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**PARTNERSHIP AFRICA CANADA  
PRESS RELEASE**

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**GLOBAL DIAMOND CERTIFICATION SYSTEM FAILING  
SMUGGLING, HUMAN RIGHTS ABUSE AND GOVERNMENT INACTION  
THREATEN GLOBAL SCHEME, SAYS CANADIAN NGO**

The Kimberley Process Certification Scheme (KPCS), which regulates the world trade in rough diamonds, is the only thing standing between the industry and a return to blood diamonds. And it is failing, according to the 2009 edition of Partnership Africa Canada's [Diamonds and Human Security Annual Review](#). The failure of the KP, the report says, is not caused by warlords and sanctions busters but by governments at the centre of its administration which refuse to get tough on blatant smuggling, human rights abuse and money laundering.

This year's Review, which includes detailed investigative reports on more than a dozen diamond producing countries, says that the cost of a collapse would be disastrous for an industry that benefits so many countries, and for the millions of people in poor countries who depend directly and indirectly on it. "A criminalized diamond economy would re-emerge," says PAC's Executive Director, Bernard Taylor, "and conflict diamonds could soon follow." The problems, he says, "can and must be fixed."

Accountability is the primary issue. There is no KP central authority. The KP "chair" rotates annually and has virtually no responsibility beyond a convening function. Problems are shifted from one "working group" to another; debates on vital issues extend for years and "consensus" in the KP means that everyone must agree and that a single dissenting government can block forward movement.

Weak monitoring means that cases of flagrant non compliance are regularly ignored until they became media scandals: Ivoirian conflict diamonds smuggled through neighbouring countries; 100% of Venezuela's diamonds smuggled out of the country. The tracking of diamonds was the main purpose of the Kimberley Process, to guarantee that they come from a known, clean source. But in two of Africa's largest diamond producers-Angola and the Democratic Republic of the Congo-internal controls are still so weak after seven years that nobody can be certain where the diamonds they export really come from.

Trade and production statistics from Lebanon, Guinea and the Republic of Congo (Brazzaville) have raised serious but unanswered questions. And the KP has taken more than a year to come to grips with smuggling, mismanagement and a government massacre of more than 200 diamond diggers in Zimbabwe. Denial and procrastination are the default positions.

Before 2003, about 25% of the world's diamond trade was in some way illicit. Diamonds, completely unregulated, were used for money laundering and tax evasion, for drug running, gun running, sanctions-busting and terrorist financing. Many producing countries earned no revenue from diamonds, and for others diamonds were only a source of strife and war.

All that could return the report says, if the KPCS fails. It would damage an industry just starting to recover from the economic downturn, and it would reopen the door to conflict diamonds in the same fragile countries where they have already destroyed countless lives.

PAC and NGOs from Africa, Europe and the United States are calling for serious reform at the November meeting of the Kimberley Process in Namibia, and for serious action on the scheme's many outstanding problems. "The KPCS is too important to fail," says PAC's Susanne Emond, "and it is too important to too many countries, companies and people to be a sham. It does not need to be redesigned; its provisions need to be enforced."

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***Partnership Africa Canada is a Canadian nongovernmental organization that has been involved in efforts to halt the trade in conflict diamonds since 1999. Other reports on conflict diamonds can be found at [www.pacweb.org](http://www.pacweb.org)***