



CONFLICT DIAMONDS

UNDERSTANDING AND EVALUATING THE KIMBERLEY PROCESS CERTIFICATION SCHEME

WHAT IS THE KIMBERLEY PROCESS?

The Kimberley Process Certification Scheme, introduced in 2003 in response to mounting international pressure, is a joint government, international diamond industry, and civil society initiative designed to stop the flow of conflict diamonds. In this voluntary system, participants are required to certify that shipments of rough diamonds are free of conflict diamonds. Though the Kimberley Process applies only to governments, the diamond industry agreed to create a System of Warranties and to educate the public about conflict diamonds.

South African diamond producing states first met in Kimberley, South Africa, in May of 2000 to discuss a solution to the growing problem of conflict diamonds, which, according to some estimates, accounted for 15% of rough diamond shipments at the time. In support of this effort, the United Nations General Assembly met in December of 2000 and adopted a resolution on conflict diamonds which included the creation of an international certification scheme.

PARTICIPANTS

Forty-six countries and the European Union, or 99.8% of diamond trading and producing regions, are members of the Kimberley Process, including Botswana, Angola, the Democratic Republic of the Congo, Cote D'Ivoire, and the United States. To become a participant, a country must meet the minimum requirements of the Kimberley Process, including passing legislation to enforce the Kimberley Process, creating control systems for the import and export of rough diamonds, and agreeing only to trade rough diamonds with other participants.

HOW IT WORKS

Participating governments must ensure that all rough diamond shipments be imported/exported in a secure container accompanied by a government validated certificate stating that the diamonds are conflict free. The certificates must be resistant to forgery and uniquely numbered to ensure authenticity. Also, rough diamonds can only be traded between participant countries.

Participant countries, working groups, and observers, including members of the diamond industry and NGOs, meet annually to discuss and evaluate implementation of the Kimberley Process. The Kimberley Process Working Group on Monitoring visits participant countries to monitor and assess implementation of the scheme. The Working Group on Statistics ensures that governments prepare annual reports detailing their implementation of the scheme, and analyzes rough diamond statistics. A group of diamond experts provides technical advice about ways to improve the Kimberley Process.

SYSTEM OF WARRANTIES

Though the Kimberley Process applies only to governments, the diamond industry agreed to implement a System of Warranties, which requires diamond buyers and sellers to include a statement on all diamond invoices certifying that the diamonds are conflict free. Also, they must keep records of all diamond invoices, which are then subject to an annual review by internal auditors.

LOOPHOLES

That conflict diamonds are currently fueling escalating violence in Cote D'Ivoire despite the fact that Cote D'Ivoire is a participant of the Kimberley Process shows that there are serious weaknesses in the system that must be addressed. Many diamond producing countries have only recently emerged from large scale conflict, and have weak government controls over diamonds, allowing conflict diamonds to be certified as conflict free. A recent United States Government Accountability Office reported that conflict diamonds may be entering the United States due to weaknesses in the implementation of the Clean Diamond Trade Act. Also, the diamond industry has failed to police itself effectively.

RECOMMENDATIONS

The following are recommendations by Global Witness, the non-profit organization who first published reports about the connection between diamonds and conflict. They recommend that participants strengthen government controls, increase government oversight of the diamond industry, publish rough diamond statistics to increase industry transparency, and properly finance the certification scheme.

DISCUSSION QUESTIONS:

1. What provisions do you think would make the Kimberley Process more effective?
2. How could governments better implement and enforce the Kimberley Process?
3. Should the diamond industry be self regulating? Why or why not?
4. How could the diamond industry better implement and enforce the System of Warranties?
5. How could activists and consumers ensure that the Kimberley Process is working?