

## **FROM BLOOD DIAMONDS TO PEACE DIAMONDS: CONFLICT PREVENTION THROUGH THE KIMBERLEY PROCESS**

*Notes for Remarks at the United Nations, Feb. 28, 2019*

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The Kimberley Process Certification Scheme—the KPCS—came into effect 15 years ago last month. It was, in many ways, a unique achievement, tackling the problem of diamonds as a funding source for rebel armies that were fighting some of the most horrific wars in Africa. The KP negotiations were relatively speedy—less than three years—and the resulting agreement, achieved without the usual endless treaty signing, ratification and accession procedures, brought more than 50 governments at the time into the system.

While the KPCS itself was ground-breaking, the process leading to it, bringing together not just governments, but industry and civil society, was also groundbreaking, and long before the actual agreement the negotiations themselves provided the kind of publicity and transparency required to revolutionize the way an entire industry functioned.

I am often asked if there could be a recurrence of diamond-fueled conflicts of the sort we saw in the 1990s, and I always answer, “No.” There have been occasional flare-ups, as in Côte d’Ivoire and the Central African Republic, but the Kimberley Process, the industry, and civil society watchdogs have managed to limit their scope.

More broadly, there have been frustrations and weaknesses in the application of the KPCS, but the time has come, after 15 years, to look forward rather than back. As Chair of the Diamond Development initiative, a civil society organization that parallels the KP and works on challenges facing artisanal diamond miners, it won’t surprise you to know that this will be my focus today, along with an issue you might not expect me to address, synthetic diamonds.

Let me begin, therefore, by noting that life for most artisanal diamond miners has not changed much in 15 years. For them, peacetime life after Kimberley is pretty much the same as peacetime life before Kimberley: hard, unsafe and characterized by extreme poverty, ill health and risk.

The Kimberley Process was not meant to deal with issues like these. It was meant to regulate the international trade in rough diamonds. But an industry whose product is a symbol of love and beauty cannot ignore these problems, not just because they are real and serious and should be eliminated, but because at the very least they frustrate the KPCS demand for traceability—impossible in a part of the industry that works largely outside the formal sector and where oversight and regulation are somewhere between limited and non-existent.

All of this is why there has been pressure for Kimberley Process reform and change: a more nimble, open and effective peer review process, the creation of a secretariat for administrative backup, and most important, a change in the definition of conflict diamonds. The original 2003

definition was confined to the realm of warlords and civil conflict, but times have changed, as have the industry, its critics, and most notably, consumers—especially millennials, who are making increasingly vocal demands for ethical products. All of these groups have urged the KP toward a much wider concept of conflict, one that would include reference to violence perpetrated by public and private security forces, extortion, bribery and dispossession, forced labour, child labour, and violations of international humanitarian law.

The link between an expanded definition of conflict diamonds and synthetics may not seem obvious at first glance, but it is fundamental. Apart from the fact they are cheaper than mined diamonds, synthetics pose two kinds of challenges to the industry as a whole. The first is they can be, and probably are being passed off as natural and dropped ever more frequently into the pipeline at its weakest points. This is easy enough to accomplish wherever traceability and review mechanisms are weak.

More problematic, however, is the growth in advertising by synthetics manufacturers and retailers, attacking the industry's most obvious Achilles heel: artisanal mining.

Artisanally mined diamonds are produced in 18 countries in Africa and South America and are important export earners. They are also a major source of livelihoods and family income. While artisanal diamond mining represents less than 20 per cent of the industry's annual output by volume and less than five per cent by value, it engages more than 1.5 million diggers, supporting as many as 10 million family members.

Typically, however, artisanal miners earn less than \$2 a day. They often work illegally and under terrible conditions; violence and child labour are common, and environmental damage is endemic. This large, increasingly obvious target flashes like a bright neon sign above the entire industry. MiaDonna, an American synthetics company, says in an ad, "Unlike earth-mined diamonds, our grown diamonds are created without negatively harming native communities, society, or the Earth."

Diamond Foundry, another American firm, says:

*Since the Kimberley Process doesn't guard against workers rights abuses or unsafe mining conditions, many so-called conflict free diamonds are less than ethical. Moreover, since it's difficult to track mined diamonds to their source, the Kimberley Process may not even accomplish its own limited objective. Masking the origin of a blood diamond and passing it off as a certified diamond is often as easy as bribing the right official.<sup>1</sup>*

MiaDonna, evidently aware that putting artisanal miners out of work may seem heartless, says it contributes to projects such as an orphanage in Liberia, helping it to become "self-sustainable, growing food and raising livestock."

During the Brussels Plenary Meeting of the Kimberley Process last November, there were several heated discussions about synthetics, most focusing on semantics and perception rather than reality.

Meanwhile, on the day the Kimberley Process meeting opened, Amnesty International and four other nongovernmental organizations (NGOs) put out a press release condemning the diamond industry:

*Time is up for the diamond industry. Image is everything to the value of diamonds, yet the industry continues to be tainted by association with human rights abuses like child labour and forced labour, as well as conflict, environmental damage, and corruption. If the diamond industry genuinely wants to address these issues, it needs to clean-up its act and no longer approach respect for human rights and responsible business as an optional exercise.<sup>2</sup>*

It is easy enough to simply blame the industry, but what the NGOs called for is exactly what was proposed *by industry* to the KP Plenary by the World Diamond Council, in partnership with the Civil Society Coalition and the Government of Canada. Discussion was blocked by governments—not just those that object to a human rights reference, but also some with important artisanal mining sectors. The irony is that in the latter case these governments stand only to gain from a wider definition and the benefits it would deliver, if heeded, to their image, their economies, and the industry as a whole.

The time has come for the governments of artisanal diamond-producing countries in Africa and South America to read the writing on the wall—and the advertising on the Internet. If the Kimberley Process and those behind it will not take action on enforcement and on widening its scope, unpleasant options will soon enough present themselves.

One possibility might be the evolution of a two-tier diamond market where the industry simply refuses all dealings with countries where diamonds are produced artisanally. In this scenario, those countries would have to settle for heavily discounted diamonds and—as with MiaDonna—better orphanages.

A second might be for the industry to create its own review mechanism and to certify artisanal diamond-producing countries that meet not just basic KP standards, but also those of a higher order, such as the Maendeleo Diamond Standards developed by the Diamond Development Initiative.<sup>3</sup>

The better option—much less disruptive and infinitely preferable—would be to change the reality and therefore the perception (and the negative advertising) around artisanal mining. This would involve bringing artisanal miners into the formal economy and treating them as citizens whose livelihoods should be protected and improved in several ways:

- simplified, inexpensive processes for legalization and organization;

- better working conditions;
- human and environmental protection; and
- access to fair market prices.

The challenge, however, is clear: the longer the Kimberley Process and participating governments take to engage seriously on these issues, the more they will damage the industry they are supposed to protect and support.

*Ian Smillie was a founding participant in the creation of the Kimberley Process. He is the author of Blood on the Stone and Diamonds and he chairs the board of the Diamond Development Initiative (DDI). The views expressed here are his alone.*

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<sup>1</sup> URL: <https://diamondfoundry.com/blogs/the-foundry-journal/can-the-origin-of-a-diamond-be-traced> accessed Dec. 1, 2018

<sup>2</sup> URL: <https://www.amnesty.org/en/latest/news/2018/11/diamond-industry-fails-to-clean-up-its-act/> accessed Feb 13, 2019

<sup>3</sup> Details on DDI's Maendeleo Diamond Standards can be found at <http://www.ddiglobal.org/what-we-do/certification/>