Kimberley Process Certification Scheme

Alan Brouder

I. Introduction

The Kimberley Process Certification Scheme (KPCS) is a joint initiative of governments, civil society, and representatives from the diamond industry. Initiated in Kimberley, South Africa in 2000, and formally launched in 2003, the certification scheme is an innovative attempt to curb the trade in ‘conflict’ or ‘blood’ diamonds that are used by rebel groups to fund wars, particularly in Africa. Participants in the KPCS voluntarily establish controls that attempt to tighten the regulatory framework and administrative transparency of the diamond industry, from the point of extraction to the point of sale. Each country involved in the Process must provide assurances – in the form of a Kimberley Process Certificate – that the rough (uncut and unpolished) diamonds leaving its jurisdiction have been mined and extracted in accordance with the principles and criteria outlined in the guiding document of the KPCS. Diamonds must be shipped in tamper-proof containers, and participants are prohibited from trading with non-participants. Tightening the control of the industry narrows the range of options available to rebel groups, making it more difficult for them to find buyers for their diamonds and thus prolong conflicts. Moreover, the Process boosts international trade in legitimate diamonds, providing valuable export revenue for very poor countries. The certification scheme also allows conscientious consumers to purchase diamonds in the knowledge that they have been extracted and exported in conformity with international standards. While it is virtually impossible to collect accurate statistics, estimates suggest that conflict diamonds represent a fraction of one percent of total global trade, down from as much as 15 percent in the 1990s (Global Witness 2006a). It is very difficult, however, to establish a causal link between the Kimberley Process and this reduction in the trade; other factors such as UN sanctions may have played a role. In addition, major conflicts, such as the civil wars in Angola, Liberia, and Sierra Leone came to an end before the KPCS was fully operational.

In 2009, the Kimberley Process had 48 members, representing 74 countries, with the European Community and its member states counting as an
individual participant. KPCS members account for approximately 99.8 percent of the global production of rough diamonds. The international diamond industry is represented by the World Diamond Council, and two civil society organizations – Global Witness and Partnership Africa Canada (PAC), have played a key role since its inception. Civil society and the private sector have observer status in the Kimberley Process, as only states and regional economic organizations may enact legislation to conform to the KPCS, establish supervisory bodies, and regulate international trade. As an informal intergovernmental mechanism, aimed at finding fast and flexible solutions to the problem of conflict diamonds, the Kimberley Process does not have legal personality, and its core document is not legally-binding under international law. However, the participating states have voluntarily adopted relevant laws and/or executive acts at the national level in order to fulfill the KPCS minimum requirements, and the diamond industry has initiated a process of self-regulation. As it is not an organization, the Process has no secretariat and no staff members.

II. Origins and Development

During the 1990s, conflicts in Angola, Liberia, Sierra Leone, and the Democratic Republic of Congo (DRC) were fuelled and prolonged by the illicit trade in rough diamonds, contributing to the deaths of hundreds of thousands of people (Smillie 2002; Campbell 2004; Zoellner 2007). Rebel movements attempting to overthrow the governments of these states took control of diamond producing areas and smuggled the stones into neighbouring countries where they were sold for cash or traded directly for weapons. In 1998, at the height of these conflicts, the diamond industry produced an estimated 115 million carats of rough diamonds with a market value of USD 6.7 billion. This was eventually converted into 67.1 million pieces of jewellery worth close to USD 50 billion (Smillie, Gberie, and Hazleton 2000). While conflict diamonds represent a small proportion of the diamond trade, illicit diamonds represent as much as 20 percent of the annual world total. It was this illicit trade that facilitated the rapid growth of the trade in conflict diamonds (Smillie 2002; Zoellner 2007). Unlike other commodities such as oil, gas, coal, and timber, diamonds have some obvious benefits for those who can control their extraction. They represent the most concentrated form of wealth in the world and are thus ideally suited to smuggling. While extensive industrial-scale mining requires a large investment and heavy machinery, sufficient quantities of diamonds exist in alluvial deposits to warrant mining by hand. Rebel movements using forced labour need only to find a small quantity to make large amounts of money. The Revolutionary United