

Conflict Diamonds and the Role of the United States Government



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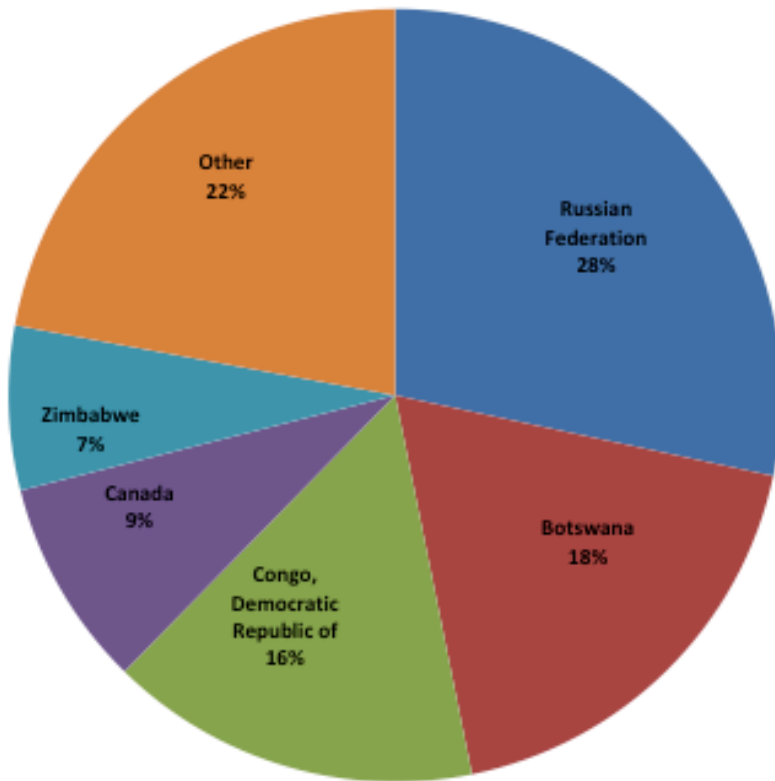
Why is State Department interested in diamonds?

- Economics
- Security
- Development

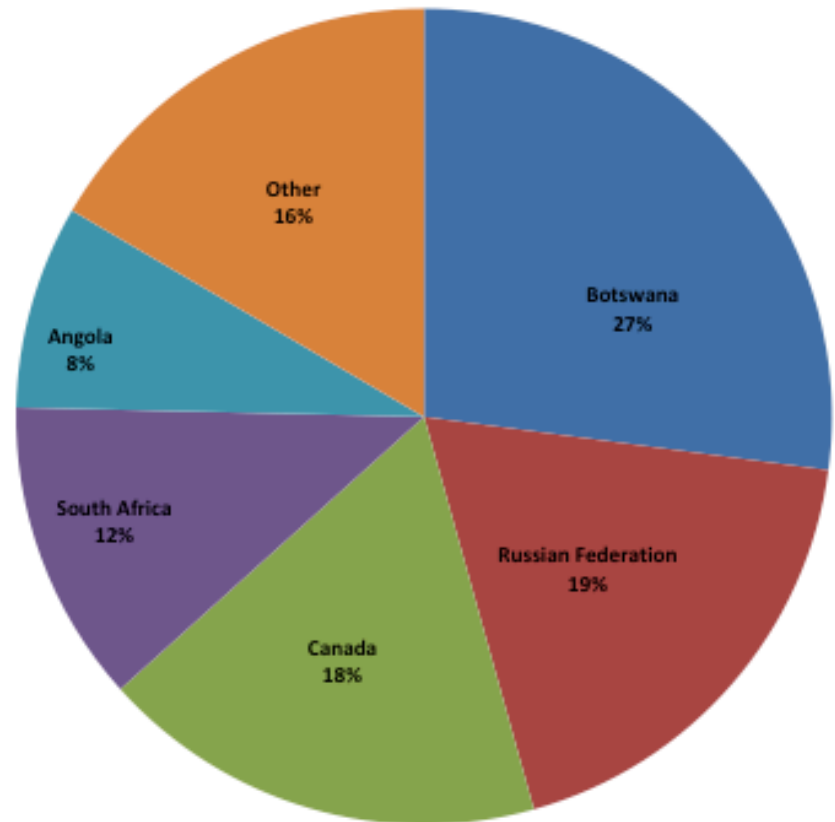
Diamond Statistics


2011 PRODUCTION

By Volume
Total = 123,989,608.88



By Value US \$
Total = \$14,406,891,558.38





"My neck leash was funding a rebellion..."

- "Conflict diamonds" are defined as rough diamonds used by rebel movements or their allies to finance armed conflicts aimed at undermining legitimate governments.
- During 1990s, 4%-15% of rough diamonds
- Angola, Sierra Leone, Liberia, DRC
- U.S. Diamond Trade Act

Getting to Kimberley: 1998 -- 2002

- Advocacy Campaigns
- Industry buy in
- Governments join
- UNGA mandates negotiations
- KP goes "live" in 2003



KP Requirements – More than a piece of paper?

001594

THE SIERRA LEONE GOVERNMENT
MINISTRY OF MINERAL RESOURCES
GOVERNMENT GOLD AND DIAMOND OFFICE

Product: ROUGH (UNCUT) DIAMONDS
Produit: DIAMANT BRUT

KIMBERLEY PROCESS CERTIFICATE

Name and Address of Exporter: *Sierra Leone Diamond Exporters Association* (Faint text)

The rough diamonds described in this Certificate are for export to the United Kingdom under the Kimberley Process Certification Scheme for rough diamonds.

This is to Certify that Parcel No. *LN00/660-1594* is reported by *Sierra Leone Diamond Exporters Association* to the Government of Sierra Leone.

Under the authority of the Government of the Republic of Sierra Leone

	CARAT	VALUE (US\$)
GEM	<i>10.76</i>	<i>21,000.00</i>
INDUSTRIAL	<i>-</i>	<i>-</i>
TOTAL	<i>10.76</i>	<i>21,000.00</i>

HS CLASSIFICATION CODE: *7102.30*

THIS CERTIFICATE EXPIRES ON: *14.12.2005*

Dated this *15TH* NOVEMBER 2005

Issued by the *MINISTER OF MINES*

Collector Shipping *15/11/05*

GOVERNMENT GOLD AND DIAMOND OFFICE - FREETOWN

The KP in Practice

- 80 countries + observers
- "Voluntarily mandatory"
- Decision-Making
- Governance
- Administrative Support



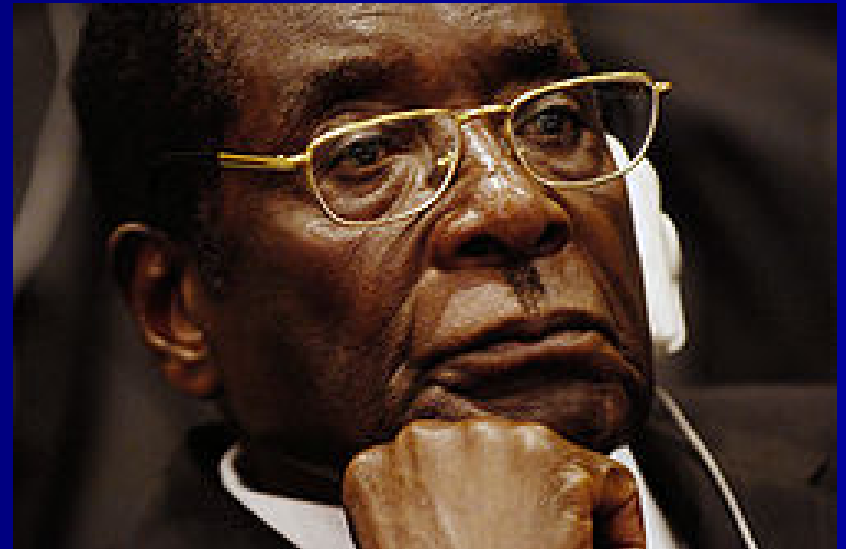
Enforcement

- Tackle illicit cross-border trade
- Share information
- Training
- Focus on Artisanal Production
 - Illegitimate financing
 - =
 - Illegitimate diamonds



Challenges

- Definition of a Conflict Diamond
- Enforcement
- Sourcing
- Beyond rough?





KP Concerns

- Decision-making processes
- Definition
- Internal Controls
- Staffing/Secretariat
- "Unfunded Mandate"
- Political and economic dimensions

Artisanal Diamond Concerns

- Legal Rights
- Child Labor, Environmental and Fair Trade
- Rough vs. Cut and Polished Diamonds
- Exploitation
- Post-Conflict Vulnerabilities



Reforming the KP

- The definition
- Monitoring & Enforcement
- Addressing non- compliance
- Decision-making
- Artisanal Sector

USG Engagement

- Kimberley Process
- USAID
- U.S. Geological Survey (USGS)
- Census
- Treasury (OFAC)
- United Nations
- Multi-stakeholder fora (OECD)