

OTHER FACETS

NEWS AND VIEWS ON THE INTERNATIONAL EFFORT TO END CONFLICT DIAMONDS

Number 1

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Human Security and the International Diamond Trade In Africa

RESEARCH PROJECT EXPANDS

Partnership Africa Canada's report, *The Heart of the Matter; Sierra Leone, Diamonds and Human Security*, was published in January 2000, and received widespread attention among governments, the media and the international diamond industry. There has been considerable movement on some of the recommendations made in that report, which benefited from the assistance of the **International Peace Information Service** in Belgium and the **Network Movement for Justice and Development** in Sierra Leone.

The three organizations have now joined together to expand on the work of Phase I, creating a wider body of knowledge on the issue of 'conflict diamonds', and aiming to help to resolve the diamond-related conflicts that have proven so devastating to human life and human security in Africa. The programme will offer policy alternatives to governments, industry, and to bilateral and multilateral bodies, aimed at the establishment of a developmentally sound environment for diamond production and trade in Africa. Research activities will expand the body of knowledge on the issue of conflict diamonds, investigating a number of diamond producing countries in Africa and their neighbours, as well as major trading, cutting and polishing centres. The project will conduct a series of studies aimed at building a more complete body of information on the international diamond industry as it relates to civil and cross-border conflict in Africa. It will carry out a program of information aimed at improved public understanding, policy dialogue and policy change which will reduce conflict-related opportunism in and around the diamond industry, and which will increase opportunities for productive investment and developmentally sound corporate responsibility. The project will create an international coalition of researchers and activists who can benefit from each other's work in the search for lasting solutions to diamond-related conflict. In addition, the programme aims to empower African civil society organizations to work for peace, justice, development and increased human security in their own countries.

To date, the project has received generous support from the Program on Global Security and Sustainability of the John D. and Catherine T. MacArthur Foundation, the Canadian International Development Agency, the British Department for International Development, the Canadian Catholic Organization for Development and Peace, the International Development Research Centre, the Canadian Department for Foreign Affairs and International Trade, the Canadian Autoworkers Social Justice Fund, Inter Pares, CUSO, Terre sans Frontières and others.

OTHER FACETS

Other Facets, a periodic newsletter about the international effort to end diamond-related conflict, is a joint publication of Partnership Africa Canada (Ottawa), the International Peace Information Service (Antwerp) and the Network Movement for Justice and Development (Freetown). Views expressed in *Other Facets* are those of the authors and editorial staff alone.

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Copies of *Other Facets* are available on request. It is also available on the Partnership Africa Canada website at: www.partnershipafricacanada.org.

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UN WARNS LIBERIA

Sanctions Postponed

The UN Security Council voted unanimously on March 7 to place an international embargo on trade in Liberian diamonds, effective May 7, if Liberia does not stop supporting Revolutionary United Front (RUF) rebels in Sierra Leone. Further measures will include a travel ban on **President Charles Taylor** and other senior Liberian officials. Liberia was also asked to ground its aircraft until it can develop an acceptable registration system for its aircraft. In addition, the existing embargo on weapons shipments to Liberia was replaced with a new one. Liberia pre-empted the UN by saying that it had grounded its aircraft and halted its own diamond exports for four months, pending the establishment of an 'internationally verifiable and transparent' certification system. The moves follow publication of a UN Expert Panel Report in December that accused Liberia of diamond smuggling and high-level support for the RUF. Guinea had earlier expressed anger over the delay in imposing sanctions, blaming Liberia for supporting rebel forces fighting in Southern Guinea. There are over 200,000 refugees in Guinea and 200,000 Guineans have been displaced by fighting in the southwest.

MEDIA WATCH by Griot

The January issue of *Esquire* contained a long and detailed character assassination, 'The Opportunist'. **Nicholas Karras**, President of **Anaconda Worldwide**, unwisely allowed journalist **John. H. Richardson** to travel with him to Sierra Leone where Karras, accompanied by two bodyguards and a taste for the good things in life, was trying to make the deal of a lifetime last Autumn. 'There is a certain kind of man who,' writes Richardson, 'in unspeakable human suffering and chaos, sees an opportunity to make himself rich. Take, for instance, the diamond war of Sierra Leone. Nick Karras couldn't get there fast enough.' Karras did manage to get one of the coveted Sierra Leone export licenses, but his future there must now be in question. If *Esquire's* stories about his gift-giving don't cause problems, his racial comments surely will. Recalling 'that little do-gooder aid-worker girl' who 'got on his case about the diamond trade and kept saying, "Don't you know there's blood on those diamonds?"' ... finally Nick got fed up and told her, "Yeah, but it washes right off".

On Feb. 18 CBS finally aired its long-awaited *60 Minutes* segment on diamonds. The plan was for a two-part program, the first focusing on **De Beers** and the second on the war in Sierra Leone. What finally aired, after more than seven months of work, was a single 20-minute segment that centred mainly on De Beers as a cartel, bent on pushing up the price of a largely worthless mineral. The Sierra Leone component became a five-minute sidebar, graphically illustrating what bad things can happen when those prices reach the attention of killers. So much went across the screen in such a short space of time (De Beers Chairman, **Nicky Oppenheimer**, Liberian President **Charles Taylor**, Global Witness's **Charmian Gooch** - 'that little do-gooder aid-worker girl'?) that the average viewer might be forgiven for inferring a direct connection between De Beers and the war in Sierra Leone.

The February issue of *Fortune* carried a lengthy article on **De Beers**: 'A New Cut on an Old Monopoly'. The article was occasioned by the many changes at De Beers over the past year, not least the launch of its 'supplier of choice' initiative, the introduction of its 'Forevermark' and its new retailing strategy, announced in January, with **LVMH Moët Hennessey Louis Vuitton**. It must have annoyed the editors of *Fortune* that in sixteen pages of text and photographs their journalistic investment failed to uncover even the slightest hint of De Beer's biggest plan yet, its proposed US\$17.6 billion remarriage with **Anglo-American** and its delisting, after more than 100 years, from the Johannesburg Stock Exchange, announced about 15 minutes after *Fortune* hit the streets.

Namibian Diamond Mining in Congo Minister objects to 'sensitive country' label

WINDHOEK, Feb 22 - After two years of government denials, Namibia's mining minister has admitted the country is involved in diamond mining in the Democratic Republic of Congo, where Namibian troops are helping prop up Kinshasa against rebels, a press report said on Feb 22. In an interview with the Afrikaans-language newspaper *Die Republikein*, **Jesaya Nyamu** said Namibia was part of a joint venture with a US company and the DRC government. 'It's a tri-partite agreement between the DRC government, August 26 and an American group,' Nyamu said. August 26, whose directors include leading Namibian figures, is a holding company belonging to the Namibian Defence Force (NDF). The company, which oversees the country's military weapons manufacturer, is based on the Chinese model of military-owned commercial enterprises. 'Namibia and its partners are not at the mine to plunder, everything is being done within the framework of a legitimate agreement,' the minister said.

Nyamu declined to name the US group involved in the joint venture. Scarcely a week before the report appeared, the Minister had objected strongly against Namibia being listed in a UN report as a 'sensitive country' because of its potential for trans-shipment of diamonds originating from conflict-ridden countries like Angola and the DRC. 'I categorically condemn such a listing,' he said, 'and call on the authors to retract such baseless, harmful and unfair accusations.'

Namibia is allied with Zimbabwe and Angola in supporting the DRC government against rebels backed by Rwanda and Uganda. The two and a half year war has allowed foreign governments, rebels and business interests to feed off the country's riches, which include gold, diamonds, uranium, and copper. The Namibian company -- named August 26 for the day in 1966 when Namibia's now ruling party launched an armed struggle against the white minority regime in South Africa -- draws its directors from the country's elite. According to the Namibian Registrar of Companies, the directors include the chief of the army **Major-General Martin Shalli**, the deputy inspector general of police **Lieutenant-General Fritz Nghishiliwa**, as well as head of the Namibian Internal Revenue Service, **Anna Nakale**. Also on the board of directors is the Belgian honorary consul to Namibia, **Walter Hailwax**. Hailwax is the local director of international arms brokerage firm ACS International, linked to Zimbabwean arms broker **John Bredenkamp**.

Nyamu's statement marks the first time Namibia has publicly admitted to having diamond mining interests in the DRC. Zimbabwe has readily admitted to its financial links in the DRC, however. Zimbabwe's defence forces have registered a company called Osleg to operate alongside Comiex, a private company owned by the DRC army. The two companies were set up to buy and sell diamonds and gold. Zimbabwe's national railways last September began running a weekly goods train to the DRC, to pick up copper to be processed by Zimbabwe's Mhangura Copper Mines Ltd. Meanwhile, rebels who control more than half the country, mainly in the east and north, are exploiting mineral ore important in armaments and aeronautics.

- John Grobler in Windhoek

UN Deadline for Congo Troop Withdrawals

In February, the UN Security Council called on the warring sides in the DRC to begin disengaging by 15 March, and urged all parties to the Lusaka ceasefire accord to adopt plans for a total withdrawal of foreign troops by 15 May. The Council said it would closely monitor progress in implementing the resolution and it would send a mission to the region, possibly in May. It would consider other measures should any of the parties fail to comply with the resolution.

Security Council Discusses UNITA Sanctions

On Feb. 22, the UN Security Council debated recommendations on Angola, along with the possibility of a permanent monitoring mechanism for UN sanctions. Speaking in his capacity as Angola Sanctions Committee Chairman, Ireland's UN Ambassador, **Richard Ryan**, said that 'the UN sanctions regime against UNITA was working'. He added, however, that the UN 'presently lacks the necessary permanent capacity for following up on the findings of the report of the Panel of Experts and the report of the Monitoring Mechanism... Determination and financial resources will be required to implement the Mechanism's essential recommendations. However, the challenges, which they pose, and their cost, do not diminish their absolute necessity.'

The war in Angola drove over 19,000 civilians from their homes in January alone, according to the UN's Office for the Coordination of Humanitarian Affairs. The largest number of new internally displaced persons (IDPs) was in Bie province in central Angola, a former base of the rebel UNITA movement. The total number of persons displaced during 2000 had reached 457,000 by the end of December.

Find Security Council information on Angola at www.un.org/Docs/sc/committees/AngolaTemplate

MEETINGS

White House Meeting Inconclusive

On Jan 10, in the last days of the Clinton administration, the White Office of Science and Technology Policy held a conference on 'Technologies for [Diamond] Identification and Certification'. The meeting brought together scientists, academics, government representatives, law enforcement agencies and NGOs to discuss the science of diamond identification and the technologies available for marking both rough and polished diamonds. The conference explored the possibilities and limitations of determining the origin of rough diamonds in ways that might support a certification of origin regime. It was generally agreed that while there is at present no foolproof and inexpensive means of identifying or 'tagging' rough diamonds, there is a much useful new research on the subject. One approach might be to mark rough diamonds over a certain size and value, as larger stones are the most attractive to illicit traders. The conference was addressed by outgoing National Security Adviser, **Sandy Berger**, who said that conflict diamonds were 'a national security issue' for the United States. The incoming Bush administration has given a number of signals that it intends to pursue a vigorous policy aimed at ending the trade in conflict diamonds.

Bo Meeting Plans Sierra Leone Campaign

Several Sierra Leonean civil society organizations met in Bo between January 12th and 15th to discuss the achievements of the 'Campaign for Just Mining' during 2000, and to make plans for the year ahead. Led by the Network Movement for Justice and Development (NMJD) and the Civil Society Movement (CSM), the Campaign will focus on conflict diamonds, the country's mining policy, environmental issues and the role of grassroots communities in the country's mining industries. In addition to a national Task Force, the Campaign will be managed by four regional groups. An advisory committee will include representatives from government, the Council of Paramount Chiefs, the diamond industry and the Chamber of Commerce. Some participants criticized the new diamond certificate or origin scheme, arguing that 'blood diamonds' are slipping into the official export channel. They pointed to the 'booming diamond trade going on in Bo and Kenema' and the large number of diamond buyers operating in these towns. 'It is our view that the only way out of this is to militarily expel the rebels from the diamond producing areas,' said an NMJD spokesman. 'That would provide the first step to sanitizing the diamond industry in this country.'

BOOKS

Angola's War Economy: The Role of Oil and Diamonds, edited by Jakkie Cilliers and Christian Dietrich, Institute for Security Studies, Pretoria, 2000, 370 pages.

At the beginning of this book, Jakkie Cilliers says that Angola demonstrates a new type of regional and 'economically determined insurgency war, much more linked to the regional informal economy and even the global economy and its criminal component than previous wars.' The book brings together a collection of knowledgeable writers to discuss the theory and the realities of the political economy of resource wars. These include William Reno, who has written extensively about war, diamonds and state corruption in Sierra Leone, and two writers now associated with the *Human Security and Diamonds Project* - Christian Dietrich and IPIS Director, Johan Peleman. Dietrich writes four detailed chapters on Angola's diamond industry, and Peleman writes about the airborne component of sanctions busting. This book is an excellent primer for anyone trying to understand the role of resource-based insurgencies in general, and the complexities of Angola's long and tragic war in particular.

Copies of the book are available free, with US\$12 for postage to Europe and North America, and R15 in South Africa. For information contact: violet@iss.co.za or fax +27-12-346-9500

Angola: From Afro-Stalinism to Petro-Diamond Capitalism, by Tony Hodges, The Fridtjof Nansen Institute and The International African Institute in association with James Currey, Oxford and Indiana University Press, Bloomington & Indianapolis, 2001, 201 pages, £11.95

This new book provides an economic history of Angola since independence, covering the rise of the country's post-colonial elite, the contradictions in its 'stalled transition' from Marxism to a market-based economy, and the limits of the various reform processes that have been instituted since the late 1980s. For those who know Angola's diamond industry, there is not likely to be much new here. In the single chapter on diamonds, the author relies heavily on the work of Global Witness and the Fowler Report, although unlike their work, the book places diamonds in a wider historical and economic perspective.

Kimberley Process Expands

Industry and NGOs Concerned about Delays

The 'Kimberley Process' refers to a series of intergovernmental meetings initiated by the **Government of South Africa** in May 2000 in an effort to deal with the issue of conflict diamonds. During 2000, meetings were held in Kimberley, Luanda, Windhoek and London, with increasing numbers of governments joining the discussions, but with little in the way of concrete action. The **UN General Assembly** Resolution 55/56 of Dec. 1, 2000 mandated an 'expanded' Kimberley Process in order to develop a detailed proposal for an international certification scheme for rough diamonds, known more generally as 'rough controls'.

The first meeting of the expanded process, held at Windhoek in Namibia in February 2001, began with a restricted meeting for government representatives. This was followed by a more open three-day 'technical workshop' involving the diamond industry and civil society groups - represented by **Partnership Africa Canada, Global Witness** and **Oxfam International**. The first day of the technical workshop was held on Valentine's Day, coinciding with the launch of an **Amnesty International** advocacy campaign in the US, injecting a sense of urgency into the proceedings. Some industry representatives termed the situation a 'crisis', calling the campaign a 'direct shot' at the industry, rather than what Amnesty had described as a 'warning'.

During the governmental meeting, dissatisfaction was expressed with the lack of a plan, and with the slow progress made so far. In an effort to clarify matters, the **Canadian Government** proposed a 'roadmap' which, following some revision, was accepted and introduced to the general meeting. The 'roadmap' aims to speed the process, and defines the topics to be researched and discussed at each of four future meetings. The goal is a formal and agreed proposal for an international

certification scheme, completed for presentation to the UNGA in December 2001.

To this end, a series of meetings have been established:

April 2001 – Belgium: Analysis of import/export controls, with a view to developing of minimum standards for an international certification scheme for rough diamonds.

June 2001 – Russia: Definition of proposals for minimum standards.

September 2001 – UK: Develop detailed proposals for the international certification scheme for rough diamonds based on the agreed minimum standards.

October 2001 – Angola: Finalize detailed proposals for the international certification scheme and consolidate input for report back to the UNGA.

November 2001 – Botswana: Possible Ministerial Meeting.

There were distinctly different views on the success of the meeting and the general process. Some industry representatives believe the process to be inordinately slow, as they have strong interests in seeing a certification system in place as soon as possible. Their response to the Amnesty campaign highlights this concern. The NGO community would also prefer a speedier process. But government representatives argued for more time in order to deal with the many departments in their capitals that must be consulted in the process of developing new legislation.

The most important unofficial outcome of the meeting resulted from corridor lobbying. Significant pressure was applied to governments that up to now have been ambivalent about rough controls. By the end of the meeting it seemed that the **Russian Federation**, a notable laggard in the process so far, had become more amenable to the objectives. The **Chinese** and **Indian** positions remain unclear.

Clean Diamond Bill Introduced

On March 7 more than 80 members of the US Congress co-sponsored a bill aimed at ending the trade in conflict diamonds. The Bill proposes that diamonds may not be imported by the US from any country that does not

implement the system of rough diamond controls that is foreseen by the Kimberley Process. Violators will be subject to stiff civil and criminal penalties, and contraband will be used to aid war victims. Lead Co-sponsors, **Tony Hall, Frank Wolf** and **Cynthia McKinney** hope that the Bill will pass within the next six months, and that it will take effect six months after that. If passed, the Bill will add urgency to the Kimberley process.

Campaigns

Amnesty Animation Bites

Amnesty International has published many reports on Sierra Leone in recent years, but the American branch has gone further, initiating a diamond campaign on Valentine's Day 2001, along with 73 other American organizations, including **Physicians for Human Rights** and **World Vision**. Accompanied by a powerful animation, the Amnesty website says that 'Some of the world's most beautiful gems are helping fund violent and brutal rebel insurgencies across Africa, most notably in Sierra Leone where the Revolutionary United Front (RUF) finances their brutal campaign by selling illicit diamonds onto the world market...

'Until an international certification system is in place and fully enforced by critical countries like the United States, the diamonds used to fund the RUF will continue to find their way into jewelry stores across the United States and other countries...

We would like the bill to be passed by July 4th. We need your help to rally support for The Clean Diamonds Act. The time to act is now!' Suggestions include educational events at Tiffany, Cartier, Walmart and Zales stores, posters and letter-writing campaigns.'

The campaign letter to the Jewelers of America and the WDC, signed by 74 US organizations, can be found at: http://www.phrusa.org/campaigns/sierra_leon_e/vday_jewelerlet_021401.html
Look for the Amnesty animation at: www.amnestyusa.org.