



## **Regulating Conflict Diamonds**

Starting with the conflict in Sierra Leone in the late 1990's, Partnership Africa Canada began investigating and reporting on the link between conflict financing and natural resources, especially diamonds. Our work, in collaboration with other civil society members, led to calls for the international community and industry to take action—leading to the formation of the Kimberley Process Certification Scheme.

Established in 2003, the Kimberley Process Certification Scheme requires participating countries to develop internal controls to ensure that conflict diamonds are excluded from trade. Each shipment of rough diamonds must be accompanied by a certificate attesting to its conflict-free status.

The Kimberley Process was one of the first multi-stakeholder initiatives where governments, industry and civil society worked together to tackle a common problem. The collaboration has helped decrease the amount of conflict diamonds on the market, once estimated as high as 25 percent.

## **Civil Society and the Kimberley Process**

Civil society has played a vital role in the Kimberley Process since its establishment. As observers, civil society organizations are active members of working groups, country review missions, and participate in biannual meetings.

In 2007, society came together to form the KP Civil Society Coalition, to amplify their work and share a unified message with the regulatory body. With Partnership Africa Canada as a founding member and coordinator, the Coalition has been able to successfully raise concerns as a coordinated group, including violations and recommendations. Together the Coalition has championed action to formalize the artisanal diamond sector and provided capacity-building at the local level in mining-producing countries.

From its inception, civil society has been a source of independent information on conflict diamonds and its interconnectedness to issues of human rights, peacebuilding, environment, trade, taxation, and others.

At the November 2015 Plenary Meeting in Angola, the KP Civil Society Coalition announced its intention to boycott the Kimberley Process in response to the chairmanship of the United Arab Emirates.



11 international and community-based organizations form the Civil Society Coalition:

- Partnership Africa Canada (PAC), Canada
- Groupe de Recherche et de Plaidoyer sur les Industries Extractives (GRPIE), Côte d'Ivoire
- Centre du Commerce International pour le Développement (CECIDE), Guinea
- Green Advocates, Liberia
- Network Movement for Justice and Development (NMJD), Sierra Leone
- Réseau de Lutte contre la Faim (RELUFA), Cameroon
- Centre National d'Appui au Développement et à la Participation Populaire (CENADEP), DR Congo
- Groupe d'Appui aux Exploitants des Ressources Naturelles (GAERN), DR Congo
- Zimbabwe Environmental Lawyers Association (ZELA), Zimbabwe
- Center for Natural Resource Governance (CNRG), Zimbabwe
- International Peace Information Service, Belgium

### **Kimberley Process: Failure to Adapt and Innovate**

The Kimberley Process has developed a reputation as an accountable, transparent, and inclusive regulatory mechanism for managing trade. Yet, deep-rooted issues plague a system that is stuck in time and is failing to address conflict diamonds that are being traded in the current global system.

**Outdated Definition:** By continuing to use the original definition of “conflict diamonds” that emphasizes rebel group financing, the Kimberley Process ignores the majority of conflict diamonds traded today—those used by legitimate governments, private military companies, or other actors for their own interests.

**Consensus-based Decisions:** By mandating decision-making through a consensus model, the Kimberley Process renders itself ineffective, especially when evidence of violations or abuses by member states is released. The need for consensus results in a process that is unable to provide quick and innovative responses to rising challenges.

**Ignoring Emerging Issues:** Despite evidence and recommendations, the Kimberley Process refuses to address the changing nature of the conflict diamond trade. Issues that are increasingly important to tackle such as smuggling, taxation, money laundering, environmental degradation, and transfer pricing—which results in trading centers purchasing illicit diamonds for a fraction of their value—are continually ignored.

**Chairmanship for the United Arab Emirates:** In 2016, the United Arab Emirates will take over the Kimberley Process as chair. The UAE and its capital, Dubai—a major diamond trading center—continues to engage in the process of transfer pricing of diamonds. Despite repeated calls by civil society for action, especially as it takes up chair, the UAE has failed to take any steps to improve internal regulations towards stemming the flow of illicit diamonds, including those originating from the Central African Republic.