# **OTHER FACETS**

NEWS AND VIEWS ON THE INTERNATIONAL EFFORT TO END CONFLICT DIAMONDS

#### Number 3

October 2001

## **CONFLICT DIAMONDS ARE FOREVER?** Major NGO Disappointment with Kimberley Process

## 'Clearer than Seals and the Fur Trade'

Representatives of 32 governments, along with industry and NGO representatives, met in London during the week of September 10 to continue discussions on a global certification scheme for rough diamonds. This was the eighth meeting in the 'Kimberley Process', which began 16 months earlier at the initiative of the Government of South Africa. According to the final communiqué, the London meeting successfully reached agreement in principle on a wide range of contentious issues: the creation of an international data base on production and trade in rough diamonds; effective enforcement of the provisions of the certification scheme, including credible monitoring and oversight; industry self-regulation; information sharing, and a wide range of other issues long debated by those demanding an end to conflict diamonds.

'What was actually agreed at the London meeting, however, is slightly different,' says **Ian Smille**, Research Coordinator for **Partnership Africa Canada**. 'There was general agreement on the need for re-export certificates, for independent international monitoring of national control mechanisms, and for an international data base. This seems like a step forward, but apart from "agreement in principle" on these topics and most others, there was lengthy debate about virtually every detail. In the end, there were actually more words, phrases and sentences left in brackets than before the meeting. In fact a lot of what was agreed in principle was agreed in principle more than a year ago, and was debated all over again in London.'

More than 180 NGOs in 40 countries, led by the London-based **ActionAid**, signed a petition in advance of the meeting saying that self-regulation of the proposed certification system would not be credible or acceptable (see article, p.2). All references to external monitoring of national systems and the proposed industry chain of warranties, however, were either bracketed or removed from the negotiating text. 'Everyone in this process submitted their views, in writing, before the London meeting,' says Smillie. 'We then debated much of the proposed document in plenary, we broke into groups to consolidate the discussions, and then we went back into plenary where it was all opened up again. It is now proposed that we go through exactly the same process for the next meeting in Luanda at the end of October.'

Several key issues were not discussed at the meeting, including the authority under which a certification scheme would operate. In addition, the EU raised an unexpected obstacle on the last afternoon of the meeting, saying that national controls in and between EU member states would violate EU legislation on open borders. 'There are many government officials and industry representatives working in good faith at these meetings,' says Smillie, 'but for others, the Kimberley Process is a series of dry abstractions, to be addressed with no sense of urgency or compassion. They do not seem to appreciate that we are dealing with the lives of innocent people in Africa, and in so doing, we may actually save an industry that has been invaded by thieves, warlords and killers. (*cont'd page 4*)

## **DESTABILIZING GUINEA**

## **REPORT CONNECTS TAYLOR, CROSS BORDER ATTACKS AND DIAMONDS**

A new report, published in October by the Diamonds and Human Security Project, makes a direct link between murderous crossborder attacks into Guinea in 2000 and 2001 by Sierra Leone's Revolutionary United Front, and Liberian President Charles Taylor's expansionist economic ambitions. The report, entitled 'Destabilizing Guinea: Diamonds, Charles Taylor and the Potential for Wider Humanitarian Catastrophe' was written by Lansana Gberie, Project Research Associate, after two trips to Guinea earlier this year.

The report traces the development of Guinea's diamond industry from the first discoveries in the 1930s to the development of an export certification scheme earlier this year. It focuses, however, on the reasons behind the devastating RUF attacks into Guinea's forest region, which resulted in major loss of life and human dislocation, and serious damage to the region's infrastructure. The author says that Guinea's conflict, like the apparently waning conflict in Sierra Leone, is largely over resources - a rapacious and mercenary campaign for wealth. Because of their small size and high value, diamonds figured prominently in RUF thinking, and that of their Liberian mentors. They had hoped for a repeat of what they had accomplished earlier in Sierra Leone. This reality has been largely overlooked by analysts because, unlike the case in Sierra Leone, diamonds have historically not been a major factor in either the Guinean economy or Guinean politics. Guinean diamonds, however, are real, and they are a significant magnet for others.

The report is available on the website of Partnership Africa Canada: <u>www.partnershipafricacanada.org</u>. Hard copies may be ordered for US\$5.00 from Partnership Africa Canada, 323 Chapel St., Ottawa, Ontario, K1N 7Z2, Canada. Discount available for bulk orders.

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#### CAMPAIGNS

#### STOP BLOOD DIAMONDS NOW! THE KEY TO KIMBERLEY

Concerned about flagging resolve in the Kimberley Process, a number of NGOs, spearheaded by the British organization **ActionAid**, circulated a petition in September, aimed at demonstrating civil society support for a meaningful certification process.

The petition noted that 'Rebel armies, warlords, gun runners, sanctions busters and unscrupulous traders have taken advantage of the high value and small size of diamonds, and of the complete absence of any form of trade regulation... In the process, they have also helped to take tens of thousands of lives and destroyed entire nations. Diamonds, often referred to as symbols of love, devotion and purity, have become the currency of murder, theft, misery and money laundering.'

The 'Kimberley Process' aims to design a system that will 'certify' three things: 'That conflict diamonds do not enter the legal trading system between the point of mining and first export from a producing country; that diamonds are not tampered with between their dispatch from a producing country and their first arrival in a country where they will be cut, polished or traded; and that countries that cut, polish and trade in rough diamonds have adequate controls and procedures to ensure that conflict diamonds cannot enter their trade.'

'More than a year after the Kimberley Process began... little has happened. Six very expensive meetings later, many governments still refuse to entertain the word 'agreement' in the draft documents being debated. Several government representatives go to the meetings with no mandate to 'approve' anything, not even *proposals* that they might take back home with them for discussion. Most governments produce no public trade statistics on the movement of diamonds; no dealer has been expelled from any bourse anywhere in the world for trading in conflict diamonds, even though journalists have had a field day successfully offering 'conflict diamonds' to dealers in New York, London and elsewhere.'

The petition called for the process to be speeded up and noted that self-regulation - as proposed by several governments - will not work. 'Too many governments, companies and individuals have already proven themselves unworthy of trust, at the expense of tens of thousands of Governments and the diamond industry must lives. produce a practical certification agreement now, and it must be an agreement with credible international monitoring provisions built into it. All countries involved in the production, movement and processing of rough diamonds must agree to minimum international standards, and these must be open to international scrutiny. Nothing less will suffice if consumers are to have the confidence they need and deserve when they purchase something as expensive and as important as a diamond.'

The petition was signed by 181 NGOs, Churches and academic institutions in 40 countries, including 12 countries in Africa. Signatories included various national affiliates of **Amnesty International, CARE, Oxfam** and **World Vision**. The estimated combined donor and membership lists of the signatories is in excess of five million people.

## CONFLICT DIAMONDS: CROSSING EUROPEAN BORDERS?

A new study of border control practices in three EU-member states shows that conflict diamonds are likely crossing borders without adequate government knowledge or regulation. The study, released in August and carried out by the Centre for Research on Multinational Corporations (SOMO) on behalf of the Fatal Transactions network, found that inspection and monitoring systems within the EU differ enormously. In general, Belgium's border controls, and its capacity to verify certificates is the most developed, but it is not matched by the UK or the Netherlands. The report describes the difficulty in obtaining British and Dutch diamond trade statistics, and points out that EU trade rules hamper checks on indirect imports into countries such as Belgium

The report was presented at an international Expert Meeting held at the European Parliament in Brussels, organized by the Netherlands Institute for Southern Africa and Oxfam International. Further details on the meeting as well as the full report (in English) can be found at http://www.niza.nl/uk/campaigns/diamonds/index.html.

## SIERRA LEONE: WAR OVER?

During a visit to the diamond areas early in September, Sierra Leone President Ahmed Tejan Kabbah declared that the ten-year long rebel war had ended. This followed three months of disarming by both rebel RUF fighters and the country's Civil Defence Force. Kabbah made the statement during an emotional visit to Koidu, the centre of the country's diamond area, accompanied by Nigerian President Olusegun Obasanjo and Alpha Oumar Konare, President of Mali and Chairman of ECOWAS. Most of the buildings in Koidu were destroyed during the fighting and the meeting was held in a church, one of the few buildings still standing.

Kabbah subsequently set the date for a general election to be held on May 14, 2002, a year after the end of his official mandate. The constitution allows for an extension of the mandate, but rebel RUF spokesman Gibril Massaquoi repeated demands that the government resign immediately and that an interim government take over for 18 months to allow all political parties adequate time for campaigning. 'The mandate of President Kabbah is over. We want a consultative conference where all political parties, all civil society will take a decision on the political future,' Massaquoi said.

Although the UN peacekeeping force, UNAMSIL, is now patrolling throughout the diamond areas, no agreement has been reached on allowing the government to regain control of the mining sector. Diamond mining, which has been central to the prolongation of war, is still being actively carried out by the RUF. The RUF signed and broke two previous peace agreements, in 1997 and 1999.

## **Diamonds on the Net**

<u>www.partnershipafricacanada.org</u> is now available in its new and expanded format. The site includes an extensive Resources section, a gateway to issues, resources and links about Africa including links to NGO, UN, government and diamond industry sites and documents related to conflict diamonds. This newsletter, as well as reports referenced in the newsletter will be available at this site.

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## CONGO: 16 MILLION STARVING TO DEATH

The latest in a series of NGO reports on the humanitarian crisis in the Democratic Republic of Congo said in August that up to 16 million people were facing critical food shortages, that 2.5 million had already died and a further 2 million had been displaced by war. The report, produced by the British NGOs Oxfam, Save the Children and Christian Aid, said that 'Poverty, accentuated by the conflict, is increasing people's vulnerability on a massive scale ... Parts of the country which used to grow food for export are now wracked by hunger; severe malnutrition rates among children under five have reached 30%.'

The scale of the problem only started coming to light with the ceasefire and a de-escalation in fighting earlier this year which allowed aid agencies to enter some of the worst-hit areas. The three-year war saw the country ravaged by rebels and the armies of neighbouring states in a scramble to strip the country of its mineral resources, including diamonds. Government, rebel groups and opposition parties will meet in October to begin a 'national dialogue' aimed at ending the three-year-old civil war. This has not made things better for the average Congolese, however. 'Many Congolese are hovering on the brink between life and death,' the NGO report says. And an Oxfam worker said that 'The response from the international community has been totally inadequate.' The NGO paper can be found at <u>http://www.oxfam.org.uk/policy/papers/drc2.htm</u>.

## ANGOLA: IDENTIFYING FIVE MILLION CHILDREN

In August, the Angolan government began an 18-month campaign to identify and register an estimated five million children and teenagers separated from their families by war. Almost a quarter of Angola's population has been driven from their homes by a war that has now lasted four times longer than World War II. Many people have lost their documents, and public records have been destroyed in the fighting. About half of Angola's population is under 18, and almost three out of every ten Angolan children die before the age of five, according to UNICEF. UNICEF Director Carol Bellamy commended the registration plan, saying that 'The registration of a child may be one of the cornerstones of ensuring that the rights of children are ultimately realized.'

## **CERTIFICATION UPDATE**

In June, Guinea introduced a certification system for the export of rough diamonds. Based closely on the system established last year by Sierra Leone, the new scheme was devised by government officials working with Belgium's Diamond High Council. The UN Security Council Expert Panel on Sierra Leone said in 2000 that conflict diamonds were leaking through Guinea, and certification systems were required throughout the West African region.

Meanwhile, a review of Sierra Leone's diamond certification scheme prepared for the UN Security Council has found that in the year after the scheme was introduced in July 2000, the country exported 144,760 carats valued at US\$19.1 million. This compares favourably with the 1999 export figure of 9,300 carats worth only \$1.2 million.

#### BOOKS

*Resource Wars: The New Landscape of Global Conflict*, by Michael Klare, Henry Holt, New York 2001, 277 pages, US\$26.00.

The post-Cold War era has witnessed a proliferation of internal and highly destructive conflicts. Michael T. Klare, Professor of Peace and World Security Studies at Hampshire College and Defence Correspondent for *The Nation*, argues that the 'fault lines' leading to these conflict are not ethnicity or religion or ideology, but competition over access to natural resources like oil, gas, water, timber, diamonds and other precious export commodities.

Oil and water, 'because of their critical roles in sustaining human life and activity', dominate the book, and they are 'the resources that are most likely to ignite fullscale combat between armies of established nation-states.' But resources like diamonds, gold, valuable minerals and old-growth timber 'are sufficiently valuable and sought after to provoke conflict within states.' In Sierra Leone, for example, where more than 50,000 people have been killed, the group spearheading the conflict, the Revolutionary United Front (RUF), aims principally to 'continue to occupy the major diamond-producing areas and to oversee the flow of gems to international markets.' The book also makes brief, critical evaluations of other resource-driven conflicts, like those in Angola, the Congo, Cambodia and Papua New Guinea.

This is a valuable and timely book, although its forecast of increasing conflict in resource-rich Africa may look too bleak.

*The Diamonds*, by J. Sorie Conteh, Lekon New Dimensions Publishing, New York, 2001, 248 pages

J. Sorie Conteh's debut novel explores the human misery and social meltdown caused by Sierra Leone's great diamond rush of the 1950s. Gibao Semabu, a successful peasant farmer, leaves his village for the Brave New World of diamond mining at Sewa. It is a totally different, corrupt world, where money is made quickly and then lost, theft is accepted, as long as one is not caught, and prostitution is very much a part of life. Initially timid but driven by an extraordinary ambition to get rich quick, Gibao succumbs to the greed and graft of the mines, and takes things further: he commits ritual murder after being told by a sorcerer that this will help him find big diamonds.

On one level, the book is a parable of the destruction of peasant life by encroaching modernity - in the manner of Thomas Hardy, it juxtaposes the bucolic, beautifully ordered society of rural Sierra Leone with the graft-ridden, violent world of unregulated capitalism, showing how a clash between the two leads to the destruction of the former. But Conteh, a Sierra Leonean scholar with the UN mission in Kuwait, seems determined to make a more profound statement, and his authorial voice concluding the novel may seem like a fad-driven intrusion to literary purists: '...what was to become a diamond boom became a curse on the nation. Herein lies the irony. The economic benefits of diamonds, which were meant to free people from the clutches of poverty, instead enslaved them in the clutches of greed.'

### CONFLICT DIAMONDS: CANADIAN LEGISLATION PROPOSED

Member of Parliament David Pratt will soon introduce a private member's bill in the Canadian parliament, aiming to add legal weight to Canadian efforts to end the trade in conflict diamonds. Patterned after the Clean Diamonds Trade Act currently being debated by American legislators, the Canadian 'Conflict Diamond Act' would impose C\$500,000 maximum fine or a five-year prison term, or both, on those convicted of trading in conflict diamonds. The bill aims to complement and support the efforts of governments, the diamond industry and NGOs working through the 'Kimberley Process' on the creation of an international certification system for rough diamonds.

David Pratt first visited Sierra Leone in 1990 as a counselor for the City of Nepean, which was twinned with Bo. Since his election to parliament in 1997, he has served on four occasions as Canada's Special Envoy to Sierra Leone. His most recent report on Sierra Leone was released in September: 'Sierra Leone: Danger and Opportunity in a Regional Conflict'. The report is available at www.davidpratt.ca.

## US DIAMOND LEGISLATION: MAJOR ADVANCE

After months of wrangling and confusion, a compromise was reached in August between US legislators aiming to stop the traffic in conflict diamonds. 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 had widespread support from the American NGO community. A few weeks later, however, Republican Senator Judd Gregg introduced the "Conflict Diamonds Act", which was based on draft legislation developed by key players in the American jewelry industry.

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The compromise, the 'Clean Diamonds Trade Act', co-sponsored by Representatives Tony Hall, Frank Wolf and others, is a companion to a similar Senate bill, sponsored by Republican Senator Mike DeWine and Democratic Senators Dick Durbin and Russell Feingold. The Senate bill took a step forward in September when it was included in other 'must-pass' legislation. The Senate bill is expected to be merged with the House bill in the weeks ahead. Eli Izhakoff, Chairman of the World Diamond Council, said that the Senate move is substantial progress in the right direction. 'All sectors of the legitimate diamond industry are determined to end the trade in conflict diamonds.'

'Senate passage of the Clean Diamonds Act makes significant progress towards articulating the sentiments of America - that conflict diamonds are deplorable and that we do not want our purchases of love to finance terrorism,' said **Rory Anderson**, Government Relations Manager for the US affiliate of the world's largest NGO, World Vision. 'The Senate should be commended for its efforts to ensure that diamonds are used for development and not destruction.'

## **Conflict Diamonds are forever?** (cont'd from page 1)

I say "may",' Smillie continued, 'because you have to remember that for those NGOs in search of an issue, diamonds are almost heaven-sent. Their connection to three brutal wars is clear. The industry, dominated by one big company, is not regulated in any meaningful way. It epitomizes the globalization problem that has so exercised young people on the streets of Seattle, Prague and Genoa. It is a much clearer issue than seals and the fur trade.'

The Kimberley Process was mandated by the United Nations General Assembly to develop a 'simple and workable' international certification system for rough diamonds, creating minimum standards for producing, exporting and importing states, including transparent measures ensuring for compliance. Two further meetings will be held before the participants in the process are expected to report back to the General Assembly in December.

#### Media Watch

In June, Botswana President Festus Mogae spoke at the National Press Club in Washington about conflict diamonds and nonconflict diamonds. 'Diamonds are the foundation of our success,' Mogae said. 'Largely because of diamonds, Botswana is the most prosperous non-oil producing nation in Africa.' He said that Botswana 'must approach the issue of conflict diamonds in a serious and responsible manner... Botswana supports international efforts to outlaw conflict diamonds, as we believe a single conflict diamond is one too many. Botswana diamonds have always been conflict free.' In 2000, Botswana exported US\$2.2 billion worth of diamonds

NBC's In July, flagship newsmagazine, Dateline, carried a 20 minute segment on conflict diamonds, interviewing US Congressman Tony Hall, Global Witness's Alex Yearsley and Matt Runci of the Jewelers of America. Said Runci, 'The truth is, however, that today, retail jewelers in America cannot provide the complete assurance that consumers have every right to seek in connection with the sale of an individual diamond.' Hidden cameras then showed salespeople and officials at Tiffany, Cartier and Harry Winston all saying that they do not sell conflict diamonds. Worse, the camera then went to dealers on New York's 47<sup>th</sup> street with two rough diamonds from Sierra Leone worth \$1000 each. One offered \$800 outright cash and another offered \$200. Both asked for more stones - and at that price, why not?

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