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We welcome the withdrawal of all Frente Polisario elements from the Guerguerat area, between the berm and the border with Mauritania, as confirmed by MINURSO observers on 27-28 April. Together with the earlier withdrawal of Moroccan elements from the area, in response to the urging of the Secretary-General, this action should improve the prospects of creating an environment that will facilitate early implementation of the Secretary-General's determination to relaunch the negotiating process with a new dynamic and a new spirit that reflect the Security Council's guidance and resolutions, with the aim of reaching a "mutually acceptable political solution which will provide for the self-determination of the people of Western Sahara".

We continue to call on the parties to adhere to their obligations under the ceasefire agreement and to respect both its letter and spirit, and to cooperate fully with MINURSO. The need to ensure that tensions do not erupt anew in the Guerguerat area remains vital. To this end, MINURSO intends to maintain the position it has held in the Buffer Strip since August 2016⁵ and further discuss the Mission's future monitoring of the area and the full range of issues related to the Buffer Strip with the parties.

Stéphane Dujarric, Spokesman for the Secretary-General

The MINURSO mandate is due to renew in April 2018.

As a whole, the EU Court of Justice takes an international law approach to the WS situation. Europe recognises that the WS is a non-self-governing territory, in the process of decolonisation. As a non-self-governing territory, Morocco's current status over WS is only as 'occupying power' and pursuant to Article 73 of the UN Charter, occupying powers must ensure that resource development is done without disregard of the interests and wishes of the people of that territory. On 21 December 2016, the EU Court of Justice confirmed that Morocco had no sovereignty tie to WS and was bound by the UN Charter as an occupying power. It therefore called for a suspension of the EU-Moroccan free trade agreements as it applied in Western Sahara, as the exports to the EU of certain products (i.e. fish) were done with disregard to the wishes and interests of the people of WS (see para [228] of judgment). As stated in para [235] of the judgment, the failure of the Kingdom of Morocco to transmit information provided by Article 73 of the UN Charter shows doubt as to whether it will recognise the interests of the inhabitants of that territory.

In brief, NZ stands by the MINURSO mandate as the appropriate solution to the conflict (if properly administered) whereas the Court of Justice of the EU, the ICJ and other international NGO's stand by the illegality of Morocco's presence given their disregard for the rights of the Saharawi people.

Further views expressed on this complex international issue are discussed in appendices three and four. As shown in those appendices, European investors are divesting from the region. GNZS are more likely to conduct an engage programme with investee companies (rather than divest as a first option) to ensure that companies are doing all they can to support the wishes of the Saharawi people.

⁵ Western Sahara: UN chief urges Morocco and Polisario Front to de-escalate tensions in buffer strip. Accessed via: <http://www.un.org/apps/news/story.asp?NewsID=56244#.WntnXCvuaUk>

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Appendix 4: Additional background information

Morocco administration over WS

As of 1884, Spain were considered the colonial power of the defined territory of WS that was considered *res nullius* despite there being a present population. As noted in the timeline, the Kingdom of Morocco gained control over WS in 1975 after Spain ceded its 'administrative powers' due to increasing pressure from the international community to decolonise WS. The 'Madrid Accords' that enabled this deal was opposed by the Saharawi's and the international community who continue to advocate for the decolonisation of WS pursuant to Resolution 1514 (XV).

The UN have been involved in this territorial dispute since 1960 when the UN General Assembly recognised the rights of people to self-determination in Resolution 1514 (XV). In 1963, the UN Decolonisation Committee declared WS a non-self-governing territory (yet to complete decolonisation) and requested for its decolonisation pursuant to Resolution 1514 (XV). Spain did not respond but began negotiations with Morocco to transfer control. In 1975, the UN Decolonisation Committee again issued a report for the General Assembly to enable the local population to determine their own future. The ICJ also issued an advisory opinion, on the request of the UN General Assembly, stating that Morocco had no sovereignty tie to WS. Nevertheless, Morocco launched the 'Green March' and crossed the borders into WS, claiming its new territory from Spain. As a result, fighting erupted between the two forces. In 1991, the UNSC Resolution 690 established MINURSO, implementing it after a ceasefire. MINURSO accepted the joint United Nations and OAU's 'settlement proposal' for the peaceful resolution of the conflict. MINURSO was mandated to monitor the ceasefire and to implement a referendum to allow the WS people to determine the future of their country (independence from or integration with Morocco). It was the only resolution without a human rights mandate as France and the U.S threatened to veto if it were included.

No referendum has been held to date as the parties have failed to agree to settlements plans. The UNSC continues to reiterate its support for the MINURSO mission through numerous Resolutions (1429/1495/1675/1754), although the future of its operations is unclear after MINURSO civilians were expelled from the region in 2017 (see Appendix 5 for Morocco's view).

Allegations of human rights breaches

There are a number of allegations relating to human rights abuses. The U.S Department of State in 2012 and Amnesty International recognised these reports as credible.⁶ Human rights issues relate to pro-independence activity, including limitations on the freedom of speech, press assembly, and association, the use of arbitrary and prolonged detention, and physical and verbal abuse of detainees during arrests and imprisonment. Saharawi human rights organizations claim that many officials accused of torture remain in positions of authority and widespread corruption continues amongst security forces and the judiciary.

Reports also indicate that security forces engage in torture, beatings, and other mistreatment of detainees. For example, the men who are detained for the 2010 clashes have reported torture, rape and beatings whilst in prison. In the 2010 clashes, violence erupted between the

⁶ U.S Bureau of Democracy, Human Rights, and Labor, Western Sahara Report, 19 April 2013. Accessed via: <https://www.state.gov/j/drl/rls/hrrpt/2012/nea/204390.htm> ; Amnesty International, 'UN peacekeeping force in Western Sahara must urgently monitor human rights', 18 April 2017. Accessed via: <https://www.amnesty.org/en/latest/news/2017/04/un-peacekeeping-force-in-western-sahara-and-refugee-camps-must-urgently-monitor-human-rights/>

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Moroccan forces and Saharawi activists. These twenty four Saharawi men were imprisoned without a fair trial in the military court. Due to international concerns, Morocco amended its military justice law in 2015 to end trials of civilians before military courts to make it consistent with international human rights standards. In 2016, the civilians were granted their right to a retrial in the civil court however, the civilian court of Salé in 2017 upheld the severe sentences originally issued by the military tribunal.

There are no reports of human rights breaches by companies currently operating in WS.

Rights of the Saharawi people

With Morocco's sovereignty unrecognised by the UN, many in the international community are arguing that Morocco is violating international law by exploiting the territories resources, and that global companies shouldn't be party to it.

Saharawi Human Rights Groups have condemned the investments in, purchases of, and support for the trade of natural resources without the consent of the Saharawi people. The WSRW states that *"the illegally exploited phosphate rock is the Moroccan governments main source of income from the territory [Morocco] holds contrary to International Law"*. Phosphate rock in WS has been mined since 1972 and is of high demand internationally. Phosphate rock is turned into fertiliser which all agricultural production and life on the planet depends on.

There have been attempts by protesters to sabotage the 100km conveyor belt which carries the phosphate rock from the Bou Craa mine to the Harbour and there have been a number of protests at locations in WS where Moroccan wind energy developments outsourced to global companies are operating.⁷

According to the WSRW, the Saharawi people don't benefit from the exploration and trade of their natural resources.⁸ They argue that benefits, such as income, go directly to the Moroccan government, which is why foreign companies should refuse to do business with Morocco, as developments encourage their *"illegal presence in the territory and decreases the availability of non-renewable resources for the Saharawi people if and when they eventually realise self-determination."*

This is contrary to OCPs view, who argue that the phosphate mine has created many social benefits in WS. The benefits that phosphate mining has brought to WS has been affirmed by Agrium (2016 report),⁹ PotashCorp¹⁰, Phil Goff (the then Minister of Trade in 2007) and Moroccan government sources.

Saharawi reports show that the Saharawi people only want to protect their natural resources whilst the territory continues to be occupied by Morocco. The South African HC in the cargo seizure case particularly noted that the consent of the Saharawi was required before taking natural resources. The UN also concluded the same in the 2002 Corell opinion by arguing

⁷ Western Sahara Resource Watch. 'Report: Moroccan green energy used for plunder'. Accessed via: <http://wsrw.org/a105x3614>

⁸ Western Sahara Resource Watch, 'P for Plunder', April 2016 Report, Accessed via: <http://wsrw.org/a105x3825>; WSRW 2015 Report On The Kingdom Of Morocco's Violations Of Article 1 Of The International Covenant On Economic, Social And Cultural Rights In The Parts Of Western Sahara Under Moroccan Occupation. See page 4 of the WSRW 2016 report.

⁹ Norton Rose Fulbright Canada LLP (2016) 'Human Rights Assessment Report: Agrium Phosphate Rock Supply from Western Sahara'. Accessed via: https://www.agrium.com/system/files/agrium_hrdd_summary_report_0.pdf

¹⁰ PotashCorp (2016) 'Phosphate Rock from Western Sahara'. Accessed via: www.potashcorp.com/media/Western_Sahara_11-2016.pdf

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Article 73 of the UN Charter, 1 UNTS XVI (in force 24 October 1945). Article 73 provides in part that: *“Members of the United Nations which have or assume responsibilities for the administration of territories whose peoples have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost, within the system of international peace and security established by the present Charter, the well-being of the inhabitants of these territories, and, to this end ... to ensure, with due respect for the culture of the peoples concerned, their political, economic, social, and educational advancement, their just treatment, and their protection against abuses ...”*. The Saharawi representatives have used the Article 73 argument to assert their rights to natural resources.

In 2016, Morocco expelled MINURSO civilian personnel's from WS. The personnel wrote a report to the SC stating that *“in light of continued interest in the exploration and exploitation of the natural recourse of WS, I reiterate my call on all relevant actors to recognize the principle that the interests of the inhabitants of these territories are paramount, in accordance with Article 73 of the Charter of the UN.”*

The Corell Opinion identifies two possible interpretations of Article 73 on resource exploitation activities in WS.¹¹ The restrictive view is that mineral resource activities in a non-self-governing territory by an occupying power is illegal. The broader view is that developments or resource exploitation is *‘illegal only if conducted in disregard of the needs and interests of the people of that territory’*. In summary, the Corell opinion held that under international law, development in a non-self-governing territory such as WS cannot be undertaken unless consent is acquired from the people of the territory, with the benefits being directed to them. The Corell Opinion has been criticised for failing to identify ‘who’ precisely must benefit from the exploitation of WS natural resources.¹²

Further, the African Union issued a legal opinion in 2015 concluding that the people of WS must be consulted, consent to and have effective participation in any negotiation which involves the exploitation of natural resources.¹³ The General Court of the EU also issued a judgment in 2015 stating that *“the Kingdom of Morocco does not have any mandate granted by the UN or by another international body for the administration of Western Sahara”*. The Court further ordered the annulment of the EU-Morocco trade deal where it was applied to WS. In response, Morocco froze all dealings with European institutions in 2016.

The 2016 Agrium report states that *“not all human rights issues pertaining to Western Sahara are relevant to the question of phosphate mining...For example, negative human rights impacts associated solely with State actions which are not directly or indirectly caused or contributed to, or even linked to, phosphate mining in the region or the purchase of phosphate by foreign companies, are outside of the scope of the Assessment.”*

As shown by these competing claims, the situation in WS is complex with no plausible international solution to the issue.

¹¹ <http://www.havc.se/res/SelectedMaterial/20081205pretoriawesternsahara1.pdf>

¹² Agrium report above n 6.

¹³ http://wsrw.org/files/dated/2016-12-14/au_legalopinion_2015.pdf

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Appendix 5: Morocco's perspective on WS

The Sovereignty issue

Morocco strongly opposes the independence of WS. In a [timeline](#) provided through *Morocco on the Move* (a Moroccan government source), it is noted that the Moroccan King had rule over the territory currently known as the WS from 1578 to 1727. This continues to be the basis for Morocco's claim to historical ties of sovereignty over the WS. Morocco have continued to reiterate their legal presence and [positive contribution](#) to the WS territory.

In 1975, Morocco ordered the 'green march' to gain recognition of Morocco's right to national unity and territorial right to occupy WS.¹⁴ Morocco have been active in responding to MINURSO obligations and in 2007, Moroccan authorities offered a compromised political solution, after the UN shifted from the idea of a referendum (gist of MINURSO) in favour of a negotiated political solution. However, this was rejected by the PF. The autonomy plan (which vests sovereignty in Morocco) was in Morocco's view, the best solution. They also noted that it gained support from three consecutive US administrations. Morocco is firm in their position that any [separatist drive](#) is 'unrealistic' and that the great powers including the United States wishes that the "territory remains Morocco's".

Morocco states that,

"In addition to offering a compromise political solution to the conflict, Morocco has invested billions of dollars in the development of region, where Sahrawi's enjoy the rights, privileges, and responsibilities of Moroccan citizenship. Morocco's latest initiative, the Economic, Social, and Environmental Council Regional Development project aims to promote further development and empower local and regional officials to develop local solutions to human rights and economic and development challenges in the south of Morocco."—Morocco on the Move¹⁵

According to Morocco on the Move (see [view](#) here), the Polisario movement is a 'one-party dictatorship' hindering the parties' ability to agree and implement a mutually acceptable solution. The U.S ambassador to Morocco stated in a letter in 2015 that "*Morocco remains a willing partner, ready to work in the spirit of compromise and realism to put an end to this longstanding issue.*" During a 2014 general debate in the Geneva Council, the Algerian ambassador claimed that Morocco was committing "*daily human rights abuses*" in the southern provinces. The Moroccan ambassador [responded](#) by saying that was "*the lie of the century*".

There is on-going tension between Moroccan and Algerian officials, as Algeria funds and arms the Polisario movement (who have since 1975 opposed Morocco's rule). A Moroccan official said in [2014](#) that the escalated tensions in the Moroccan-Algerian relations were a result of Algeria's direct involvement in the artificial dispute over Morocco's territorial integrity. Again in the 2016 Geneva debates, the Moroccan ambassador emphasised Algeria's undeniable responsibility in the regional dispute. He claimed that Algeria continues to mislead the international community by relying on the principle of self-determination to support an international and regional terrorist group (PF), which poses security risks for the whole region. A Moroccan foreign minister also said in an [interview in 2016](#) that "*Polisario does not*

¹⁴ See also, Samuel J Spector "Western Sahara and the Self-Determination Debate" (2009) Middle East Quarterly 33-43. Accessed via: <http://www.meforum.org/2400/western-sahara-self-determination>

¹⁵ Morocco on the Move, Policy, Western Sahara. Accessed via: <http://moroccoonthemove.com/policy/western-sahara/#sthash.lwzlpcomp.dpbs>

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represent Sahrawi's. Sahrawi's live in the Sahara while Polisario is a puppet entity established on Algerian territory in an area called Tindouf.

When the MINURSO mandate in 2016 was renewed, emphasising the importance of negotiations (and not a referendum), the *Moroccan American Centre for Policy (MACP)* on behalf of the Moroccan government, released a statement welcoming the resolution for reiterating the fundamental parameters of the negotiation, based on *"realism and a spirit of compromise"* to reach *"a just, lasting and mutually acceptable political solution to the conflict."*¹⁶ A former U.S ambassador to Morocco stated that *"the resolution paves the way for the next step in this process: a fifth round of negotiations based on autonomy under Moroccan sovereignty"*. In May 2017, Morocco welcomed the [Sahara Provisions in the 2017 US Appropriations Bill](#) accompanied by a report reiterating Morocco's control over WS. The Bill which stipulates that, funds destined for Morocco can also be used in the 'Moroccan Sahara', was signed by Donald Trump.

Exploitation of natural resources issue

[OCP](#), who owns the Phosboucraa mining site, affirms they're making a positive contribution to WS through human, social and economic development. This is in line with the government's aim to improve education and health and to reduce poverty in the 'Southern Provinces' in an effort to rid the kingdom of the colonial stigma. According to [Morocco on the Move](#), *"the most common misperception regarding resources in the Sahara region is that it is "phosphate-rich." Phosphates are mined by the OCP Group, and the Phosboucraa subsidiary represents approximately 6% of total phosphate sales for the OCP Group. **The Sahara region contains only 1.6% of Morocco's known phosphate reserves.**"* OCP is the largest employer in the WS region and has spent millions on social environmental, health, cultural and upskilling projects.

Oil exploration and fishing licenses are other resources generating revenue for the region. The authorities state that *"the economic and social development of the Sahara has been a priority for Morocco for the past two decades with the government committing approximately \$2.5 billion into infrastructure and capacity building (2 airports, roads, schools, government buildings, healthcare facilities, stadiums, mosques and electricity and water connectivity)"*.¹⁷ As a result of their human development initiative, Sahara's poverty line has been diminished by 66% compared to its appalling human development ratings in 1975.

More information on the WS dispute from Morocco's view can be found on the [Moroccan government website](#) and [Morocco on the Move](#).

¹⁶ Morocco on the Move- <http://moroccoonthemove.com/2016/04/29/morocco-welcomes-un-security-councils-renewed-call-negotiated-political-solution-western-sahara-conflict/#sthash.hSxySbmV.YoGg6n6j.dpbs>

¹⁷More information found in 'Oil Exploration and Development in Western Sahara'. Accessed via: http://moroccoonthemove.com/wp-content/uploads/2014/02/FS_Sahara-Drilling.pdf

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Appendix 6: International businesses operating in the WS

Agrium, Incitec, Potash Corp and Siemens are listed on the NZSF equities as at June 2017. See Appendix 10 for GNZS Live Monitoring of these companies.

Agrium Inc - Canada

Agrium is a global producer and marketer of nutrients for agricultural and industrial markets, based in Calgary, Canada. Agrium is listed on the New York Stock Exchange and the Toronto Stock Exchange. In 2011, Agrium signed a contract with OCP and began importing phosphate in 2013. In 2016, Agrium received 10 shipments of phosphate rock amounting to 579,000 tonnes, totalling US\$66.6 million. This was an increase from the 437,000 tonnes imported in 2015, although it was well under the 779,000 tonnes imported in 2014.

Agrium is merging with PotashCorp which is expected to materialise in 2017.

Cairn Energy PLC - United Kingdom

Cairn Energy is a UK-based oil and gas exploration and development company, interested in the exploration of hydrocarbon resources off the WS coast.

Cairn (20%) is currently in a joint venture partnership with Kosmos Energy (55% WI and operator) and ONHYM (25% WI) in the Boujdour Maritime contract called 'Lifecycle' offshore WS.

Crystal Mountain Sel Sahara (salt) - Morocco

CMSS produce naturally evaporated salt for use in the de-icing, agriculture, and fish packing industries. They ship their salt from the port of Laayoune, Western Sahara. There have been reports that the salt used is from the WS territory.

Kosmos Energy - United States

Kosmos is an American international oil company based in Texas. Kosmos are solely focussed on oil exploration off the WS coast (about 70km off the coast). Kosmos has held rights to the Boujdour Maritime block off the WS coast since 2006 under three separate petroleum agreements with the Kingdom of Morocco. Kosmos holds a 55% interest in the current oil exploration project called 'Lifecycle'.

Their position statement on Western Sahara is available on their [website](#).

Incitec Pivot Ltd - Australia

IPL is a multinational Australian company that manufactures, trades and distributes fertiliser. Its fertiliser segment includes Incitec Pivot Fertilisers (IPF), Southern Cross International (SCI) and Fertilisers Elimination (Elim). According to WSRW, IPL has been importing from the WS for the past 30 years. IPL is registered on the Australian Securities Exchange (ASX:IPL) and is the largest supplier of fertiliser products in Australia. It is also the only importer of phosphate from WS after West Farmers (through its subsidiary CSBP) and Impact Fertilisers, divested from the region in 2009 and 2012, respectively. In 2016, WSRW tracked 3 shipments of phosphate rock from WS worth an estimated US\$12.1 million, which was an increase from the US\$7.48 million imported in 2015.

A press release regarding IPL's ongoing importation of phosphate can be found [here](#).

Commented [redacted] In 2018, Agrium and Potash Corp merged into one company called Nutrien.

Agrium has committed to stop sourcing from OCP (by end 2018) but Potash Corp still does (a decision on this will be announcement mid 2018).

Commented [redacted] Left its WS operations in Feb 2018

Commented [redacted] Private company – not held in Fund (June 2018)

Commented [redacted] Left its WS operations in Feb 2018

Commented [redacted] Held in Fund (June 2018)

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The United Methodist Church, Denmark's largest bank (Dankse Bank), Norwegian financial services companies (Storebrand and KLP), and the Swedish and Luxembourgish national pension funds have all blacklisted IPL, citing ethical concerns.

Lifosa AB – Lithuania/Switzerland/Russia

Lifosa is a producer of mineral phosphate fertiliser and is based in Lithuania. In February 2016, Lifosa's parent company Eurochem wrote to WSRW that it would no longer purchase phosphate rock from WS. However, in 2017, Eurochem confirmed that Lifosa was awaiting the import of 68.250 tonnes of phosphate rock.

Office Cherifien des Phosphates (OCP) - Morocco

OCP is the Moroccan owned company that owns the Bou Craa mine. Phosboucraa is the fully-owned subsidiary of OCP, charged with extracting, beneficiating, transporting and marketing the phosphate at the Bou Craa mine. The WSRW states that OCP's output production is at 2.6 trillion tonnes a year from WS but OCP claims that this only represents 1% of all phosphates that Morocco exports every year. OCP also states that less than 2% of Morocco's phosphate lies in the Bou Craa mine.

OCP also own a 100km conveyor belt, which carries phosphate from the mine to the port. The belt is powered by Siemen's wind mills (see 'Siemen's below).

OCP does not publish its mining activities in WS separately from Morocco's total mining operations. Since 2014, OCP bonds have been offered to investors through the Irish Stock Exchange.

There are 3 other phosphate deposit areas in Morocco, Khouribga area (Oulad Abdoun Plateau), the Ganntour area (Youssoufia area) and the Meskala area. Combined, it makes up over 73% of the world's phosphate reserves.

PotashCorp- United States

PotashCorp, a wholly owned U.S subsidiary based in Canada, is the largest producer of fertiliser in the world. PotashCorp doesn't own any assets or conduct any operations in WS but it purchases phosphate rock under a long-term agreement with OCP.¹⁸ Phosphate is used at one of their seventeen facilities.

PotashCorp is registered on the Toronto Stock Exchange. In 2016, PotashCorp purchased around 287,000 tonnes of phosphate rock from WS, worth about US\$33million. PotashCorp announced in 2016 that it was merging with Agrium, which is expected to materialise in 2017.

San Leon Energy- Ireland

In July 2015, San Leon signed a rig contract with French company Entrepose Drilling for drilling at the 'El Aaiun-4 well' in Western Sahara. Legal action has been reported by human rights groups, arguing that the drilling should be suspended until the WS dispute is resolved.

In 2016, the Norwegian Pension Fund also excluded SLE from its investments portfolios.

Siemens - Germany

¹⁸ See their response to unethical allegations: https://business-humanrights.org/sites/default/files/media/documents/company_responses/potashcorp-re-western-sahara-apr-2011.pdf

Commented [REDACTED] Merged with Agrium (2018) and now called Nutrien

Commented [REDACTED] Listed on AIM – not held in the portfolio (June 2018)

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Siemens is the German engineering company who constructed the Fom el Qued wind park in WS in 2013. Fom el Qued consists of 22 wind mills and today supplies 95% of Phosboucraa's energy needs. In 2015, Morocco announced that the Danish division of Siemens, Siemens Wind Power, had been accorded a new contract to construct 5 wind farms, 2 of which are located in WS. According to WSRW, Morocco's ambition is to source 42% of its electricity from renewable resources by 2020 and more than half by 2030.

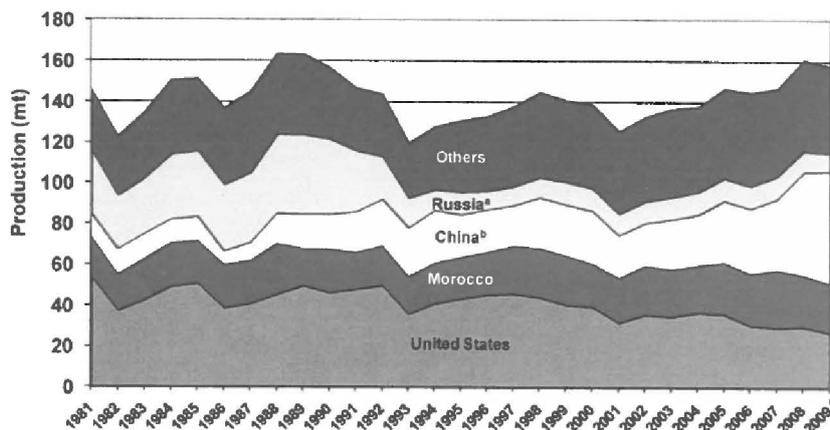
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Appendix 7: Global phosphate reserves and production

The International Fertiliser Development Centre (IFDC) published a research in 2010 called "World phosphate rock reserves and resources" due to growing fear that global phosphate reserves were dwindling. Phosphate rock is a non-renewable resource and there are two main types of phosphate rock deposits: sedimentary and igneous. Sedimentary rock is exploited to produce more than 80% of the world's production of phosphate rock (this type is found in WS). Igneous phosphate deposits on the other hand are low in grade and exploited in mainly Russia, the Republic of South Africa, Brazil, Finland and Zimbabwe. The most desirable sedimentary rocks are found in oceanic islands such as Nauru and Christmas Island however these deposits have been totally depleted or have very short lifetimes remaining.

Places where phosphate rock reserves and resources are found are in: Australia, Brazil, Canada, Egypt, Israel, Jordan, Morocco, People's Republic of China, Russia, Senegal, South Africa, Syria, Togo, Tunisia, United States and other smaller countries (i.e. Nauru, Christmas Island).

The following figures are sourced from the [IFDC research](#).



- a. 1992-1997 Former Soviet Union data includes Kazakhstan, Uzbekistan and Russia data; 1998-2008 FSU data includes Russia only.
 b. Official People's Republic of China data.
 c. Year 2009 estimated.

Source: Compiled from USBM, 1984-1995; USGS, 1996-2010.

Figure 3. World Phosphate Rock Production, 1981-2009

See also the [The Mineral Industries of Morocco and Western Sahara Research](#) by USGS, 2011.

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Table 2 shows the latest USGS estimates for world PR reserves for the top 10 holders. Morocco is estimated to have about 75 per cent of the world's PR reserves, while China is a distant second with 6 per cent. The United States is estimated to hold about 2 per cent of world PR reserves. Based on data found in the IFDC report, the United States was thought to hold about 75 per cent of the world's recoverable phosphate product (~50 per cent P_2O_5) in the late 1970s. As the 2010 IFDC report indicated, world phosphate rock reserves and resources are dynamic due to a wide variety of factors.

Country	Reserves, 2012 billion t	World total %
Morocco and Western Sahara	50,000	75
China	3,700	6
Algeria	2,200	3
Syria	1,800	3
Jordan	1,500	2
South Africa	1,500	2
United States	1,400	2
Russia	1,300	2
Peru	820	1
Saudi Arabia	750	1
Others	2,268	3
World total (rounded)	67,000	100

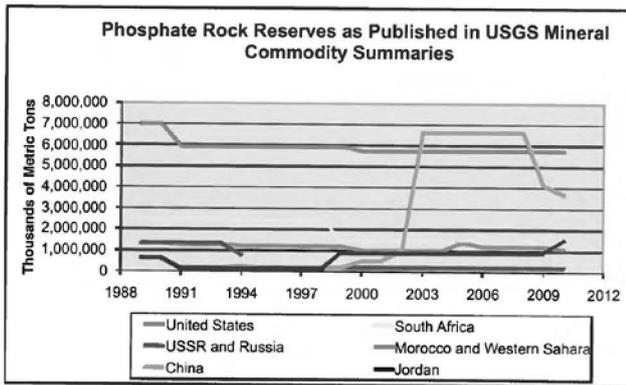


Figure 12. Phosphate Rock Reserves as Published in USGS Mineral Commodity Summaries (1989-2010)

Phosphate rock mining and processing is one of Morocco's primary industries. According to the Mineral Industries of Morocco and Western Sahara Research by USGS 2011, OCP owns about 75% of the world's estimated total phosphate reserves (p.31.1). This figure was updated in 2015 with now 73% of the world's biggest phosphate reserves found in Morocco. Morocco's current production is around 30 million metric tonnes, which is estimated to increase to 55 million metric tons in 2020. This figure was confirmed in OCP's 2015 annual report.

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Appendix 8: International investor activity in response to the situation in WS

The companies below have taken a 'divestment' approach to their operations in the WS region. GNZS will engage first with investee companies to ensure that the wishes of the Saharawi people are being supported before going down the divestment route.

- In 2011, the Norwegian Government Pension Fund and KLP divested from FMC Corp (US) and PotashCorp (Canada) because of its purchase of WS phosphate.
- In June 2016, the Norwegian Government Pension Fund divested from Cairn Energy and Kosmos over their continuing investment in oil exploration off the coast of Western Sahara. This was based on an assessment of the risk of particularly serious violations of fundamental ethical norms.
- In October 2016, BMO Global Asset Management (an investment fund management organisation) also decided, on the basis of the same report, to exclude Cairn from the investible universe of BMO's Responsible Fund range.
- NEST (the UK Workplace Scheme) also excludes Cairn Energy on the back of NGPF's work.
- Also in 2016, MSCI red flagged Moroccan state owned OCP due to its continued extraction of phosphate from WS.
- In 2016, PotashCorp faced a shareholder resolution at their AGM requesting that they report on the risks of its operations in the disputed WS region. The resolution gained c. 30% support including from Canadian pension funds (BCIMC, CPPIB, OTPP). PGGM also supported the resolution.
- On 3 November 2016, the Moroccan Agency for Sustainable Energy (MASEN) announced that Vigeo Eiris, an ESG research provider, had certified green bonds for three projects they have in the pipeline. One of the projects was in Morocco, the other two in Western Sahara. Vigeo Eiris was accused by Western Sahara Resource Watch of certifying something against the same principles that it advocates for elsewhere and of violating the rights of the Saharawi people by failing to seek their consent in carrying out certification of Moroccan-Saudi projects on their territory. A dispute ensued and the UN Global Compact (UNGC) agreed to mediate. However, in June 2017, the UNGC withdrew its involvement due to a breach of confidentiality.
- In 2017, Glencore PLC Switzerland, the biggest multinational company working for the Moroccan government in WS, announced it was leaving its oil operations offshore WS.
- In February 2018, Kosmos and Cairn Energy, both oil companies, announced they were leaving their operations in the Western Sahara (see above - in 2016 the Norwegian pension fund had blacklisted Cairn and Kosmos).

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Appendix 9: Previous Engagement by GNZS

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See [SD#299546](#) and [SD#299296](#)

— GNZS and MFAT engagement. Includes FarmRight response to query from member of the public and Fonterra's position. See [SD#2402319](#)

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Appendix 10: GNZS Live Monitoring¹⁹

GNZS continues to monitor the situation in the WS region.

- On November 2017, a member of the public contacted FarmRight for their position on use of phosphate rock from WS on farms. The GNZS and FarmRight response was as follows.

Dear [REDACTED]

Thank you for approaching us. FarmRight has considered the issues surrounding Western Sahara together with the NZ Super Fund. We have also spoken to Ministry of Foreign Affairs and Trade (MFAT) to understand New Zealand's position on the issue, and to Ballance and Fonterra to obtain their insights. We understand the concerns that you have expressed. This is a particularly complex issue at the UN level.

[REDACTED] *We are aware of the work Ballance is doing to monitor and engage on this issue. In addition we, along with the NZ Super Fund, are continuing to actively monitor the situation in the Western Sahara, and the actions of the NZ Government and the UN, and will continue to maintain a dialogue with Ballance on this.*

Thank you again for contacting us.

- GNZS will touch base with MFAT on an annual basis to see if issue has shifted or any progress made by the UN. With a change in Government, there could potentially be a shift in policy position for NZ.
- GNZS will monitor movements of peer funds regarding divestment
- [REDACTED]
- GNZS will continue to monitor the Ballance cargo court case in South Africa which is yet to be decided.
- GNZS will conduct further research into possible phosphate alternatives for the farms, using Wesfarmers as an example - they have developed a Regenerative Thermal Oxidiser (RTO) technology.
 - o Wesfarmers is one of many fertiliser companies called to stop importing phosphate rock from the disputed territory. CSBP Fertilisers (subsidiary of Wesfarmers) manufactures, imports and distributes phosphate, nitrogen and potassium-based fertilisers for the Western Australian agricultural sector. In 2009, Wesfarmers decided to invest in a technology and plant upgrade **to reduce its reliance on phosphate rock imported from Western Sahara**. In 2012, the RTO was commissioned. CSBP states that,
 - *"although operational issues continue to be addressed, the RTO has successfully diversified our phosphate raw material supply options. The RTO has enabled us to use a wider range of phosphate rock supply options and, since the commissioning of the RTO, we have not imported phosphate rock from the Western Sahara. **We will continue to monitor the RTO's performance and review our phosphate rock supply options as we head into each production season.**"*
 - Wesfarmers do not intend on purchasing phosphate from WS in the near future so long as the technology used in their production process works as intended.
 - No data to indicate the effectiveness of this **technology on fertiliser**.

¹⁹ As at February 2018.

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- In 2015, KLP decided to rescind its exclusion of Wesfarmers. Read [here](#).

In 2018, MFAT [emailed](#) through the following documents:

- [Phosphate Statistics 2018](#)
- [Global Phosphates 2018](#)
- [NZ Goods and Services Trade by Country: Year ended March 2017](#)

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CONFIDENTIAL: Western Sahara – DRAFT Q&As : INTERNAL USE ONLY – [REDACTED] thoughts – rough points

Background on Western Sahara and related information can be obtain here

Do we use Phosphate on our Farms from Western Sahara (WS), if so, how much?

Yes we do. NZ is identified as one of the largest importers of phosphate rock from WS. There are two NZ companies that import phosphate: Ballance Agri-Nutrients Ltd and Ravensdown Co-op Ltd who are fertiliser companies, the only two member companies on the Fertiliser Association of NZ (FANZ) and supply 98% of all fertiliser used in NZ.

Who is our main supplier?

[REDACTED]

Where does Balance source from?

In terms of phosphate supply Balance sources the majority of the rock from 4 major suppliers; [REDACTED] These rocks are then blended so as to meet various criteria, including minimum phosphorus and maximum cadmium concentrations, granulation characteristics, odour emissions, price etc. Blend ratios can vary over time and between different manufacturing plants, so it can be difficult to determine the proportion of Western Saharan P-rock in any particular dispatch of locally manufactured superphosphate. However, as a gauge, over recent years, typically around 50-70% of the P-rock we used in Superphosphate manufacture comes from the Western Sahara, [REDACTED]

What are the alternative sourcing options, and can a client specify the source?

Sourcing of P-rock from a range of suppliers is an option – however these are blended to meet a range of criteria. Due to supply chain and manufacturing constraints, it is impossible to manufacture superphosphate from a specific / requested P-rock source. In addition, some of these rocks are unsuitable for use in isolation, or even as major components of a blend.

Balance does import a range of different P-fertilisers, some of which are derived from P-rock sources other than the Western Sahara [REDACTED] However continuity and availability of supply can be an issue – hence why there is a need to have all sources.

Ballance has good understanding of issues and constraints with alternatives and sourcing from alternative countries.

If Ballance stop sourcing from WS and only get it from China and Europe will that be a possibility?

No because the special blend of P-Rock from WS has a level of cadmium (low levels) which is needed for NZ soil conditions.

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- Trying to obtain rock that has low levels of cadmium for NZ soil conditions.
 - NZ limit is 280ppm per kg phosphate
 - Aus limits is 400ppm per kg phosphate
 - Balance and Ravensdown sell phosphate with 150ppm per kg
- Pasture testing - shows no cadmium accumulation from areas with 150ppm phosphate applied
- Rock from Togo is 220-240ppm cadmium, would increase accumulation
- Different types of crops take up different levels of cadmium so need to be sure of levels at input.

What is Balance's view of the WS situation?

- Balance is conscious of the different perspectives around Western Sahara, and have taken their lead from the United Nations (UN) actions
- Their view all along has been that the UN is the correct place to address the underlying issues around self-determination and sovereignty for Western Sahara, which are very complex and long-running. There is a lot more to play out the geo-political dispute
- 
- They have doing business with OCP for about 30 years, and the CEO and Chair [along with other Directors] have personally been up there in the past (2016) to meet with OCP as part of our supply chain due diligence. MFAT have also told us that OCP do put resources back into the occupied territory. In addition to product quality, Balance feel they have seen first-hand the economic development, community support, environmental and healthcare initiatives that OCP has underway in the area
- Balance is in touch with MFAT on the issue too.

What does the Fertiliser Association of New Zealand say?

They have put out a public statement as follows:

(http://www.fertiliser.org.nz/Site/media/Western_Sahara.aspx).

FANZ also feel this is a difficult issue – and FANZ recognises that as a principle, FANZ continues to believe that the local inhabitants of Western Sahara should benefit from the resources of their territory, and that any activities involving these resources should be undertaken in their best interests and for their benefit, however also consider that the United Nations is the most appropriate organisation to make judgements on situations like this.



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Phosphorus fertilisers are vital to New Zealand's agricultural sector and represent an important source of revenue for Western Sahara. Neither of these benefits should be discarded without thorough consideration of all relevant matters by appropriate authorities.

Fonterra have also iterated that from the observations they have had, OCP has stated that they are not breaching any human rights.

Who are OCP?

OCP is a Moroccan SOE – and extract phosphate from Morocco and WS. They have publically stated they are contributing to the WS economy and the local people. See below attached PDF fact sheet. In 2016, [REDACTED] due to its continued extraction of phosphate from Western Sahara. However, now MSCI only has a BISR report on OCP – not much detail.



OCP Phosboucraa
Fact Sheet Responsibl

What about divestment?

In 2016, there was some international investor movement ie. Norwegians (and others) divesting from a couple of companies that extract phosphates from the Western Sahara because of their assessment that the companies were involved in 'particularly serious violations of fundamental ethical norms.

There are a few Australian companies that have divested from OCP. There were previously only three companies from Australia that were importing from WS but two (Wesfarmers and Impact Fertilisers) have since divested to other sources. Wesfarmers investigated into a Regenerative Thermal Oxidiser (RTO) technology which is how they were able to diversify away from WS phosphate. Wesfarmers reliance was on odorous phosphate rock.

NZ Super are yet to investigate if this could be useful for NZ soil conditions – we suspect it wont be due to our unique soil conditions with cadmium.

Western Sahara Resource Watch (NGO group) has a list of companies that were sourcing from WS but have since stopped.

- Nidera Uruguay S.A. (Uruguay/Netherlands)
- Yara International ASA (Norway)
- Mosaic Co (USA)
- BASF SE (Germany/Belgium)
- Petrokemija PLC (Croatia)

- Tata Chemicals (India)
- Zen Noh (Japan)
- Wes farmers (Australian)

What is Fonterra's view on this? From phone chat with Fonterra

Fonterra agrees that the dispute has been place for 40 years. UN not being able to resolve this, so very limited chance for anyone to really do anything apart from the UN. Fonterra and FANZ has been monitoring this closely.

The MACRO issue of the whole thing is that who benefits from the phosphate? And who is doing the mining of it.

Fonterra agrees and supported it is hard for NZ to stop sourcing from WS. For the level of phosphate required in NZ soils – OCP appears to be the best supplier – (re levels of cadmium) - the phosphate sourced from OCP is particularly low in cadmium compared to other sources, that's why it's preferred for NZ soil.

Fonterra believes that UN guiding principles on Business and Human Rights states that you need to be careful if you are withdrawing suppliers from the operating country – that might have a worse impact.

What is Cadmium? Why do we care?

Cadmium is a naturally-occurring heavy metal present in low concentrations in air, water and soils. It occurs naturally in phosphate rock – the main ingredient for superphosphate fertiliser. Superphosphate benefits New Zealand's agricultural productivity by improving plant growth. But ongoing use of phosphate-based fertilisers can lead to build up of cadmium in soils.

Cadmium concentrations are still relatively low in New Zealand soils. Because cadmium accumulates in soils, there was concern that levels in New Zealand soils would continue to rise¹. However, the latest evidence suggests that levels are stabilising. This will help reduce the risk of higher cadmium concentrations in the food chain. The phosphate sourced from OCP is particularly low in cadmium, that's why it's preferred for NZ soils.

To maintain the productivity of farms, phosphate fertilisers will continue to be used in New Zealand. So cadmium levels in soils must be actively monitored and managed.

¹ <https://www.mpi.govt.nz/protection-and-response/environment-and-natural-resources/land-and-soil/cadmium/>

If high levels are detected in some soils, it may prevent the affected land being used for certain farm activities².

[REDACTED]

MFAT explained that NZ imports the rock and processes it into super phosphate.

[REDACTED]

What is the Cadmium level in the WS phosphate rock?

[REDACTED]

[REDACTED] The new EU standards are even lower [REDACTED]

MFAT also clarified that the majority of mines that OCP (SOE) owns are in the North of Morocco.

What about other disputed territories? Are we opening up a precedence by only looking at WS?

There are a handful of **topical sovereignty disputes**. Refer to [supedocs](#) for a list and summary. As of 30 June 2017 and the Guardians only have direct investments in **Taiwan** where there is a sovereignty dispute.

[REDACTED]

² <https://www.mpi.govt.nz/protection-and-response/environment-and-natural-resources/land-and-soil/cadmium/>



What is our overall Context and background?

- NZ Government’s position generally is to support the UN and promote self-determination in situations such as this.
- NZ was on the UN Security Council for 2 years over 2015 and 2016. 15 other countries are also on the Council. However those countries are all divided on the issue. NZ played an active role in supporting continued peace keeping between Morocco and WS. But now NZ is off the security council so are no longer influential.
- UN security are still split on the issue – even though no country in the world recognise Morocco’s claim of the WS.



- [Redacted]

This meant that 2/3 of the UN Peace keepers on the ground were dismissed by Morocco and asked to go home. NZ felt they couldn’t support a mission if it isn’t fully functioning – how can they work on any further peace keeping or settlement?
[Redacted] NZ wants peace keepers to be returned to Morocco to continue their mission.

- [Redacted]

- However there are 100,000 Sawarian people in refugee camps on the Algeria side of the WS.
- The state is split as 2/3 moroccan territory, 1/3 is controlled by the Polisari but is filled with land mines and then remaining are in refugee camps near the Algeria border. Algeria hosts the camps, their military provides security support and they provide development and the ability to go to school etc.

- [Redacted]

- [REDACTED]

[REDACTED]

What is our position? Reply to [REDACTED] (January 2018)

Dear [REDACTED]

Thank you for approaching us. FarmRight has considered the issues surrounding Western Sahara together with the NZ Super Fund. We have also spoken to Ministry of Foreign Affairs and Trade (MFAT) to understand New Zealand's position on the issue, and to Ballance and Fonterra to obtain their insights. We understand the concerns that you have expressed. This is a particularly complex issue at the UN level.

[REDACTED] We are aware of the work Ballance is doing to monitor and engage on this issue. In addition we, along with the NZ Super Fund, are continuing to actively monitor the situation in the Western Sahara, and the actions of the NZ Government and the UN, and will continue to maintain a dialogue with Ballance on this.

Thank you again for contacting us.

[REDACTED]

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Summary of Western Sahara Phosphate Issue

The Western Sahara (WS) sovereignty dispute between Morocco and the Polisario Front (WS representatives) has been occurring for 40+ years. The dispute centres around what is considered by many countries to be an illegal occupation of the Western Sahara by Morocco. The dispute is monitored by the United Nations and no international solution has been reached to date. There have been a number of conflicting international legal opinions and judgments on the sovereignty dispute (and exploitation of natural resources). However, NZ's lead is taken from the UN. Currently, no international or NZ laws are being violated by NZ companies in respect of the Western Sahara. [REDACTED]

The purchase of phosphate rock by countries including NZ has been condemned by activists as supporting Morocco's exploitation of WS natural resources in a territory that they hold contrary to international law. The point about 'exploiting natural resources without the consent of the people and benefits not being directed to them' is a sub-point of the sovereignty issue.

Ballance and Ravensdown are the two NZ companies that import WS phosphate rock and supply 98% of all fertiliser in NZ (FANZ). [REDACTED]

NZ has featured in recent media reports as it is the largest importer of phosphate rock from the disputed WS territory, our new Prime Minister has previously visited the Western Sahara as President of the International Union of Socialist Youth, and a shipment impounded and declared illegal in South Africa was destined for here. This shipment (ordered by, but at the point of seizure not owned by Ballance) was declared illegal by the High Court of South Africa, which found that the rock was owned by the Saharawi government and Morocco had no legal basis to sell it to NZ fertiliser companies.

[REDACTED] Wesfarmers Australia stopped importing phosphate rock in 2012 after developing a Regenerative Thermal Oxidiser (RTO) technology and Nutrien (merger of Agrium and PotashCorp) announced it would exit WS phosphate imports in 2018, in response to "shareholder preferences". Consistent with a strong EU position on the sovereignty issue, the Norwegian SWF has excluded companies involved in Western Sahara phosphate (and other businesses) citing "serious violations of ethical norms".

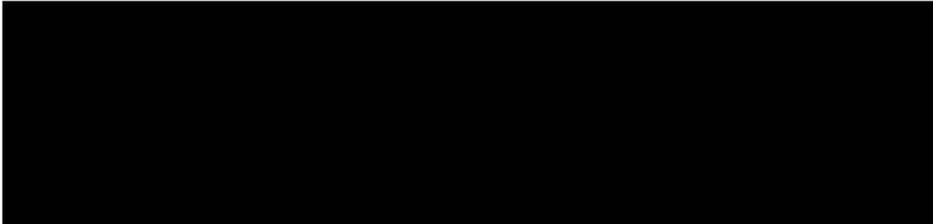
In 2016, [REDACTED] state-owned company OCP due to its continued extraction of phosphate from the Western Sahara. [REDACTED]

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There are alternative phosphate rock sources in the world as identified by recently proposed EU Fertiliser Regulations. Russia, Canada, Jordan, Syria, Egypt and Tunisia are identified as having sufficient phosphate depositories. Venezuela, U.S, Saudi Arabia, Peru, South Africa and China are further alternative sources although there may be some internal restrictions on exports to protect their own supply. NZ can still source phosphate rock from OCP but from reserves in Morocco rather than the Western Sahara. Morocco holds 73% of the worlds phosphate reserves – Western Sahara reserves only accounted for 2%. There are three locations in Morocco where phosphate rock can be sourced, which largely accounts for over 30 million metric tonnes of phosphate rock it produces. MFAT also pointed out that ____ a NZ based company is currently sourcing phosphate rock from ____.

Commented [redacted] Will find out. They import a very small amount.



Current NZSF position - reactive only

- Importation of phosphate from the Western Sahara is not an issue that is specific to NZS, FarmRight or indeed the dairy industry – phosphate is widely used as a fertilizer across many agricultural and horticultural sectors in NZ.
- NZSF is aware of the ethical and political concerns regarding the Western Sahara and NZ’s importation of phosphate, including the impounding of the Ballance shipment which indicated some supply chain risk.
- NZSF’s farms are continuing to be supplied by Ballance. NZSF has, however, asked its farm manager FarmRight and Ballance to explore whether or not, going forward, there are commercially-feasible alternatives to obtaining phosphate from the Western Sahara.
- Position on listed companies – [redacted] can you help here?

MFAT Call re: Western Sahara Phosphate Minutes

Date: 15 March 2018

Time: 3 – 4.15pm

Location: L12 Rangitoto Room

Attendees

NZ Super Fund: [REDACTED]

MFAT: [REDACTED]

Purpose of Call: As part of NZSF’s ongoing engagement with key stakeholders on the Western Sahara phosphate sourcing issue, this meeting/call was scheduled, at MFAT’s request, following the High Court of South Africa’s decision on 26 February 2018, which found in favour of the Saharawi government regarding ownership of phosphate aboard the Cherry Blossom ship heading for Ballance in NZ.

Item 1:	Updates – Media / Court decision	Key message
Discussion:	<p>MFAT provided an update of the recent coverage on Western Sahara (WS) phosphate imports.</p> <ul style="list-style-type: none"> • There’s been a strong media interest lately on the importation of phosphate from Western Sahara • [REDACTED] • [REDACTED] • There is a recent EU fisheries legal judgment finding that Western Sahara extractions are <u>not included</u> in the EU-Morocco free-trade agreements as the trade agreement with Morocco excluded WS waters. 	[REDACTED]

	<ul style="list-style-type: none"> Cherry Blossom ship – the High Court of South Africa finds in favour of the Saharawi government. NZSF asks why the Court reached this conclusion. [REDACTED] briefly states that the phosphate on the ship belonged to the Polisario as Morocco could not legally own it and therefore not entitled to sell it to NZ Fertiliser companies Nutrien a Canadian phosphate company, will cease Western Sahara phosphate imports at the end of 2018. This means that NZ will remain the largest importer of phosphate from the WS. NZ imports 90% of phosphate rock from the WS. MFAT says that there are others sourcing from the Western Sahara: Venezuela and Australia. Australia’s latest imports of phosphate from Western Sahara was about 5% but their imports fluctuate every year. The fact is that NZ will be the <u>largest</u> importer at the end of 2018 once Nutrien ends sourcing. Less than 2% of Morocco’s phosphate rock comes from Western Sahara mines. 	
	<p>MFAT plans to provide a briefing to Ministers in the coming weeks. The briefing would include some scene setting, an update on the court cases, commentary on what other countries are doing. Their line is that the position is shifting and there is likely to be continued public interest/concern if NZ continues to import.</p>	<p>Ministers will be briefed on the WS issue by MFAT in the next few weeks.</p>
<p>Item 2:</p>	<p>MFAT work</p>	<p>Key Message</p>
<p>Discussion:</p>	<p>MFAT: [REDACTED] [REDACTED] [REDACTED] The current understanding is that companies act independently, import at their own risk and should seek their own legal advice – there is no single legal avenue. Tara also says that UN sanctions are not a possibility. NZ doesn’t have an autonomous sanctions regime. [REDACTED] [REDACTED]</p>	<p>MFAT have done (and are doing) research into the issue – one of importance</p>

Item 3:	WS as a disputed territory	Key Message
Discussion:	<p>There is some international recognition that the Western Sahara is an independent territory. For example, the African Union recognises the Western Sahara’s commitment to independence. Importing phosphate rock from WS does have serious implications for NZ:</p> <ul style="list-style-type: none"> • [REDACTED] • [REDACTED] <p>NZSF said that our legislation also includes a section to avoid reputational risk to NZ. This is achieved in part through our RI Framework.</p>	[REDACTED]
Item 3:	NZ’s role in importing	Key Message
Discussion:	<p>MFAT says that now that NZ is the main importer of phosphate rock from the Western Sahara, the profile of the risks described above has shifted. [REDACTED]</p> <p>NZSF asks why the Cherry Blossom ship was impounded in South Africa and why the High Court of South Africa ruled as it did given a similar case in Panama ruled the other way. [REDACTED]</p>	<p>The issue has become more serious since the High Court of South Africa Cherry Blossom case. NZ is now the largest importer of phosphate rock from the Western Sahara.</p>

	<p>████████████████████ Morocco and OCP ended up pulling out of the case given the predictability of the decision ruling.</p> <p>████████████████████</p> <p>████████████████████</p>	
<p>Item 4:</p>	<p>Why does NZ need phosphate from WS?</p>	<p>Key Message</p>
<p>Discussion</p>	<p>NZSF asks MFAT to clarify the point about Cadmium. MFAT say that there is a whole lot of Cadmium science involved but ██████████ ██████████. ██████████ ██████████</p> <p>MFAT explained that NZ imports the rock and processes it into super phosphate. ██████████ ████████████████████</p> <p>████████████████████ NZSF asks about where else in the world NZ can source phosphate rock from. ██████████ ████████████████████</p> <p>NZSF asks about the level of Cadmium in the WS phosphate rock. ██████████ ████████████████████</p>	<p>NZ's manufacturing plants for phosphate are old, which is why companies still rely on WS rock which is soft. The choice is to upgrade systems or find alternative sources of rock.</p>

	<p>[REDACTED]</p> <p>MFAT mentions that NZ has a Cadmium commitment of [REDACTED] (currently we are operating at about half that level). The new EU standards are even lower [REDACTED]</p> <p>MFAT also clarified that the majority of mines that OCP (SOE) owns are in the North of Morocco.</p> <p>[REDACTED]</p>	
<p>Item 5:</p>	<p>Alternatives</p>	<p>Key Message</p>
<p>Discussion:</p>	<p>NZSF says we need to understand alternatives to WS phosphate rock. MFAT says there are alternative sources. NZ only started getting phosphate from the WS in the 1980's. [REDACTED]</p> <p>[REDACTED]</p> <p>MFAT asks about the impact this issue has on NZSF farms – NZSF says the Fund owns 25 farms; NZSF are seen as a leader re: ESG standards and management of farms; NZSF also mentions that NZSF has committed to stop using PKE on our farms.</p> <p>[REDACTED]</p>	<p>Find alternative sources. The PM will be briefed in the coming weeks [REDACTED]</p> <p>[REDACTED]</p>

	<p>[REDACTED]</p> <p>MFAT says that the issue is a matter of policy. [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	
<p>Item 6:</p>	<p>MFAT timeline</p>	<p>Key Message</p>
<p>Discussion:</p>	<p>The PM and relevant Ministers are expecting a briefing within the next few weeks [REDACTED] MFAT are meeting OCP and the Moroccan delegation this week to discuss various matters – they are in NZ.</p> <p>NZSF ask MFAT to please send through draft wording of anything concerning NZSF/Guardians before they appear in the briefings. Gabrielle says it’s a possible one-liner in the briefing concerning NZSF farms – NZSF suggests it may be better for NZSF to provide the statement.</p>	<p>[REDACTED]</p>
<p>Item 7:</p>	<p>UN Sanctions</p>	<p>Key Message</p>
<p>Discussion:</p>	<p>MFAT noted the recent article by Rob Stock on NZSF’s country sanctions. MFAT offered support if we had any questions regarding UN sanctions.</p>	
	<p>END</p>	

C2 - Internal Use Only

Internal meeting to discuss the changing political landscape with regards to NZ sourcing of phosphate rock from the Western Sahara

21 March 2018

Attendees: [REDACTED]

For background, see:

- Background research on the Western Sahara: SD#[2318236](#)
- Q&As re. farm use of phosphates from WS (including call notes from call with MFAT on 21 Dec 2017) DEC 2017: SD#[2402319](#)
- Notes on call with MFAT 15 March 2018: SD#[2462680](#)
- Summary of Western Sahara phosphate rock situation SD#[2456839](#)

Notes from the meeting

- GNZS spends [REDACTED] on fertiliser (including nitrogen) and lime on our farms per year.
- This contributes to [REDACTED] of farm operating costs.
- We are one of the [REDACTED] largest farm owners in NZ [REDACTED]

1. Ask Farmright to raise the changing risk profile on WS issue with agricultural & horticultural industry associations. Ask if they are in touch with MFAT about its upcoming briefing to ministers. These industry bodies should be providing input so that MFAT provides a good understanding of industry use, access to alternatives, security of supply and economic impacts.
2. Ask Farmright to look into the costs and practicalities of purchasing phosphate from alternative sources.
3. [REDACTED]
4. Suggest Farmright has assistance [REDACTED] to provide potential government affairs contact) with engaging with government and responding to potential media questions should this be required. They manage both NZ Super and PSP farms so this is an issue both funds will want managed appropriately.
5. Potentially meet with FANZ directly – could be with Fonterra who have suggested a joint meeting.

Commented [REDACTED]: Check names with [REDACTED]

Commented [REDACTED]: [REDACTED] to decide

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