

exclusive

In conversation with
**Ian
Smillie**

Kimberley Process
architect speaks out on
certification scheme

By Jacquie De Almeida

Ian Smillie has spent the better part of his life in the service of development and social justice in the Third World. The Ottawa-based consultant, writer, and editor is a member of the Order of Canada and one of the architects behind the Kimberley Process

(KP), the global certification scheme designed to prevent the trading of conflict diamonds. Six years after its formation, Smillie stunned the jewellery industry by quitting the KP, saying it was ineffective, failing to deal decisively with flagrant non-compliance, and slow to investigate allegations of human rights abuses. In an exclusive interview with *Jewellery Business*, Smillie spoke frankly about the Kimberley Process, his resignation, and the situation in Zimbabwe. Our one-on-one took place just as a KP team was in the country investigating the killing of 200 people by the military in the Marange diamond fields.*

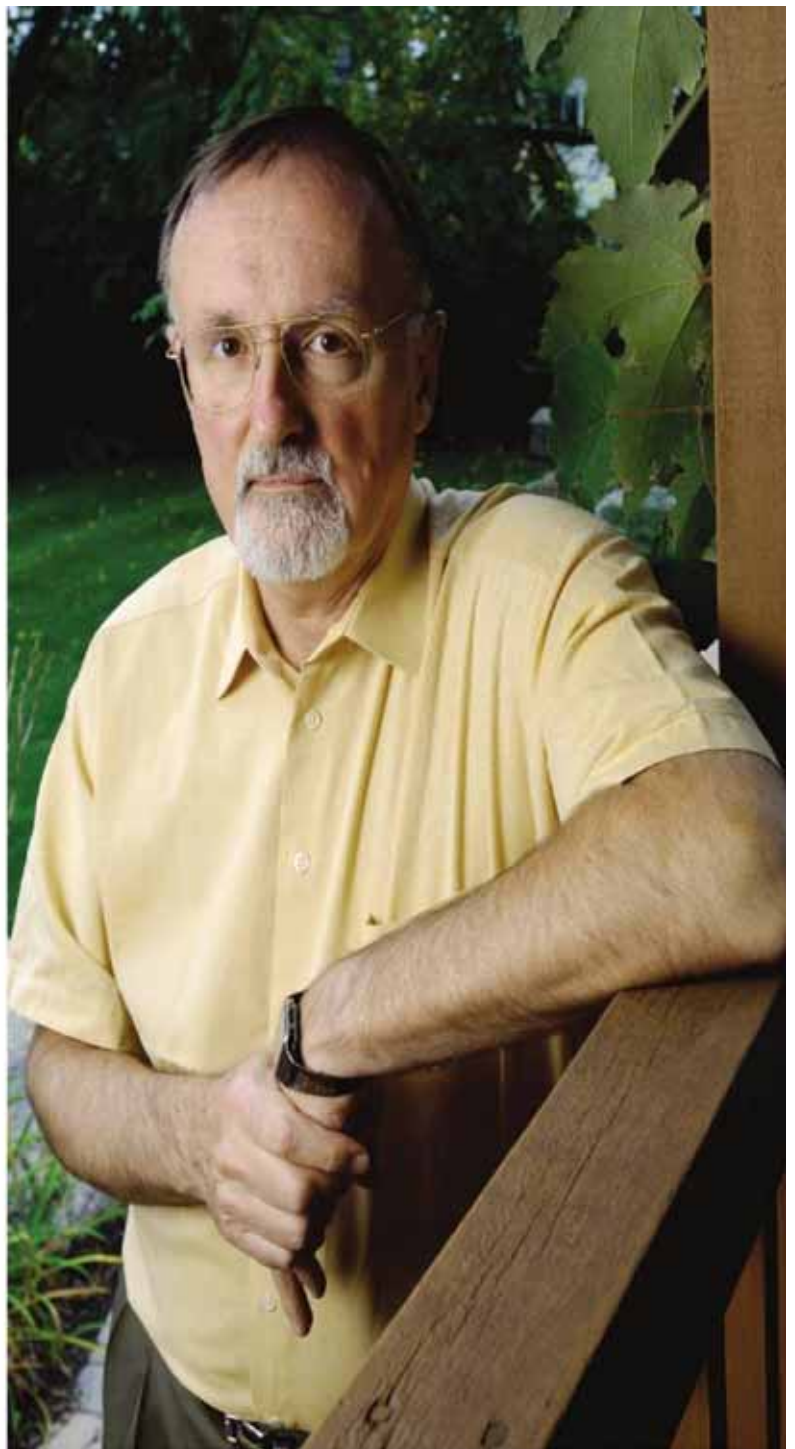


Photo by Tony Fohse

Q: The Kimberley Process was formed to prevent blood diamonds from entering the market. In your resignation letter, you said it has become ineffective and has been reduced to debates. Can you elaborate?

A: In order to prevent blood diamonds from entering the system, the KP developed a global certification scheme which requires all rough diamonds to be certified 'clean' by a government before export. This certification must be backed by strong internal controls, showing that a government can trace the diamonds back to the place where they were mined, or to the point of import, if they were imported. No rough diamonds can be traded internationally without a government-issued KP certificate.

Several African countries, including the Democratic Republic of the Congo (DRC), Angola, Guinea, and Sierra Leone, have such weak internal controls that they have no idea whatsoever where as many as half of the diamonds they export came from. This creates an open door for smuggling, and an open door for the return of conflict diamonds. Everyone in the KP speculates about where the last surviving conflict diamonds from Côte d'Ivoire go. It is most likely to one or more of these countries. The KP knows about the weak controls. Its own reviews have noted them and we at Partnership Africa Canada (PAC) described them in many reports. What happens? A few recommendations and no change.

In Venezuela, 100 per cent of the country's diamonds are being smuggled out of the country. Instead of action, the KP chose to accept Venezuela's offer to 'separate' from the KP for two years and suspend exports. A PAC investigator visited Venezuela again in May this year and found that diamonds are still being mined openly, sold openly, and smuggled openly out of the country. There has been no change whatsoever. By accepting the Venezuelan government's position, the KP is actually condoning diamond smuggling. This is utterly disgraceful.



© Partnership Africa Canada. Photo by Shawn Blome.

Children pan for diamonds in the Democratic Republic of the Congo (DRC).

Q: How would you rate the KP's effectiveness on a scale of 1 to 10 when it was first established? How do you rate it now and why?

A: A couple of years ago, I used to say the KP rated a '7' out of '10.' It "could do better." But I felt it was working to improve things and that improvement was possible. I no longer think this is the case. Several serious specific and generic problems are being swept under the carpet and governments simply refuse to get tough with one another. Today, I would say it rates a '4'—and falling.

Q: Much has been made about your resignation. What was the final straw for you?

A: I was disgusted with the way the KP handled Venezuela, but I think the final straw came with Zimbabwe and the months of dithering and internal debate that consumed the KP on clear and straightforward issues: chaos, corruption, smuggling, and human rights abuse.

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Artisanal diamond miners in Angola (seen here). A civil war in the African nation that lasted from 1975 to 2002 saw hundreds of thousands of people die and was partly funded by diamonds.



© Partnership Africa Canada. Photo by Shawn Blome.

Q: The current situation in Zimbabwe and allegations of human rights abuse is something Partnership Africa Canada (of which you were a part) reported on previously. What is your impression about how things are playing out there?

A: PAC argued that human rights must be a part of the KP standards. After all, the KP was meant to end the most serious kinds of human rights abuses around diamonds. It makes no sense for governments to beat, rob, rape, and murder their own citizens in the name of compliance with the Kimberley Process—or for any other reason. The government of Zimbabwe continues to deny its armed forces murdered anyone in the Marange diamond fields, despite reports from PAC, the media, Zimbabwean organizations, and Human Rights Watch (HRW).

Q: The KP appears to have been spurred into action following the report from HRW confirming human rights abuses and the allegation 200 people were murdered in Marange and buried in mass graves. Is that fair to say?

A: The Kimberley Process was spurred to action not by human rights abuse, but by growing media attention to its inaction. The HRW report probably gave it the final push to examine the issue more seriously. This has been the case with every major issue the KP has faced, including Venezuela. There is no action until a problem becomes a media issue.

Q: Do you think your departure played a role in the KP sending a team into Marange when it did?

A: I doubt it. I think it was the growing media clamour. My departure got a lot of media attention during the last KP meeting in Windhoek, Namibia, but I think the governments that hold the KP back really couldn't care less about me, about NGO reports, or even most media reports. They seem to have lost track of what the KP was created for and would rather play low-level political one-upmanship than get the job done.

Q: The KP is calling on the Zimbabwean government to demilitarize the fields, yet it is responsible for the abuses since it controls the army. In early July, the government said it would demilitarize and then changed its mind, saying it was staying in place to protect against illegal diamond dealers and panners. Later, it said it would seek out a private firm to take over the field. How should the situation be handled, given the response from the Zimbabwean government?

A: The Zimbabwe government has proved itself to be incompetent, corrupt, venal, and dangerous where diamonds are concerned. The minister of mines has repeatedly denied most of the charges that have been made. This is an unrepentant government that exemplifies everything the KP was set up to halt. It cannot be trusted. It should be thrown out of the KP until it has its house in order.



Photo courtesy Global Witness

Weak internal controls in countries like the Democratic Republic of the Congo (DRC) create the possibility of conflict diamonds entering the trade.

And let me add this: Zimbabwe is everybody's favourite whipping boy. It is easy to gang up on Zimbabwe because the problems are so obvious. There is hardly an institution anywhere in the world that has not expressed anger, disgust, and dismay at what is happening there except the Kimberley Process. I repeat: except the Kimberley Process.

Q: Do you think the KP's report on Zimbabwe will spur it to investigate other allegations of violations in places like Venezuela, Angola, and Lebanon?

A: Frankly, no. The KP team that went to Zimbabwe had a remarkably strong and unified position when it spoke to government officials before leaving the country. They were appalled by what they saw and heard. But not long after, the team fell to bickering about what should be done. My guess is that almost nothing will be done, apart from a light tap on the wrist and some promises of technical assistance to help Zimbabwe with better compliance.

Q: Will governments, industry leaders, and even consumers feel less reassured about the KP, given your departure and the events in Zimbabwe?

A: I don't know about my departure, but if the KP cannot do something about a country like Zimbabwe, if it cannot—after six years of operation—find ways to get better internal controls in Angola, DRC, and other African producers, if it can't jump quickly and decisively on what looks like completely bogus production and trade statistics from countries like Lebanon, Guinea, and Congo-Brazzaville, then what use is it?

Q: You have said the industry has shown more interest in the KP than the 45 members that make it up. How so?

A: The Kimberley Process is extremely important to the diamond and jewellery industries. It is the only viable certification and control mechanism for diamonds. If it fails, the criminality that infected the industry before 2003 would return, just as surely as night follows day. NGOs have been saying for several years the KP is not working, but we were saying it pretty much inside the tent, and I think few in the industry appreciated how frustrated and angry some of us were becoming. I think now the industry is beginning to get it. Whether industry can get the results from governments that NGOs have not remains to be seen.

Q: Does the KP need to be re-vamped? Is there a place for you in that?

A: The KP doesn't need a big makeover. It has all the tools it needs to do the job. It is an innovative and workable system. It is based on laws that have been passed by each of its constituent members, so it is stronger than a UN treaty. It just needs to be enforced. The one thing it does need is a central authority—a secretariat that can investigate problems quickly and propose solutions to the membership. Until now, the chair has rotated annually, and basically it serves only in a convening function. Nobody takes charge; nobody feels ownership for the Kimberley Process. If it fails, who cares, apart from industry and NGOs? Governments have to feel ownership, and they have to care.



A rough diamond found by an artisanal diamond miner in DRC.



Critics of the Kimberley Process charge conflict diamonds from the Côte d'Ivoire and eastern Democratic Republic of the Congo are still entering the trade.

Q: Can the suspension of corrupt governments from the KP effectively force compliance?

A: When there was talk of expelling Venezuela, the government of that country woke up from a long slumber and sent senior officials to KP meetings. They went into overdrive, denying, promising, and obfuscating. Obviously they did not want to be expelled. The reality hasn't changed in Venezuela, but I think their efforts to remain in the KP indicate that it has some symbolic importance, even for those who don't care much about diamonds. There is an old Mafia expression that I think has relevance in the criminal justice system as well: punish one, teach many. Until the KP is willing to get tough with outliers, criminals, and killers, it will be taken less and less seriously, and will actually encourage more outliers, criminals, and killers.

Q: There appeared to be some progress made at the KP's sixth Inter-Sessional meeting in Windhoek, Namibia, in July, but there was also a call to action for the scheme to more quickly investigate statistical anomalies and illicit cross-border trade. What is your impression of this development?

A: "More quickly" in the KP reminds me of former U.S. vice-president John Garner's description of his job: "not worth a pitcher of warm spit." The KP is much given to "calls for action," and governments are always being "urged" to do things differently. When I see concrete action on Venezuela, Zimbabwe, Guinea, Lebanon, and the internal control systems in DRC, Angola, and Sierra Leone, I will change my failing grade on the KP to a pass.

Q: Some have said your resignation dealt a blow to the KP? What do you say to this?

A: If it serves as a wake-up call, that is not a bad thing. I think, however, a lot of people in the KP were glad to see the end of me. Many governments—certainly not all, but many—want to pretend that all is well. They don't want bad news, and they certainly don't want to have to deal with tricky issues. They have infinite patience for a good long debate, but tough remedial action is totally alien to them.

Q: You remain chair of the Diamond Development Initiative (DDI). Can this group help where the KP is lacking?

A: Diamonds are extremely important to a lot of very poor countries. More than half the gem diamonds in the world are produced in Africa, and in some of those countries they have not brought much development or happiness. DDI aims to change the dynamic for Africa's 1.3 million artisanal diamond diggers, most of whom earn less than a dollar a day. DDI aims to complement the KP by working on development solutions to what are essentially development problems. But it will not succeed if there is a return to the bad old criminalized pre-Kimberley days. The KP must be made to work.

Q: Do you feel there is a possibility you would return to the KP if significant changes were made?

A: As I say, the KP must be made to work, but I don't see any significant changes coming up on the horizon. If I did, I would not have left.

Q: Is there a final solution to conflict diamonds? Do you believe the KP, or perhaps even some other body, will ever be able to eradicate them?

A: The KP is the solution, along with the complementary activities of the Diamond Development Initiative, which deals with the very roots of what fuelled conflict diamonds in the first place. But regulators must regulate. When they don't—as we have seen so clearly in the wider world over the past year—the thing they are meant to protect falls victim to predators. ♦

* As of press time, Zimbabwe remains part of the Kimberley Process, despite allegations of ongoing human rights abuses. Instead, the Zimbabwean government has set up a taskforce to oversee implementation of KP recommendations.