



Kimberley Process and Conflict Diamonds

The importance of the Kimberley Process

The Kimberley Process (KP) is a commitment to remove conflict diamonds from the global supply chain and defines conflict diamonds as: “rough diamonds used to finance wars against governments.”

The Kimberley Process is a joint government, industry, and civil society initiative to stem the flow of conflict diamonds and was established in 2003. The trade in these diamonds had fueled decades of devastating conflict in countries such as Angola, Côte d'Ivoire, the DRC, and Sierra Leone. This joint scheme has had a major impact on the conflict diamond trade and reduced the movement of such goods worldwide. The KP has 55 participants representing 82 countries. The European Union is a member of the KP. The EU has 28 member states but is counted as an individual participant.

At the core of this initiative is the Kimberley Process Certification Scheme (KPCS). Members of this scheme implement safeguards on shipment of rough diamonds and certify them as “conflict-free”.

The participants of the KPCS must commit to and implement certain criteria, adhere to terms set out by the Kimberley Process as well as report to and provide supporting documentation to the KP for verification and scrutiny. How is this achieved? The participants must adhere to the following:

- Minimum requirements must be met and national legislation, import and export controls must be established.
- Transparent practices and the exchange of important data must be implemented.
- Trade only with members who adhere to the fundamentals of the agreement.
- Certify export shipments as conflict-free (*see illustration 1*), monitor and verify imports and provide all the supporting documentation.



Illustration 1 - Shipment Certificates.

To this end, the wording below must appear on the **memo/appro books** used by the broker or seller and on the **final invoice** issued by the seller: **“The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict diamonds and in compliance with the United Nations resolutions. The seller hereby guarantees that these diamonds are conflict-free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds.”**

Joint WFDB and IDMA resolution supporting the Kimberley Process.

The following is the full text of the joint resolution accepted unanimously by the general assemblies of the World Federation of Diamond Bourses (WFDB) and the International Diamond Manufacturers' Association (IDMA) on 29 October 2002, at the World Diamond Congress in London:

THE WORLD FEDERATION OF DIAMOND BOURSES and the INTERNATIONAL DIAMOND MANUFACTURERS' ASSOCIATION,

recognizing that the trade in conflict diamonds is a matter of serious international concern being addressed by governments, industry, and civil society in the Kimberley Process, and mindful of the unacceptable suffering of innocent people, unanimously adopted the following resolution at their joint meeting in London on 29 October 2002:

(A) To meet the challenge of preventing the trade of conflict diamonds, both organizations and their constituent and affiliated members hereby create the following voluntary system of industry self-regulation to comply with and support government undertakings of the Kimberley Process.

(B) Each member organization undertakes to require its members to:

SYSTEM OF WARRANTIES

Make the following affirmative statement on all invoices for the sale of rough diamonds, polished diamonds and jewellery containing diamonds: "The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. The seller hereby guarantees that these diamonds are conflict-free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds."

CODE OF CONDUCT:

- (i) Not to buy any diamonds from firms that do not include the above statement on their invoices.
- (i) Not to buy any diamonds from suspect or unknown sources of supply and/or that originate in countries that have not implemented the Kimberley Process International Certification Scheme.
- (iii) Not to buy diamonds from any source that, after a legally binding due process system, has been found to have violated government regulations restricting the trade in conflict diamonds.
- (iv) Not to buy diamonds in or from any region that is subject to an advisory by a governmental authority that conflict diamonds are emanating from or are available for sale in such region, unless such diamonds have been exported from such region in compliance with Kimberley Process requirements.
- (v) Not to knowingly buy or sell or assist others to buy or sell conflict diamonds.
- (vi) Ensure that all company employees that buy or sell diamonds within the diamond trade are well informed regarding trade resolutions and government regulations restricting the trade in conflict diamonds.
- (vii) Each member organization shall expel and publicize the expulsion of any member that, after a due process of investigation by the member's trade organization, has been found to be in violation of the above resolutions.
- (viii) In co-ordination with and upon the advice of governmental authorities, each member organization shall publicize within the diamond trade:
 - o All government regulations governing the flow of conflict diamonds and advisories from governments regarding the trade of conflict diamonds.
 - o The names of firms and/or individuals that, after legally binding due process, have been found to be guilty of violating Kimberley Process requirements (including government regulations) applicable to the trade in conflict diamonds.
 - o The names of all regions and locations in which governmental authorities advise that conflict diamonds are emanating, or they are available for sale.
- (ix) Each member organization shall assist and provide technical support regarding, government regulations and trade resolutions restricting the trade in conflict diamonds to all legitimate parties in need of such information or expertise.

Sent on behalf of the World Federation of Diamond Bourses (WFDB) by: Market Direct Business Communications Ltd.