

OTHER FACETS

NEWS AND VIEWS ON THE INTERNATIONAL EFFORT TO END CONFLICT DIAMONDS

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KIMBERLEY PROCESS STALLED?

The 'Kimberley Process' began in the city of Kimberley, South Africa, in May, 2000. Initiated by the Governments of South Africa, Namibia and Botswana, the six meetings so far (one in Kimberley, two in Windhoek, one in Pretoria, one in London and the most recent in Brussels) have grappled mainly with the creation of a global certification system for rough diamonds.

In retrospect, the first meetings were little more than introductions to the topic and the players. Designed at first as an opportunity for governments, the industry and concerned NGOs to share views and debate possible solutions, they have become more governmental in character as the nature and scope of the problem become clearer. Most countries considering a global certification system for rough diamonds require inputs from their departments of trade, customs, mining, foreign affairs, justice and others. How such a system would relate to WTO regulations must also be considered. For any system to work, it will require a significant degree of congruence and agreement among all the major diamond producing and processing countries, and enough clout to ensure that smaller players cannot become loopholes in the system.

Several important governments were not present at the early Kimberley meetings - Russia, India, Switzerland, the Democratic Republic of Congo (DRC). This was one reason for lack of substantive achievement in the early months of the Kimberley process, but as discussions evolved new players came to the table, and at the April 25-26 meeting in Brussels, there were 38 governments present.

In the past, poor preparation for some of the meetings resulted in little more than vague promises to do better at the next one. The February 2001 meeting in Windhoek, however, agreed to a roadmap which aimed to reach a detailed proposal for a certification system by the time of the October 2001 meeting, to be held in Angola. Brussels was the first of three meetings scheduled between Windhoek and Angola.

Brussels was a disappointment, at least for the NGO representatives who attended. The meeting reviewed the results of a detailed questionnaire about how countries monitor and tax the movement of rough diamonds. It discussed what a 'certificate of origin' could look like (basically like the one being used by Sierra Leone at present). It discussed whether free trade zones should be part of an international certification system, and debated the feasibility of tracking mixed parcels of diamonds after the point of first arrival from a producing country.

In the end, however, there was no agreement on anything, except to keep on meeting. Several countries undertook to draft papers on thornier issues, for discussion at the Moscow meeting in July, although it remained unclear whether delegates would go to that meeting with any more authority than they had taken with them to Brussels, where several delegations said that they had come with no mandate to agree to anything. (*continued page 4*)

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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TENTATIVE PEACE DEAL IN SIERRA LEONE

In May, a series of agreements was signed by Sierra Leone's government, the Revolutionary United Front (RUF), the Civil Defence Forces (CDF) and the United Nations Mission in Sierra Leone (UNAMSIL), aimed at bringing the country's brutal ten year conflict to an end. Under the agreements, the RUF and CDF will simultaneously disarm and demobilize, starting first in one district and then moving to others. In the first two weeks of the exercise, 2500 combatants turned in their weapons, and the RUF handed over more than 500 abducted children to UN agencies.

The agreements were reached not long after the imposition of UN weapons and diamond sanctions on Liberia, and at a time when chief RUF supporter, **Charles Taylor**, was preoccupied with military problems inside Liberia. Destructive RUF attacks on Guinea over the previous six months were reported to have ended in defeat for the invading rebels. These setbacks, along with the imminent arrival in Sierra Leone of more than 4000 Pakistani peacekeepers, may have convinced the RUF that winning was no longer a viable option.

The RUF has broken three peace agreements in the past, however, and the true test of its commitment to peace will be a handover of the prized diamond areas of Kono and Tongo Field. **Abu Brima**, National Coordinator of Sierra Leone's Network Movement for Justice and Development says: "As long as the RUF remains in control of the diamond areas, security and peace remain a dream to Sierra Leoneans."

CAMPAIGNS

On April 19, **Much Music**, Canada's first 24-hour all video music channel, aired a one-hour documentary on current conflicts, in conjunction with the children's NGO, **War Child Canada**. Musicians traveled with camera crews to the Thai-Burma border, Iraq and Sierra Leone. **Red One** of the Vancouver group **Rascalz** tried to explain the diamond connection after sitting with child amputees in a Freetown camp: "It makes you think," he says, staring at the diamonds in a ring on his finger. "You've gotta ask before you buy something like this. You gotta ask yourself if there's blood on it." **War Child** a network of independent organizations working across the world to help children affected by war, can be found at www.warchild.ca. Parts of the video can be found at www.war2music.com.

On May 11 a group of religious leaders met on Washington's Capitol Hill to discuss the issue of conflict diamonds and to support the Clean Diamonds Bill, introduced by Congressman **Tony Hall** and others. "We thought perhaps congregations could designate one Sabbath without diamonds," said **Rabbi Marc Israel** of the Religious Action Center of Reform Judaism, as a way of getting average Americans to think about the issue.

Some American viewers of the popular NBC drama 'The West Wing', got an extra 30 seconds at the end of the show's season finale. The voice of actor **Martin Sheen**, who plays the US president, was heard over images of fighting and child amputees: "Buy a diamond and you may be supporting terrorism in another country." The video, expected to air elsewhere in the United States, was commissioned by **World Vision** in support of the Clean Diamond Bill currently before Congress. "The Clean Diamond Act can stop the killing", says Sheen

The Dutch Bank, **ABN AMRO**, the world's largest diamond bank, should take conflict diamonds more seriously. That is the finding of a report prepared by SOMO, a centre for research on multinational corporations, for the European NGO coalition, **Fatal Transactions**. **ABN AMRO** is the largest provider of credit to the diamond industry, financing one third of the global diamond trade. Although the bank has a policy not to finance conflict diamonds, the report says that the bank simply trusts its clients to use official sales channels. It checks documents that are required by law, but does not appear to take any initiative where official documents are inadequate to guarantee conflict-free diamonds. **ABN AMRO** has written to its clients stating that the bank supports UN diamond-related sanctions and will sever relations with clients who trade in conflict diamonds, although such a situation has not yet occurred. The list of the report's conclusions and recommendations as well as the full report in Dutch can be found at: www.niza.nl/fataltransactions

DRC EXPERT PANEL RELEASES REPORT "Plundering, Looting and Racketeering"

The United Nations Security Council Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth in the Democratic Republic of Congo issued its first substantive report in April. It concluded that the conflict in the DRC "has become mainly about access, control and trade of five key mineral resources: coltan, diamonds, copper, cobalt and gold." The exploitation of natural resources by foreign armies, the report says, "has become systematic and systemic. Plundering, looting and racketeering and the constitution of criminal cartels are becoming commonplace in occupied territories. These criminal cartels have ramifications and connections worldwide." The report says that "the role of the private sector in the exploitation of natural resources and the continuation of war has been vital."

Where diamonds are concerned, the report catalogues the export of millions of dollars worth of rough diamonds from Uganda, Rwanda and Burundi, none of which actually produces diamonds itself. It also describes the "disastrous" export monopoly granted to International Diamond Industries (IDI) by the DRC government. The monopoly, reportedly granted to IDI because of Director **Dan Gertler's** "special ties" with the Israeli military, was intended to raise funds quickly for the arms needed to fight rebels and invading armies. According to the UN report, most DRC diamond dealers ignored the new arrangement and simply crossed the river to sell their diamonds in Congo-Brazzaville, another country with no diamond production of its own. "It is estimated that during the first three months of the monopoly, \$60 million worth of diamonds from the DRC were sold on the international market, and the Republic of Congo (Brazzaville) was mentioned as the country of origin."

The report called for an immediate Security Council embargo on various minerals, timber and diamonds from Burundi, Rwanda and Uganda and called for a halt to the assistance given by Congo Brazzaville and the Central African Republic to the trade in illicit diamonds. It also called on the diamond industry to halt its dealings in diamonds emanating from these countries. Further, it endorsed the recommendations on diamonds made in the Expert Panel Report on Sierra Leone, notably the urgent need for a global certification system and the need for an annual statistical production report that can help to detect anomalies in the diamond trade.

There was some immediate fallout from the report, which was criticized for its lack of attention to the roles of Zimbabwe, Namibia and Angola, and for saying little about the internal diamond smuggling dynamics in eastern and northern DRC. The IDI monopoly on DRC diamond exports was canceled, and the government began negotiations with the Belgian Diamond High Council (HRD) on the creation of a certificate of origin system like that developed in Sierra Leone. Uganda withdrew from the Lusaka peace accord, which had seen the gradual withdrawal of foreign armies from the DRC, in reported retaliation for the report's reference to widespread Ugandan looting of natural resources in the DRC. The full UN report can be found at www.un.org/Docs/sc/letters/2001/357e.pdf.

DE BEERS SUSPENDS ANGOLA OPERATIONS

On May 24, De Beers suspended its investments and prospecting operations in Angola after failed talks to renew a diamond agreement with the government. De Beers said that it had reached an impasse with the government after more than a year of negotiations to revive mining and marketing contracts canceled by the government in February last year. As part of the agreement signed in 1990 with Endiama, the state diamond company, De Beers provided a loan of US\$50 million and constructed a multi-storey diamond building in Luanda. Angola subsequently handed diamond marketing rights to the Leviev Group, an Israeli company.

DEMOCRATIC REPUBLIC OF CONGO: 2.5 MILLION 'EXCESS' DEATHS IN 33 MONTHS

As many as 2.5 million people may have died needlessly in less than three years because of the protracted conflict in the Democratic Republic of Congo. This finding is contained in a new study released by the New York-based **International Rescue Committee** (IRC) in May. "The loss of life is perhaps the worst in Africa in recent decades," said **Reynold Levy**, president of the IRC. "The magnitude of suffering is extraordinary."

The survey updated and expanded a study conducted last year in eastern Congo, which estimated that 1.7 million excess deaths had occurred in the first 22 months of the conflict. The reports indicate that the overwhelming majority of deaths are related to disease and malnutrition - the tragic byproduct of a war that has decimated Congo's health care system and economy. Fighting has driven hundreds of thousands of people into the bush where they have no access to food, medicine or shelter. Because of the insecurity, war-affected areas have been inaccessible to relief agencies.

Among the most disturbing findings is the disproportionate effect on young children. "In several health zones, we found a dearth of children under two years of age," said **Les Roberts**, an epidemiologist and IRC's director of health policy. "In two districts, Moba and Kalemie, an estimated 75% of children born during this war have died or will die before their second birthday."

The report can be found at <http://www.intrescom.org/mortality.cfm>

UN SANCTIONS ON LIBERIA

Ban on Weapons, Diamonds and Travel

After a two month waiting period aimed at giving Liberia time to halt its support for Sierra Leone's Revolutionary United Front, targeted UN Security Council sanctions against the country were finally enacted on May 7. The sanctions toughen a long-standing arms embargo and they place a global ban on the direct or indirect import of all rough diamonds from Liberia. The sanctions also halt the international travel of senior members of the Government of Liberia, their spouses, and any others providing assistance to rebel movements in other countries. A number of other demands were made, including the expulsion of all RUF members from Liberia, the seizure of RUF assets, and the grounding of all Liberia-registered aircraft until they conform with ICAO rules and regulations.

The arms embargo takes effect for 14 months and the ban on diamonds and travel are for an initial period of 12 months. All are renewable. The resolution also urges all diamond exporting countries in West Africa to establish a certificate of origin regime for trade in rough diamonds, similar to the one adopted in Sierra Leone.

The Government of Liberia claimed that the sanctions were "unjust and unfair" and responded by organizing street demonstrations against various embassies in Monrovia. It also restricted foreign diplomats, NGOs and UN officials to the capital and advised them not to go out at night after 8:30 pm. The Liberian government also reported serious fighting in Lofa Country between its forces and those of groups seeking to oust **President Charles Taylor**.

Forthcoming Book: Toronto author Matthew Hart will publish a new book on diamonds in the autumn. In North America it will be called *Diamond: A Journey to the Heart of an Obsession*. In Britain it will be titled *Diamond: The History of a Cold-Blooded Love Affair*.

BOOKS

Sierra Leone: Diamonds and the Struggle for Democracy, by John L. Hirsch, Lynne Rienner, Boulder, Colorado, 2001, 175 pages.

This book is mainly about the tumultuous events in Sierra Leone between 1991 and 2000, with an emphasis on the latter half of the decade. Diamonds are a backdrop to a history of the coups, counter-coups, negotiations, treachery and war that have plagued Sierra Leone's recent history. **John Hirsch**, currently Vice President of the International Peace Academy, served as US Ambassador to Sierra Leone between 1995 and 1998, and had a ringside seat for much of what he describes. The tragedy of Sierra Leone, ignored until its crisis was fully out of control and overrunning international borders, was, Hirsch argues, that the country "falls below the threshold of major-power strategic significance." While the UN's \$690 million consolidated appeal for Kosovo in 1999 was promptly achieved, the miserable \$25 million requested for Sierra Leone at the same time was significantly under-subscribed. Hirsch details the political, social and economic reconstruction that will be required to bind the country's wounds, and he is clear about the role of diamonds: they will continue to exacerbate the conflict "until there are effective international sanctions on illegal exports and concerted regional and international action against violators."

Mercenaries: An African Security Dilemma, edited by Abdel-Fatau Musah and J. 'Kayode Fayemi, Centre for Democracy & Development, Pluto Press, London, 1999, 320 pages.

The introduction to this book asks, "Are mercenaries becoming the shock forces of corporate recolonisation or a 'necessary evil' in out-of-area conflict management in the post-Cold war arena?" While the nine articles in the book don't provide a definitive answer, taken together they offer a useful summary of the issues, ranging from a history of mercenaries to an analysis of the modern corporate private military company (PMC). A theme throughout the book is the relationship between mercenaries and natural resources in Africa. The editors state that growing partnerships between Western transnationals and PMCs ensure that mercenaries are paid with part of these resources, thus allowing transnationals to keep the ownership and exploitation of resources within the Western fold. **Johan Peleman's** saga of **Jean-Raymond Boulle's** activities in DRC is an incisive example of this theme.

Appendices provide the text to various international conventions and resolutions dealing with mercenaries. For researchers interested in the rise of PMCs and their connection to African resources, this book is a must.

CONFLICTING DIAMOND BATTLE IN US CONGRESS

In March, more than 80 members of the US Congress co-sponsored a bill aimed at halting the import of diamonds from any country that is not part of the proposed international rough diamond certification process. Known as the "Clean Diamonds Act", the bill has widespread support from the American NGO community. A few weeks later, on April 26, Republican Senator **Judd Gregg** introduced the "Conflict Diamonds Act", which was based on draft legislation developed by key players in the American jewelry industry.

Both bills aim to create a list of countries with appropriate controls that will be eligible to export diamonds to the US. The Clean Diamond Act, however, defers to the Kimberley process for a comprehensive international system of rough controls, while the Judd bill would depend on US definitions of eligibility, with loopholes for countries which appear to be 'cooperating' with the spirit of the legislation. A number of other differences make the Judd bill weaker than the Clean Diamond Act in the eyes of American NGOs supporting the former. Industry and NGOs are talking about the possibility of a compromise in the Senate, in the hope of passing early legislation satisfactory to all concerned.

CONFLICT DIAMONDS: POLLS GAUGE PUBLIC REACTION

Despite widespread media coverage of conflict diamonds, the American public seems to be largely unaware of the issue, and does not rank country of origin as a key factor in purchasing. This is a finding reported in two studies undertaken by **MVI Marketing Ltd.**, a US market research firm that works exclusively with the gem and jewelry industry. Between MVI's first study in October 2000 and its second study in May 2001, the company found that the number of consumers who were aware of

conflict diamonds had increased by only 2%, from 7% to 9%.

According to the MVI poll, however, a large majority of consumers - 73% - said that they would not buy a diamond if they knew it came from a conflict source. This is similar to findings contained in a poll commissioned by **World Vision** in May 2001 and carried out by **Wirthlin Research**. When told that diamond smuggling in some African countries is helping to fuel civil wars, 62% of Americans said they supported legislation which would ensure that diamonds entering the US would be from conflict-free regions.

"Public support continues to grow on behalf of efforts to stop the trade in conflict diamonds," said **Serge Duss**, director of public policy and government relations at World Vision, one of the world's largest humanitarian organizations. "The more people understand that the trade of these diamonds is directly supporting civil wars and horrific human rights abuses in countries such as the Congo and Sierra Leone, the more support has grown to ensure that the trade of conflict diamonds comes to a quick end."

PAC Researcher Thrown Out of Burkina Faso

Burkina Faso authorities briefly detained and then deported Partnership Africa Canada (PAC) researcher, Lansana Gberie, after the Sierra Leonean-born researcher arrived in March to investigate allegations about the country's involvement in 'blood diamonds' and the conflict in the West African sub-region. UN Expert Panel reports on Angola and Sierra Leone criticized the country's leadership for its involvement in breaking a UN ban on weapons to Liberia, to Sierra Leone's RUF rebels and to Angola's UNITA.

Mr. Gberie had earlier been told by the Burkina Faso embassy in Abidjan that as a holder of an ECOWAS passport, he did not need a visa. "Your problem is not a visa problem. It is political," Mr. Gberie was told a few days later by a plainclothes security official at the airport in Ouagadougou. Burkina Faso, which has denied all

reports implicating its leadership in the crises in West Africa, has assured the UN Security Council that it will cooperate to find a solution to the crises. "This cooperation obviously does not extend to NGOs," Mr. Gberie said.

Kimberley Process Stalled?

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The six NGOs present at the meeting (Fatal Transactions, Global Witness, International Peace Information Service, Network Movement for Justice and Development, Oxfam International and Partnership Africa Canada) issued a press release at the end of the meeting, saying that they were 'profoundly disappointed and deeply concerned with the lack of progress' and with the fact that government representatives had come with a mandate to speak on all points under discussion, but 'with no mandate to agree to anything, including the most vague of wording on issues that have now been discussed at five previous meetings'.

Some government representatives were understandably annoyed by the NGO démarche, although privately many of them, along with industry representatives, agreed that the process was moving too slowly. The NGO press release concluded by saying that 'The whole process is in danger of unraveling. The time for hiding behind vague bureaucratic wording and platitudes is over. The forthcoming Moscow meeting will be the true test of government resolve on conflict diamonds.'

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