

OTHER FACETS

NEWS AND VIEWS ON THE INTERNATIONAL EFFORT TO END CONFLICT DIAMONDS

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PROGRESS AT KIMBERLEY MEETING

The first meeting of the Kimberley Process following the startup of the Kimberley Process Diamond Certification Scheme (KPCS) in January took place in Johannesburg from April 28 to 30. Almost 60 countries were represented, along with the World Diamond Council and eight NGOs (from Europe, Canada, the US, Sierra Leone and the Democratic Republic of the Congo) representing a broad coalition of civil society organizations.

The meeting was faced with a number of serious problems: As many as 70 countries had expressed their willingness to join the KPCS, but few had submitted samples of their certificates or legislation demonstrating their compliance. Australia stated that it had received samples of only 16 certificates, while other countries had received fewer. Some of the new member countries have been named in UN reports as trafficking in conflict diamonds, and others with no diamond industry of any kind had applied and been accepted into the system. In addition, there had been no progress whatsoever in gathering and disseminating national trade and production statistics. It had been agreed a year earlier that all participating countries would submit quarterly rough diamond trade statistics and semi annual production statistics to a central mechanism, which would compile the figures and analyze them for accuracy and consistency. The statistical database was to have been an essential feature in tracking the movement of illicit diamonds, but its implementation had been stymied at several inconclusive meetings.

At the Johannesburg meeting, there was significant progress on efforts to resolve both of these issues. A 'Participation Committee' was struck which will review the credentials of all current participating countries, and all future applicants. Those countries that have not submitted the necessary samples of certificates, as well as the applicable legislation and regulations, will be removed from the list of participants and will be prohibited from trading rough diamonds with effect from June 10. Several countries, including Poland, the Czech Republic and Lebanon asked for an indefinite waiver. Other countries, however, including Canada, the US and the European Commission, stated that their KPCS legislation was specific about the definition of 'participant'. They could not implement their laws on the basis of indefinite waivers in favour of latecomers to a process that has been in the works for three full years.

The issue of statistics was resolved, apparently to everyone's satisfaction, with an offer from Canada to host a statistics website and to continue in its new role as chair of a statistics committee. Statistics Chair Rob Dunn, from Natural Resources Canada, removed much of the confusion and obfuscation from the two-year debate and set out a process and a timetable that was unanimously endorsed by the KP Plenary. Canada will elaborate on the level of detail required, and each participant was expected to submit the first quarterly trade statistics on schedule by May 31, two months after the end of the KPCS first quarter. These will be reviewed by a statistics committee comprised of governments, industry and NGOs. The statistics will then be posted on the website for analysis by any interested party. In due course a report on any anomalies or problems will be forwarded to the KP Chair and the plenary for discussion.

OTHER FACETS

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REGULAR INDEPENDENT MONITORING: KIMBERLEY PROCESS FAILS AGAIN

NGOs attending the April KP Meeting in Johannesburg were angry and disappointed that their proposal for regular independent monitoring of the national control mechanisms of all participating countries was not considered. A working group on monitoring had been established before the meeting, and submissions were encouraged. A submission submitted jointly by several NGOs reiterated the need for regular independent monitoring, and made proposals on how this might work. "It is now internationally accepted," the submission said, "that international trade and environmental agreements are unlikely to function effectively, and will not have public credibility if they do not have effective independent monitoring mechanisms." The KPCS was no exception, the NGOs said. "The nature of the previously unregulated trade, coupled with a high-value consumer product, require the creation of regular independent monitoring of all national control mechanisms." (*cont'd on page 3*)

BOOKS

Colette Braeckman, *Les nouveaux prédateurs : Politique des puissances en Afrique centrale*, Fayard, 2003, 309 pages, €19.

“Foreign powers, with the collaboration of some of our Congolese brothers, are organizing wars using the resources of our country. These resources, which should be used for our development, for the education of our children, to heal our sick, in other words, to allow us to live more humanely, are being used to kill us.” The words of the Bishop of Bukavu on Christmas Day 1999. The importance of natural resource exploitation in the development of Central Africa is a thread which runs throughout Braeckman’s most recent book on the region. From rubber for tires during WWI, to the uranium from Katanga that went into the first atomic bomb, to coltan and niobium which are central to today’s electronics’ industry to the diamonds which flow easily through neighbouring capitals, the resources of Central Africa, and more specifically Congo, have always been a source of rivalry amongst world powers and more recently regional powers. Braeckman examines the ambitions of neighbouring countries, including South Africa, to control resources in this last “Far West” frontier which has been fractured by a decade of war.

Braeckman’s anger and disbelief are evident in her writing – her anger at international complicity and interference with successive regime changes in Congo; her indignation at international financial institutions (IFIs) for using Congo/Zaire as a “laboratory” for the first structural adjustment programs; her outrage at the experimentation of the IFIs and the US in African countries demanding privatization, liberalization and withdrawal of the state – thus creating the conditions for “failed states” to emerge; her disbelief that 3 million deaths can be seen as a “low intensity” crisis, which in Central Africa translates into little publicity – no images, no story.

This is a very readable book which makes sense of the on-going war by proxy in Congo. As another reviewer noted, the book provides the basis for a Truth and Reconciliation operation. S.I.

UN LIBERIA SANCTIONS RENEWED

“No Liberian Diamonds Conflict-Free”

The UN Expert Panel on Liberia submitted its fourth report to the UN Security Council in April, documenting widespread sanctions-busting in weapons, and describing a country gripped by anarchy and widespread fighting that spills regularly across the borders with Guinea and Côte d’Ivoire. It found that Liberian fighters and former RUF rebels from Sierra Leone are currently involved in the conflict that has raged in Côte d’Ivoire since September 2002. In Liberia, it said, ‘Poor governance, corruption and insecurity have ensured that there is no significant investment in recent years, resulting in 85 per cent unemployment. In recent months, many humanitarian agencies have withdrawn most of their staff because of the widening conflict and because Government is unable and unwilling to provide for the basic needs of Liberians.’ The report states that both the government and the rebel LURD forces have made control of Liberia’s diamond-producing areas a key military objective. ‘In the current context, it would be difficult to find an area in Liberia from which rough diamonds could be declared “conflict free”,’ the report states.

The report did not discuss or make recommendations on the Liberian government’s financing of weapons imports through the ‘off budget’ sale of tropical hardwood, although this issue has been a contentious one for almost three years. The December 2000 UN Panel Report on Sierra Leone recommended a ban on Liberian timber exports. Similar recommendations have been made several times since, most recently by the British NGO, Global Witness, which in March 2003 published a detailed report on Liberian timber exports, entitled *The Usual Suspects: Liberia’s Weapons and Mercenaries in Côte d’Ivoire and Sierra Leone*. The report provides detailed evidence that hidden revenues from Liberian timber exports have been used to buy weapons, and it called on the Security Council to ‘immediately impose a complete embargo on the export and transport of Liberian timber, and its import into other countries.’

On May 6 the Security Council renewed for another year the sanctions it imposed on Liberia two years ago in an effort to halt the conflict. These include a weapons embargo, a travel ban on senior Liberian officials, and a ban on trading all Liberian diamonds. The Security Council also imposed a ten-month ban on Liberian timber exports, which will come into effect on July 7.

ANGLO AMERICAN AND DE BEERS: \$6bn APARTHEID LAWSUIT

Mining giant Anglo American and diamond industry leader De Beers were hit with a massive US\$6.1 billion lawsuit in April, for alleged human rights violations during South Africa’s apartheid era. Fluor, one of the largest engineering and construction companies, and the synthetic fuels group, Sasol, have also been hit. A South African law firm, Ngcebetsha Madlanga Attorneys, seeks to compensate an estimated 100,000 workers in the class action suit, although any compensation will go to black communities rather than to individuals. The case will be heard in the United States and prosecuted by Ed Fagan, a lawyer involved in a successful claim against Swiss banks that had kept the deposits of Jews killed by the Nazis in the 1930s and 1940s.

South African lawyer John Ngcebetsha said that apartheid had created cheap labour which was ‘tantamount to slavery’. South Africa’s Truth and Reconciliation Commission said in its final report in March that a case could be made for reparations against South African mining firms, including Anglo American. The report said that the mining firms had benefited from cheap black labour guaranteed under the apartheid system. Anglo American responded to the lawsuit by saying that during the apartheid era it had taken ‘many actions in opposition to apartheid policies and in support of anti-apartheid campaigners. We firmly believe that our opposition helped bring about an end to the apartheid system,’ the company said. South African Justice Minister Penuell Meduna said that the Government of South Africa was staying out of the action. ‘We are not joining in this litigation, but we are not opposing it,’ he said. ‘However, US courts can only do so much and we would have expected to find South African solutions in South Africa. We would rather persuade everyone to work with us.’

Meetings

CONGOLESE NGOs SLAM SECURITY COUNCIL, BELGIUM

The UN Security Council and the **Belgian Senate** came in for strong criticism from a workshop of NGOs from across the Democratic Republic of the Congo (DRC) in March. The workshop, organized in Kinshasa by the Congolese NGO **CENADEP**, considered the three UN Expert Panel Reports on the illegal exploitation of resources in the DRC. It also reviewed a recent investigation by the Belgian Senate into the role of Belgian companies in the DRC. In the case of the Belgian Senate, the workshop found that the definitions of 'illegality', 'legality' and 'plunder' were so narrow that guilty companies had simply been allowed off the hook. The NGOs said that the three UN Expert Panel Reports 'recognize that the principal motive for the war is the control and exploitation of the region's wealth'. 'All of these reports express concern for the 500,000 refugees currently in the bordering countries, as well as for the 2 million who have been displaced and the more than 3 million who have died.' This marks three years of enquiries, they said, 'with no specific sanctions even being considered. How much longer must our people continue to suffer?'

The conference demanded more aggressive Security Council action, noting that the UN had 'for more than three years left those responsible for the plunder and illegal exploitation of the DRC's natural resources and their accomplices free to operate without interference.' It called on the Belgian government and Senate to reconsider its findings on Belgian companies operating in the DRC and to strengthen punitive measures against those involved in fraud and plunder.

CSIS DISCUSSES KIMBERLEY

In April, the Washington DC **Center for Strategic and International Studies**, one of the premier American policy think tanks, brought some of the key participants in the Kimberley Process (KP) together for a conference in Washington to discuss achievements and outstanding issues in the establishment of a global certification system for rough diamonds.

The meeting was attended by US policy makers, the South African Chair of the KP, **Abbey Chikane**, as well as the heads of KP delegations from Namibia, Canada, the US, Britain and Botswana. Industry was represented by the **World Diamond Council**, and NGOs included **Partnership Africa Canada**, **Global Witness**, **Oxfam America**, **World Vision US** and **Catholic Relief Services**. The current US Assistant Secretary of State for African Affairs, **Walter Kansteiner**, participated, as did his predecessor, **Chester Crocker**. The meeting was a prelude to the KP meeting in Johannesburg at the end of April and was an opportunity for participants to discuss the problems that have developed since the KP system was officially launched in January.

LEBANESE ATTACK PAC REPORT

A March meeting in Freetown, organized by USAID and DFID to discuss diamonds, was used by the President of the Lebanese community of Sierra Leone to attack a report released in November 2002 by Partnership Africa Canada. The report by Lansana Gberie, *War and Peace in Sierra Leone: Diamonds, Corruption and the Lebanese Connection*, discussed the Lebanese stranglehold on the diamond trade in Sierra Leone and reviewed well documented Lebanese connections in Sierra Leone to the civil war in Lebanon and more recently to al Qaeda. At the Freetown meeting, S. Hassanyeh said that 'most of these allegations levied against my community... are untrue and are not based on any evidence whatsoever.' He also denied that there was any connection between the Lebanese community in Sierra Leone and blood diamonds, terrorism, or criminals named in the PAC report. He said that the Lebanese community had 'contributed immensely to the economy' and 'had kept goods on the shelves during the difficult periods.'

The influential *Diamond Intelligence Briefs* reported the comments in March. 'As the small Lebanese community in Sierra Leone controls most (probably close to 90%) of the diamond business,' it reported, 'as well as having a virtual monopoly on the imports of rice, on imports of cement, imports of building materials etc., it is undoubtedly correct to say that the Lebanese control the exchange rate, as the dollar cash economy is largely in their hands. During the recent civil war, the rebels allowed the continued operation of many of the Lebanese diamond offices in Kenema and Bo, so, indeed, during the times of hardship, the community was able to "keep the goods on the shelves".'

REGULAR INDEPENDENT MONITORING

(cont'd from page 1)

A separate NGO submission noted the acceptance of the Republic of Congo (Brazzaville) as a member of the KPCS, a country with virtually no diamond production of its own, but one that has exported hundreds of millions of dollars worth of diamonds to Europe over the past decade.

The working group on monitoring did agree on a credentials process for all KPCS participants, and it developed the terms of reference for a first monitoring mission to the Central African Republic, to take place before June 16, 2003. But it failed to address the wider issue of regular monitoring. A similar submission made by

the European Commission, as well a proposal for a peer review mechanism also went unaddressed.

World Diamond Council representatives spoke in favour of "effective monitoring", but stopped short of endorsing the NGO call for regular independent monitoring of all national control mechanisms. This seemed to be at odds with De Beers Chairman Nicky Oppenheimer, who spoke at a De Beers-hosted dinner on April 29. "I believe that transparent verification of both government and industry procedures is essential to the credibility of the Certification scheme in the eyes of the world," he said. "It is for this reason that the industry wholeheartedly supports the NGOs' objectives in securing a credible system of monitoring."

SIERRA LEONE SPECIAL COURT

First Indictments Handed Down

In March, the Special Court for Sierra Leone handed down its first seven indictments for war criminals. Charged were former RUF leaders Foday Sankoh and Issa Sesay as well as Sam Hinga Norman, the Deputy Minister of Defence who led much of the fight against the RUF during the 1990s. The charges against the accused include terrorism, murder, rape, sexual slavery, the enlistment of child soldiers, pillage and the taking of hostages. The Special Court was created by the United Nations and the Government of Sierra Leone in 2002, with three judges serving in the trials chamber, one appointed by the government of Sierra Leone and two by the Secretary General of the United Nations.

Among the seven charged were Johnny Paul Koroma, a military coup leader, and Sam 'Maskita' Bockarie, a leading RUF commander. Both were alleged by the Court to be residing under the protection of Charles Taylor in Liberia, and Bockarie was rumoured to have been leading Liberian and ex-RUF forces in the conflict in Côte d'Ivoire. Following a demand from the Court that Liberian President Charles Taylor hand over Koroma and Bockarie, Bockarie was killed under mysterious circumstances in May by Liberian forces, allegedly in a shootout on the Ivorian border.

No Peace Without Justice (NPWJ), an international non-profit organisation, has urged the Special Court's Prosecutor 'to investigate and bring charges against Taylor for his actions in relation to the conflict in Sierra Leone, so that Sierra Leone and the world might learn the truth about how deeply he was involved in the conflict, and so that he may be prevented from undertaking similar actions in Sierra Leone or in other countries in the sub-region.'

In March, the Special Court's Chief Prosecutor, David Crane, told *Newsweek* that corruption was endemic in Sierra Leone. 'It certainly is a seedbed for discontent,' he said, 'but you have to understand that this is the most black-and-white, good-versus-evil situation that I have ever seen in 30 years of public service. They didn't start this conflict for

ethnic, political, cultural or religious reasons – not that this excuses anything. This was a cynical attempt to take over a country to control diamonds to make money to buy guns and weaponry to keep them in power so they could influence others in the region. The bottom line is, it boils down to the diamonds in eastern Sierra Leone...'

NEW PUBLICATIONS

DIAMONDS IN WEST AFRICA New Study Probes Regional Violence

Why have diamonds in West Africa been so susceptible to criminal predation and violence? This question is the central theme in a new paper by Lansana Gberie, entitled *West Africa: Rocks in a Hard Place – the Political Economy of Diamonds and Regional Destabilization*. Published in May by the Diamonds and Human Security Project, the paper exposes the continuing crises of armed violence in the West African sub-region by highlighting the role and influence of diamonds. Research for the paper was conducted in six countries in West Africa -- Sierra Leone, Liberia, Guinea, Ivory Coast, Gambia and Ghana.

The paper describes the diamond industry in each country, noting that in several, more diamonds are exported than are produced. It finds that diamonds have for many years compounded political corruption and misrule. 'Reform of the diamond sector,' the paper concludes, 'is not therefore simply a matter of convenience, to demonstrate compliance with international agreements. It is an important security, developmental and nation-building consideration.'

The report makes several recommendations. It says that the UN Security Council ban on weapons imports to, and diamond exports from Liberia must be maintained until there is credible evidence that Liberia has stopped sheltering and arming dissidents from neighbouring countries. It also recommends that the UN Security Council take a wider view of Liberia's role in regional destabilization, focussing on the government's use of timber revenues to fund its military activities and money laundering, as well as continuing weapons imports and the role played by

diamonds. The paper also notes weaknesses in the Kimberley Process international certification scheme for rough diamonds, which came into effect on January 1, 2003: 'Given the huge discrepancies between known production capacities in Ghana, Guinea and Côte d'Ivoire and what is said to be imported from these countries into Belgium and other countries, it is imperative that credible, independent reviews be undertaken of these countries' ability to comply with Kimberley Process minimum standards, as soon as possible.' The paper goes on to say that the Kimberley Process 'must institute a regular system of independent monitoring of *all* national control mechanisms. Without this, it will have little meaning in countries where a long-corrupted diamond trade simply ignores borders and regulations.' The report is available at www.partnershipafricacanada.org

THE AL QAEDA CONNECTION Terrorist Diamonds

A major new report by Global Witness draws a direct link between diamonds and the international terrorist organization, al Qaeda. *For a Few Dollars More: How al Qaeda moved into the Diamond Trade*, published in April, provides a detailed description of a major terrorist diamond and money laundering scheme that began in Tanzania in the mid 1990s, spreading throughout West Africa until at least 2001. The 97-page report shows how al Qaeda operatives made connections with Sierra Leone's RUF rebels through connections in Liberia and Burkina Faso, buying diamonds and exporting them through a network of Lebanese middlemen and European diamond companies. The report builds on original stories of an al Qaeda connection carried in the *Washington Post* in 2001 and 2002. The report calls on the United Nations Security Council to make the Kimberley Process Certification Scheme a legally binding international agreement under Chapter VII of the UN Charter, but points out a number of weaknesses. It calls on law enforcement agencies to coordinate information on the illicit traffic in diamonds, and says that the Kimberley Process must 'immediately implement a credible and effective monitoring mechanism.' www.globalwitness.org