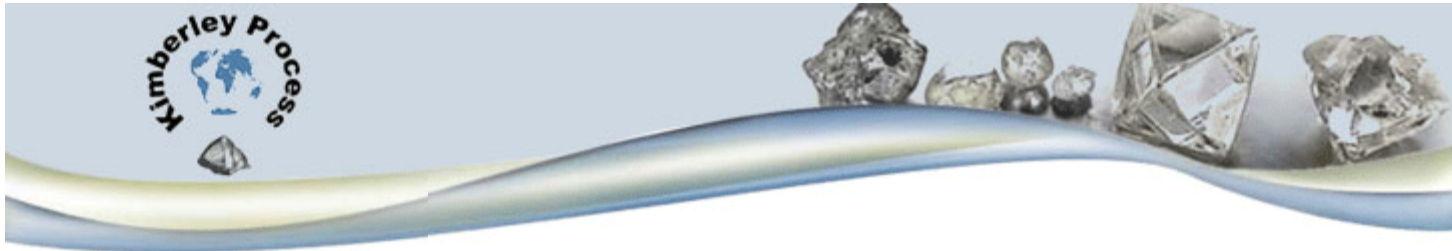


Kimberley Process

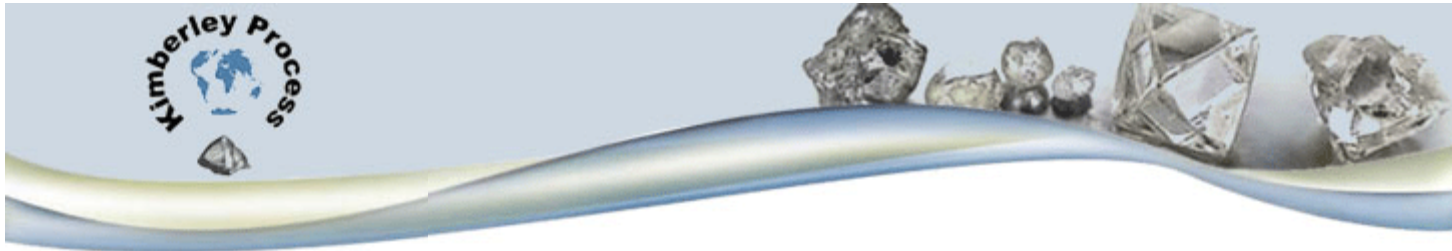
**What the international
community is doing to tackle
conflict diamonds**



The problem

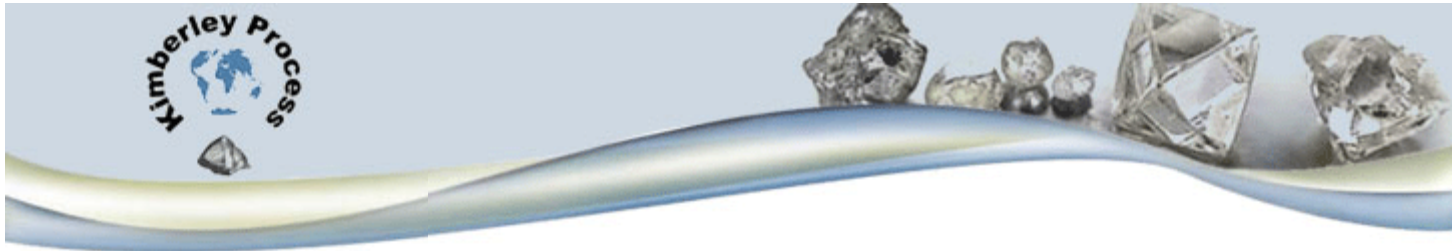
1990s saw use of diamond revenues to fuel devastating conflicts

- **Sierra Leone, Liberia, Angola, DR Congo**

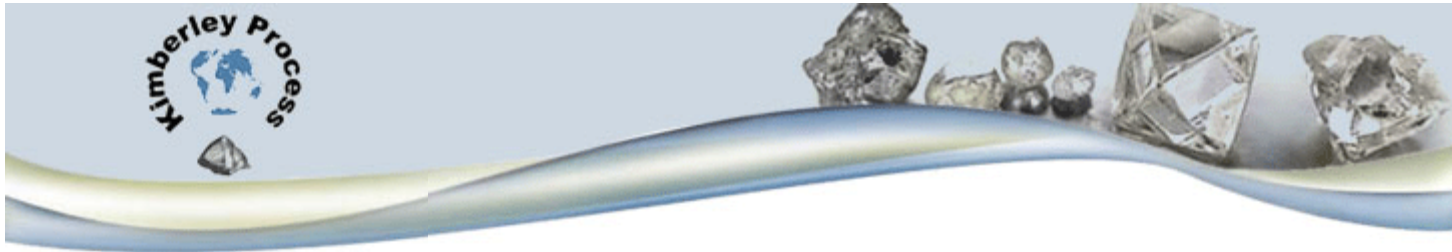


The solution

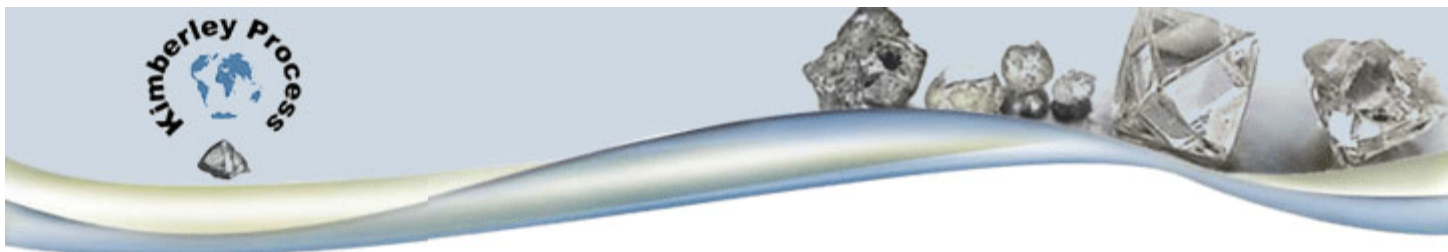
- **A certificate of origin scheme**
 - **Participants guarantee that diamonds ‘have been handled in accordance with the requirements of the Kimberley Process certification scheme’ (KPCS)**
 - **Requires ‘internal controls’ – tracing diamonds from mine to point of export**



- **Endorsed by United Nations**
 - **General Assembly resolution 55/56 (1 Dec 2000)**
 2. Urges all States to support efforts of the diamond producing, processing, exporting and importing countries and the diamond industry to find ways to break the link between conflict diamonds and armed conflict....
 3. Expresses the need to give urgent and careful consideration to devising effective and pragmatic measures to address the problem of conflict diamonds, the elements of which would include: (a) The creation and implementation of a simple and workable international certification scheme for rough diamonds;
 - **Security Council resolution 1459 (2003)**

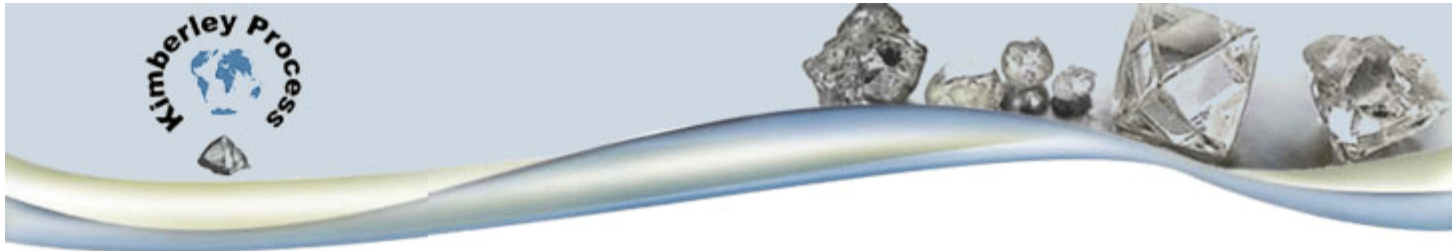


- **Tripartite structure**
 - governments, industry and civil society
- **KP document (NB – not a treaty) agreed 2002; entered into force 2003**
- **Annual Plenary hosted by rotating Chair**
- **Consensual decision-making**
- **Working groups using teleconferences and email between meetings**
- **Participants required to implement national legislation and controls**

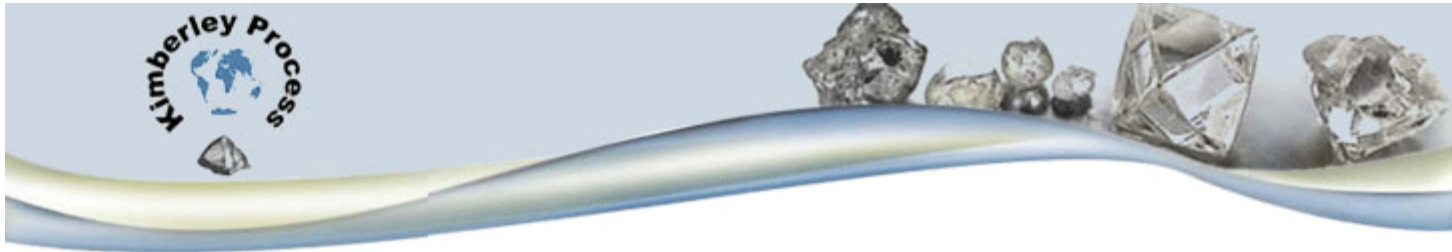


Chairs of KPCS

- **South Africa (2003)**
- **Canada (2004)**
- **Russia (2005)**
- **Botswana (2006)**
- **EC (2007)**

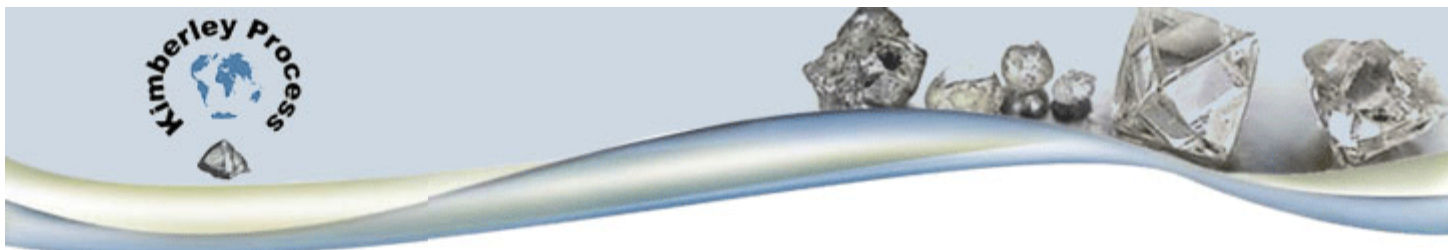


- **All major producing, trading and polishing/cutting countries included in process**
- **Participants can only trade with other Participants**
- **Non-Participants in the scheme effectively excluded from legitimate trade**
- **Currently 45 Participants: 44 countries and the EC (25 Member States)**

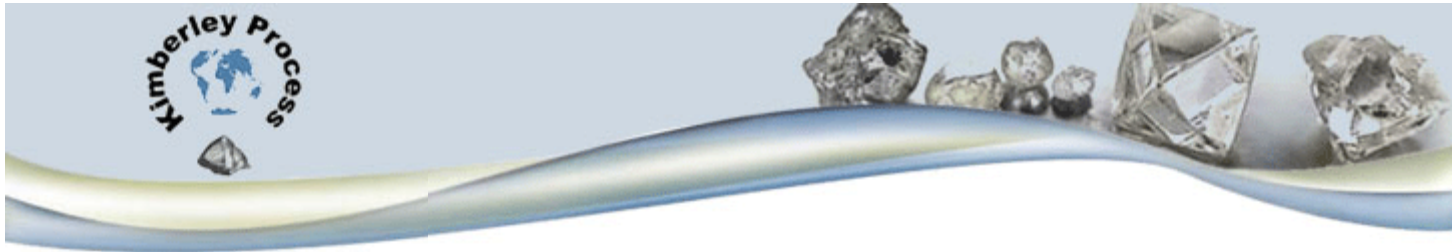


Role of the EC

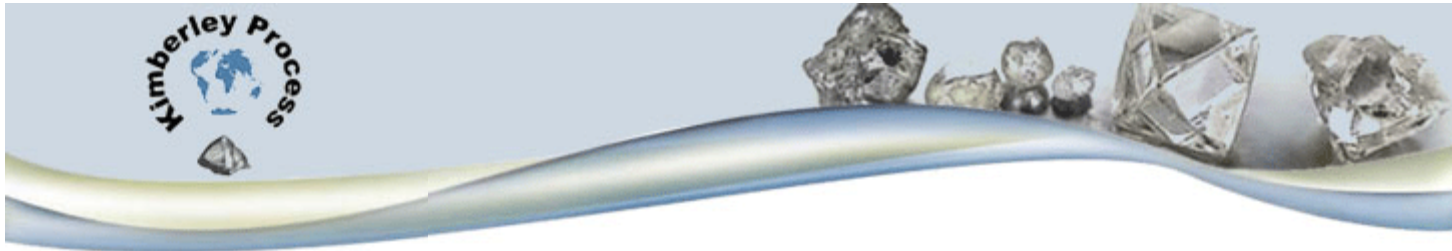
- **European Commission represents EC in KPCS (trade scheme)**
- **Chair of Working Group on Monitoring (peer review)**
- **Four Community authorities (Antwerp, London, Idar-Oberstein, Prague) verify imports and exports of rough diamonds**
- **Chairs scheme in 2007**



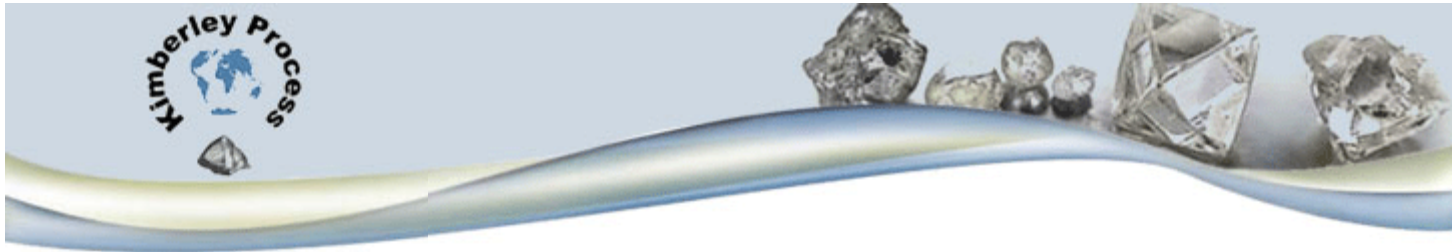
- **Peer review system (1 of 2)**
 - Added one year into scheme
 - ‘widest possible coverage’
 - In two years, vast majority of Participants have invited and will have received a review visit
 - Typically 3-5 day visits, visiting production/trading/polishing sites as relevant, KP authority, customs



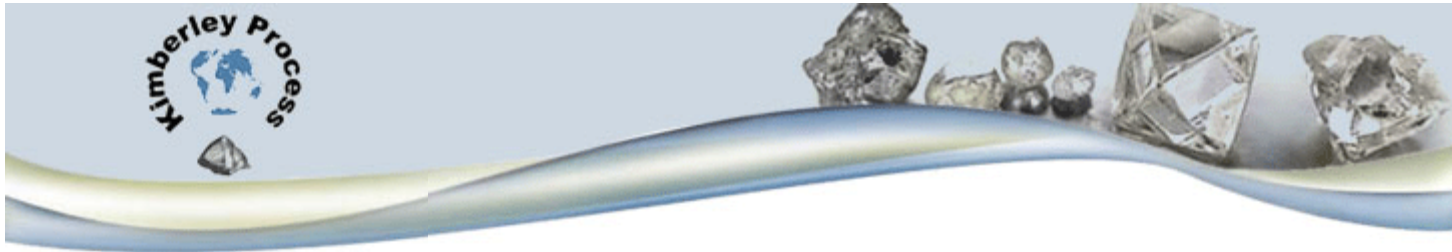
- **Peer review system (2 of 2)**
 - Teams composed of industry, government and NGOs
 - Encourages engagement of all Participants
 - Spreads best practice
 - Follow up of review visit recommendations strengthened
 - Annual reporting



- **Statistical reporting**
 - Quarterly trade data
 - Bi-annual production data
 - Taken very seriously – Participants can be removed if they fail to provide required reports
 - Analysis can reveal anomalies or issues to be resolved

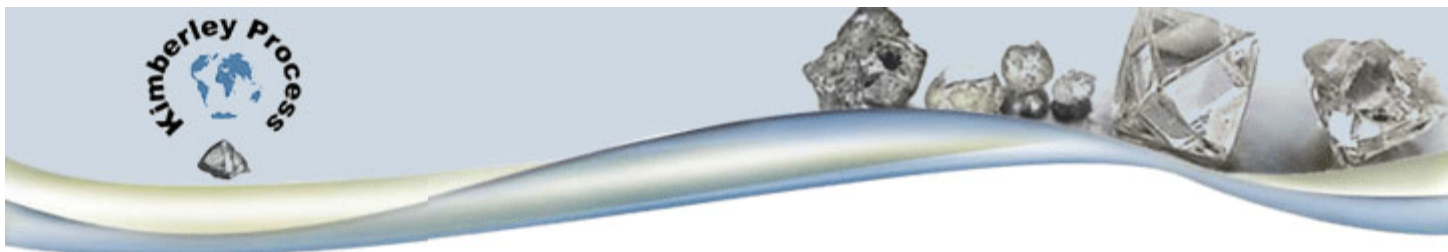


- **Case study: Republic of Congo**
 - Exports far exceeded known production capacity
 - Expert mission
 - RoC government unable to explain discrepancy
 - RoC expelled from KP



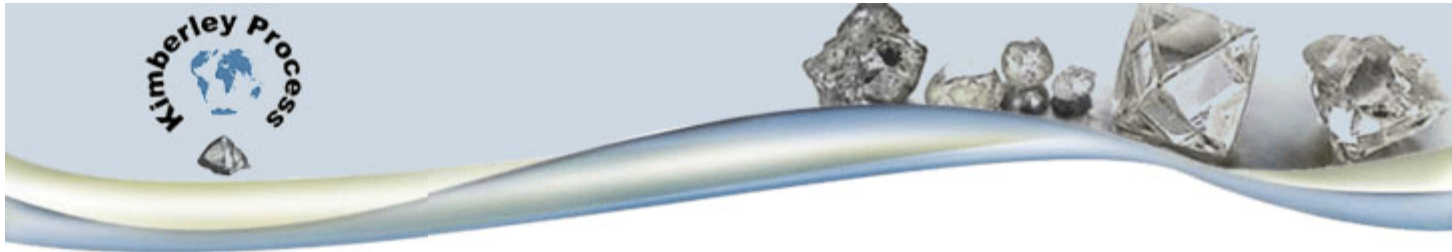
The good news

- **Sierra Leone, Liberia, Angola, DR Congo all making transition to peace and democracy**
- **Government revenues from diamonds have increased massively in Sierra Leone, DRC and Angola.**

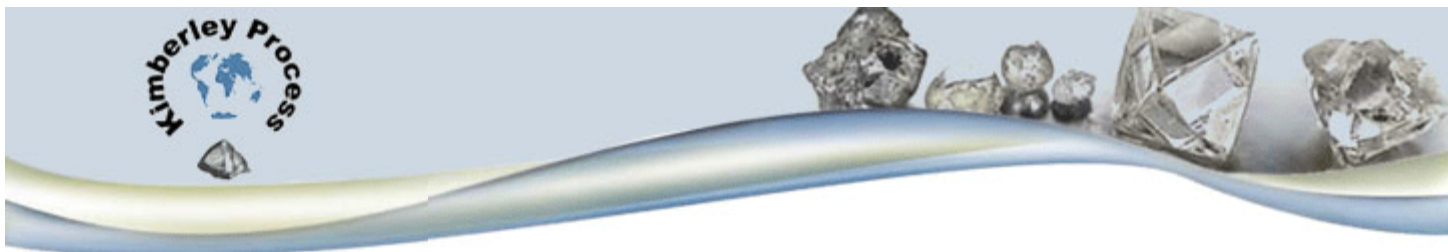


Challenges remain

- **Frozen conflict in Cote d'Ivoire: diamond producing areas under rebel control**
 - **Measures adopted in 2005 Plenary**
- **Difficulty of implementing effective controls over alluvial artisanal production**
 - **KP set up sub-group to focus on challenges facing alluvial production**
 - **KP setting up co-ordinating mechanism for technical assistance to diamond sector**



Can this model be used for other commodities which finance conflict?



More information?

www.kimberleyprocess.com

http://www.ec.europa.eu/external_relations/kimb/intro/index.htm