new developments.

However, a comprehensive framework that is designed with ASM interests in mind and which can convince artisanal miners and their financiers to formalise their operations can legitimise this important sector. Ultimately, a reinvigorated artisanal mining sector, supported instead of thwarted by national governments might create a new sort of diamond altogether: a diamond that is mined responsibly and that is guaranteed to help a rural community develop itself through a number of integrated saving and re-investment mechanisms. Different from an anonymous diamond carrying an identification number and mined by an anonymous mining conglomerate, such a diamond can be marketed as having a clear identity: mined by members of the community of X in country Y. Although far

1. See <http://www.responsiblejewellery.com/>





more advanced in terms of organisational structures, successful examples of this can be found in South America where artisanal gold miners in several countries, in collaboration with NGOs, have started certifying their gold according to a set of minimum standards. By doing so, they have gained access to the fairtrade and ethical jewellery markets, and have recently sold the first fairtrade and fair-mined gold.²

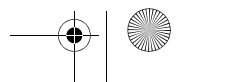
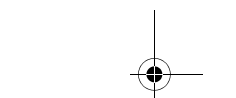
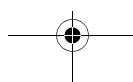
This also seems to be the rationale behind an ambitious project undertaken by the Diamond Development Initiative (DDI), which aims to gradually improve the social and environmental credits of the artisanal mining community. The Development Diamond Standards (DDS) that the DDI is currently developing are geared explicitly towards addressing development concerns related to artisanal mining. It positions itself as going 'beyond the idea of fair trade diamonds', arguing that most informal miners do not have the capacity to engage in such a process. The DDS framework defines 'development diamonds' as diamonds 'that are produced responsibly; safely; with respect for human and communities' rights; in conflict-free zones; with beneficiation to communities and payment of fair prices to miners'.³ While still in development, the DDS are designed to be applied by artisanal miners themselves, in cooperation with local NGO's. The strength of this model lies in its emphasis on community involvement, and its recognition of the reality of artisanal diamond mining and trading. Instead of trying to impose stringent requirements right away, the DDS is conceived as an evolutionary model, whereby miners are empowered to gradu-

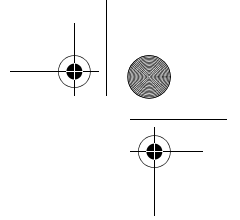
ally improve their compliance with the more advanced standards in the DDS model. Interestingly, and unlike many other proposals related to ASM reform, it explicitly provides a space for the inclusion of middlemen, provided that they are willing to commit to gradually change their business models in line with the DDS framework. Currently, the project is still in development, and the DDS framework is not yet publicly available. The results of a pilot project currently being tested in the DRC will likely provide further insights before the DDS framework can be publicly presented and tested in other contexts.

Another key initiative that focuses on formalising artisanal diamond mining communities is the Property Rights and Artisanal Diamond Development (PRADD) project funded by USAID. Geared towards both mining communities and government officials, the project was originally set up in the Central African Republic (CAR) and has recently started work in Liberia as well. It aims to increase miners' awareness of existing legislation, while at the same time lobbying the government to progressively adapt this legislation in order to better reflect existing realities and practices. Key points are the recognition of customary property rights in order to increase miners' security of tenure, as well as providing mining communities with assistance on environmental reclamation. Miners are also assisted with reactivating mined-out areas, for example, by turning them into fish-ponds. Given the recent media reports of severe malnutrition in the CAR's diamond areas as a result of the collapse in global diamond prices due to the financial crisis of 2008, such measures

2. see <http://www.communitymining.org> for an overview.

3. Internal DDI documents on the development of the DDS framework, communicated to the authors, 2011.





allow miners to further diversify their income and significantly strengthen their livelihoods, making them less dependent on the revenue gained from diamond mining.

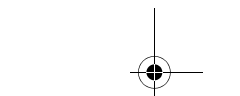
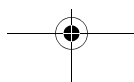
However, much like the discontinued Peace Diamond Alliance in Sierra Leone and the Diamonds For Development Project in Liberia that were studied in our previous book (Vlassenroot & Van Bockstael 2008), the initiatives currently undertaken by USAID and the DDI represent the only significant development interventions geared specifically at structurally reforming the artisanal diamond mining sector. Many donors and global development NGOs remain hesitant in engaging with the complex artisanal diamond sector. In the following chapters, we will try to provide the reader with a better understanding of the complex dynamics governing the artisanal diamond mining and trading sector. We will examine the impact of artisanal diamond mining on hundreds of thousands of African rural households, and try to explain why people still flock to recently discovered diamond mines or continue to search for diamonds where others have mined for decades. Many of the issues we identified in our previous study are still important points of contention today. It has been the express purpose of this research project to shed light on this key rural livelihood, so that future reform attempts and development projects do not start from misguided assumptions, but are designed with the needs and expectations of the targeted mining communities at their centre.

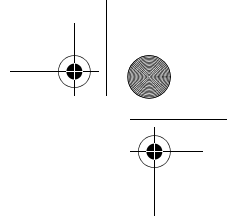
Sierra Leone is the West-African country that is probably most associated with conflict diamonds. It is the subject of the first chapter in this book, written by Dr Roy

Maconachie, who is a Lecturer in International Development at the Centre of Development Studies at the University of Bath. While much attention has been spent on the role that conflict diamonds played in the country's civil war of the 1990s, this chapter instead provides us with a longitudinal perspective on livelihood continuity and change in artisanal diamond mining communities in Kono District, and focuses on the flexible and adaptive nature of livelihood strategies there, examining how mining households try to maximise their livelihood benefits, intertwining both mining and farming activities.

In the second chapter, Shawn Blore, an independent researcher and journalist who has conducted research for the Canadian NGO Partnership Africa Canada (PAC) and the DDI on artisanal diamond mining in South America and parts of Africa, examines the DRC, the world's largest artisanal producer of diamonds by volume. Starting with the current regulatory framework governing artisanal diamond mining in the DRC, Blore proposes a reconfiguration of this framework. He is suggesting a shift in focus from individual miners to a system where the unit of production (the groups of miners working together) is used as the focal point for formalisation. Arguing that current formalisation strategies offer little tangible benefits to miners, Blore argues that guaranteeing security of tenure should attract miners to formalise their operations.

Written by Nicholas Garrett, Marie Lintzer, and Eric Manyacka of Resource Consulting Services, a consultancy firm specialising in natural resources governance and ASM formalisation issues, the third chapter deals with artisanal dia-





mond mining livelihoods in Cameroon. Cameroon's artisanal diamond production can be considered tiny by comparison with its neighbouring countries and it is not a member of the Kimberley Process (although it is in the process of applying for membership in preparation of a large-scale diamond mining project currently being developed), which makes for an interesting study. As the country's diamond sector is wholly informal and under-researched, this chapter can be considered a preliminary exploration of the country's small but vibrant artisanal mining sector.

The fourth chapter offers a detailed overview of the Ghanaian diamond industry, largely concentrated around the town of Akwatia. Written by Dr Gavin Hilson of the University of Reading in the UK, who is a well-published academic specialised in artisanal mining issues and in the Ghanaian mining industry in particular, this chapter examines the circumstances leading to the virtual disappearance of the Akwatia diamond industry, as well as providing a perspective for the reinvigoration of this once very significant part of the Ghanaian mining industry. In particular,

this chapter provides us with a clear demonstration of the impact of artisanal diamond mining on a community, and what happens when this livelihood suddenly starts to crumble.

The Central African Republic (CAR) is the focus of chapter five, written by Marie Lintzer and Harrison Mitchell of Resource Consulting Services. Although a long time artisanal diamond producer, it is usually neglected in the academic literature on artisanal mining. As the host country for USAID's PRADD programme it can offer good insights as to the importance of artisanal mining for rural livelihoods (as evidenced by the recent famine in the country's diamond mining areas due to the global crash in diamond prices), and how to strengthen these livelihoods.

A final chapter, written by the editors, will briefly look into these various cases and try to extrapolate some key arguments on how to bolster artisanal miners' livelihoods, better integrate them into their country's formal economies, and suggest policy guidelines that are adapted to these complex realities.

