

# Viewpoint: Conflict Diamonds — Unfinished Business



Revolutionary United Front (RUF) diamond diggers in Kono District, Sierra Leone. [Photo courtesy of Partnership Africa Canada (PAC)]

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*The important international agreement on diamonds reached this year will not be effective if it is not monitored, and if the countries and companies that traffic in conflict diamonds are not stopped.*

In March 2002, an international meeting in Ottawa, Canada concluded a remarkable agreement to end "conflict" or "blood" diamonds. Conflict diamonds have been used by rebels in Sierra Leone, the Democratic Republic of the Congo, and Angola to buy weapons and to fuel horrific wars that have so far, either directly or indirectly, taken more than two million lives. Conflict diamonds — a relatively small part of the overall diamond trade — have piggy-backed on the well-established and much larger traffic in *illicit* diamonds. Illicit diamonds, which represent as much as 20 percent of the trade, are stolen or smuggled, and are used mainly for money laundering tax evasion.

Diamonds have a great deal of carbon, symbolism, and cash value compressed into them, but they are one of the least regulated commodities on earth. Seven and a half billion dollars worth of rough diamonds translate into nearly \$60 billion worth of diamond jewelry in a year, and yet no one can say for sure where any diamond in a jewelry shop today was mined. Even Canadian diamonds with snow geese, maple leaves, and polar bears lasered onto them disappear for a time into the sorting houses of Antwerp before they return to Canada for cutting and polishing.

What we do know is that 75 percent of the world's gem diamonds are mined in Africa, and that *União Nacional para a Independência Total de Angola* (UNITA), in Angola, the Revolutionary United Front (RUF) in Sierra Leone, and a wide range of rebels and gangsters in the Congo have killed, maimed, and rampaged over huge areas in order to get them. And until four years ago, there was no outrage, no concern, and no action. That changed with a report on Angola by Global Witness, a British nongovernmental organization (NGO), and by a report on Sierra Leone in January 2000 by [Partnership Africa Canada \(PAC\)](#).

## **International agreement on diamond handling**

Spurred by NGO studies, a growing NGO coalition, and media exposés, 37 governments and the diamond industry began meeting, along with NGOs, in an effort to create an international certification system for rough diamonds. The "Kimberley Process" was named after the town in South Africa where the first meeting was held in May 2000, and the Ottawa meeting — the 12<sup>th</sup> in the series — resolved almost all the outstanding issues but one. Delegations agreed on standards for handling uncut diamonds at all stages of their progress, from mine to cutting factory. They agreed on an international database, on definitions, deterrents and coordination; they even agreed on how to handle potential difficulties with the World Trade Organization (WTO).

The one thing governments rejected, however, was the one thing that NGOs had insisted on from the start: regular, independent monitoring of all national diamond control mechanisms. On this issue, the debate was long and heated, but the final text essentially left monitoring missions to the discretion of the entire membership of the Kimberley Process at their annual plenary meetings, to be triggered only by credible indications of significant non-compliance with the international certification scheme.

### **A meaningless monitoring provision**

The monitoring provision is so full of caveats, hesitancy, and the need for full plenary approval of all details, that it is meaningless. It makes the Kimberley accord weaker than any other international agreement of the past decade — from those dealing with chemical weapons and money laundering, to endangered species and landmines. While the assembled governments were agreeing on wording in the diamond agreement, in fact, there were already "credible indications" that a wide variety of countries would be in "significant non-compliance with the international certification scheme" if permitted to join.

Take Dubai, for example. Dubai's exports of rough diamonds to Antwerp increased from \$4.2 million in 1998 to \$149.5 million in 2001. If Dubai does not join the Kimberley Process, its diamonds will be excluded from world trade, but all it has to do is inform the Chair that it is "willing and able to fulfill the requirements of the scheme" and it is in. Unless, of course, it is decided *by the full plenary* that "indications" suggest "significant non-compliance." Only then would a review mission be triggered, and only after Dubai had a) agreed to submit to such a review, and b) agreed on "the size, composition, terms of reference and time frame" of the mission.

Or take any of half a dozen legitimate diamond producers — Guinea, Ghana, Côte d'Ivoire, Central African Republic, for example — where official exports are only half of what is declared by Belgian importers. Take South Africa, where illicit diamonds arrive every day for laundering through defunct South African mines. Take Canada or the US, where there are virtually no serious controls on rough diamond imports. Take countries like Rwanda, Uganda, Gambia, Congo-Brazzaville, Zambia, and others that collectively export hundreds of millions of dollars worth of anonymous rough diamonds every year, even though they do not mine a single carat themselves. Will they be allowed to join — without a review — simply by notifying the Kimberley Process Chair that they are "willing and able" to fulfill the requirements of the scheme?

### **The thriving trade in illicit diamonds**

The truth is that almost no country involved in the diamond trade today fulfills the requirements of the proposed scheme. The aim, following the Ottawa meeting, is that participating countries will review their regulatory frameworks in order to put the required systems in place for a launch of the worldwide system in November 2002. But there are many countries, many businesses, and many

individuals that have thrived on the illicit trade in diamonds. There have always been laws against theft, smuggling, and murder, but they have been completely ineffective where these players are concerned. As a result, untold numbers of innocent people have died in wars that were fueled and protracted by diamonds; millions have been displaced; and entire countries destroyed.

Without effective, regular, independent monitoring of all national control systems, the Kimberley provisions will be no more effective than what already exists. An important international agreement has been reached in record time. If it is effective, it may well end this disgraceful blight on the diamond industry. But it will not be effective if it is not monitored, and if the countries and companies that traffic in conflict diamonds are not stopped. The countries that mine and trade in diamonds have a responsibility to address this issue again, and to ensure that controls are credible and genuinely effective.

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## **For more information:**

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