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Brussels
„Illegal trade in natural resources. What can Brussels do?“

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Points that will be made:

- After several years of NGO campaigning and media attention to wars fuelled by diamonds, the Kimberley Process Certification Scheme (KPCS) for rough diamonds came on stream in January 2003. It covered most of the world's rough diamonds and had several unique and compelling features:
 - Countries that did not join could not trade with members, hence there was a strong, WTO-endorsed motivation to join;
 - Each member country had to enact KPCS-compliant legislation, so it had the force of law in 75 national jurisdictions;
 - Tripartite participation – active, formal engagement of industry and civil society
- The KPCS had several early successes, not least a reduction in smuggling and enhanced tax revenue for African producer countries;
- Diamond wars had largely ended before the KPCS began, but the international attention created by KPCS negotiations helped starve rebel armies and contributed to their collapse;
- In recent years, however, there have been notable failures:
 - An unwillingness to address huge production and trading anomalies (Lebanon, Guinea);
 - Clear evidence that some countries, notably those most affected by diamond-fuelled wars (Angola, DRC), cannot track the origin of many of the diamonds they certify. This is the primary purpose of the KPCS;
 - 100% of Venezuela's diamonds have been smuggled for over four years; the KP has been unable/unwilling to confront Venezuela, turning a blind eye to the phenomenon it was designed to halt: diamond smuggling;
 - Massive smuggling and human rights abuse in Zimbabwe's diamond industry have been met with two years of KP dithering and few positive results;
- The KPCS had several in-built weaknesses. These should be studied by others looking to emulate the KPCS or to create similar regulatory systems:
 - A 'consensus' decision-making process which requires unanimity on all decisions. This has hamstrung all manner of forward movement;
 - A rotating chair and no permanent secretariat means that many important tasks are left undone;
 - No independent means of research, study or trouble-shooting;
 - A 'peer review' mechanism that is in most cases far from adequate;
 - Inaction on obvious cases of non-compliance and an absence of sanctions.
- Civil society remains the only serious watchdog;
- Industry is creating its own system of standards with third party verification, but this has limitations;
- Oddly, industry and civil society – once antagonists – now frequently agree on major points of contention where the KPCS is concerned: human rights, independent research and monitoring, swift action to enforce compliance. In today's KPCS, national and regional political agendas have been allowed to trump the conflict prevention purpose of the Kimberley Process. The European Union, once a leader, is now frequently part of the problem. If this continues, the KP will become little more than a talk-shop and the criminality and violence that infested the diamond industry in the 1990s will return.