



Illegal trade in natural resources - Lessons learnt from the Kimberley Process

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Introduction: What is the KP?



- Certification scheme for rough diamonds – trade-restrictive.
- 75 members (EU represents 27 MS)
- Members only trade with each other
- UNGA and SC endorsement
- WTO waiver applies



Why needed? Conflict diamonds



- In 1990s, rough diamonds financed civil wars in Angola, DRC, Sierra Leone/Liberia
- UN sanctions limited effect:
 - need to control *all* diamonds
 - separate “good” from “bad”
- Mandate restricted to conflict? Definition of conflict?



Who? Representativity



- Tripartite:
 - NGOs
 - industry
 - governments

- Producers, traders and consumers involved

- Technical, legal, industry, trade, customs, geological expertise



How is the KP structured?



- No treaty
- No international organisation
- Rotating Chair/Secretariat
- 'Virtual' working groups
- Intersessional/Plenary meetings
- Strong stakeholder commitment



How does the KP work?



- The receipt: Transparency + trade controls + internal controls + administrative cooperation
- The verification: Monitoring system, statistical reconciliation



Success ...



- Conflict diamonds less than 0.2% world production – but other factors also relevant
- Deterrence effect
- ‘Incidental’ benefits:
 - Increased transparency
 - Government revenues
 - Technical assistance/training



And challenges ...



- Limitations: administrative capacity, uneven commitment,
- Challenges: KP reform? (mandate, institutionalisation, budget, independent monitoring etc)



Lessons ?



- Coalition of interests
- Pragmatic/flexible approach
- Mandate creep?
- Tripartite structure
- Peer review / monitoring and verification capacity
- Tailored response to specific issue in particular industry