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Action needed to block illegal export of Zimbabwe conflict diamonds

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Ottawa--The Kimberley Process must take tough enforcement action in light of evidence that Zimbabwe is set to export millions of illegally certified diamonds from the conflict-ridden diamond fields of Marange, said Partnership Africa Canada (PAC).

"This would be an unprecedented and serious breach of Kimberley Process standards," said Bernard Taylor, Executive Director of Partnership Africa Canada. "All members of the KP, including World Diamond Council members, must send a clear and unified message to Zimbabwe that they will not accept these illegal exports. The entire credibility of the KP as a mechanism to stop the trade of conflict diamonds is on the line."

PAC has learned that the KP Monitor for Marange, South African businessman Abbey Chikane, returned to Zimbabwe on Friday, November 12 and unilaterally certified all production from two controversial mining concessions, including millions of stockpiled diamonds. Mr. Chikane's actions took place without the authorization or sanction of the Kimberley Process. Industry sources have confirmed that the diamonds, worth an estimated \$160 million, have already been sold to four Indian buyers.

The Marange diamond fields have been plagued by serious human rights abuses and systemic smuggling perpetrated by the Zimbabwean security forces. In November 2009 the Kimberley Process agreed to a 'Joint Work Plan' with Zimbabwe to address these issues and bring it back into full compliance with KP standards.

During the Kimberley Process annual plenary meeting, held at the beginning of November in Israel, Zimbabwe argued that it had met the obligations it agreed to in 2009 and that it should be allowed to export diamonds without further restrictions. Other governments, supported by civil society, noted that while Zimbabwe had made progress in some areas, further work was still required on key elements including demilitarization, smuggling and the legalization of small-scale mining. The Plenary discussions on Marange ended without agreement following four days of negotiations. Since that time Zimbabwe has threatened to openly defy the KP and export its diamonds despite an international ban still being in place.

"The Kimberley Process is at a crossroads. Either we unite in the face of such blatant disregard for the rules, or we allow ourselves to be bullied into irrelevance," said Nadim

Kara, campaign director at PAC. "Zimbabwe must operate within the Kimberley Process, or the diamond industry will go back to the anarchy and chaos of the 1990s."

The purchase of these diamonds by Indian buyers also raises tough decisions for the Indian government about its own KP compliance. As a growing power in the diamond trade, the Indian state of Gujarat now cuts and polishes 90% of the world's diamonds. "India has some hard choices to make," said Alan Martin, Research Director at PAC. "Does the greed of its industry trump the integrity of the Kimberley Process? Does India want to aid and abet Zimbabwe in destroying the Kimberley Process?"

PAC calls on the Kimberley Process to take the following urgent actions:

- Nullify the certificates Mr. Chikane issued and notify all diamond trading countries that any shipments would be in violation of KP standards;
- Implement a strict enforcement regime to seize shipments of these diamonds upon their arrival in any KP member state;
- Remove Abbey Chikane as the KP Monitor for Marange;
- Re-convene negotiations aimed at securing an action plan that will bring Zimbabwe back into full compliance with its KP commitments.

The Kimberley Process is a rough diamond certification scheme, established in 2003. It brings together governments, industry and civil society, and aims to eradicate the trade in conflict diamonds. Member states are required to pass national legislation and set up an import/export control system. Over 75 of the world's diamond producing, trading and manufacturing countries participate in the scheme.

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