

De Beers: A Clear Commitment to...

ENDING THE TRADE OF CONFLICT DIAMONDS

Since the late 1990s, De Beers has worked closely with international governments, non-governmental organizations (NGOs) and the diamond industry to halt the trade of conflict diamonds.

Conflict diamonds, or blood diamonds, are rough diamonds appropriated by rebel forces to fund military action against legitimate, internationally-recognized governments. Countries affected by this practice have included Angola, Sierra Leone, Liberia, and the Democratic Republic of Congo.

To eradicate this practice, a partnership emerged between governments, NGOs and diamond industry leaders like De Beers to develop the Kimberley Process, an innovative, government-administered certification program to ensure that shipments of rough gems are free of conflict diamonds. The Kimberley Process was created in 2000 under the aegis of the United Nations to certify rough diamonds to ensure that they cannot be traded to the benefit of groups in armed conflict. It has been implemented by more than 70 countries that produce, export or import rough diamonds. Since implementation, 99 percent of the world's rough diamond production is protected by the program.

Halting the trade of conflict diamonds has cut off sources of funding for rebels, helping to end the wars and significantly prevent their recurrence. In 1999, there were no official rough diamond exports from Sierra Leone. Following the implementation of the Kimberley Process, official exports in 2004 were more than \$120 million. Similar trends have been demonstrated in Angola and the Democratic Republic of the Congo.

Peace in diamond-producing regions encourages inward investment from legitimate mining ventures, which promotes sustainable economic development and creates tax revenue for post-war reconstruction of infrastructure and capacity building. De Beers has been hailed as an industry leader for its commitment to participation in this peace-building process.

De Beers and its Diamond Trading Company (DTC) maintain the utmost ethical standards in all its mining and trading practices including not operating in conflict zones and ensuring that no "blood" diamonds can enter the supply chain.

We strongly believe that one diamond used to fund conflict is one too many. The diamond industry has clear moral and commercial reasons for wanting to rid the world of the trade in conflict diamonds as we do not want to see people within and outside of our industry abusing diamonds. Diamonds are the inheritance of the people of Sierra Leone, Angola, Liberia, and the Democratic Republic of Congo and should be used to provide development and prosperity, as they have done, and continue to do, for the people of Botswana, South Africa and Namibia.

Milestones include:

2000

- De Beers attended a conference held by the governments of southern African diamond producing nations to investigate and discuss measures to regain the Sierra Leone diamond industry from rebel groups.
- De Beers submitted proposals to the U.S. House of Representatives Committee on International Relations on methods for ending the trade in conflict diamonds, many of which were later adopted for inclusion in the Kimberley Process.
- De Beers motivated leaders of the international diamond industry to issue a joint resolution declaring "zero tolerance" against the trade of conflict diamonds.

2001

- United Nations Secretary-General Kofi Annan (Davos, January 2001) praised De Beers as part of the solution to the conflict diamond situation. "In many parts of the world the biggest obstacle to social and economic progress is violent, disruptive conflict. This, of course, is primarily the responsibility of governments. But private companies operating in these unhappy regions should be very careful to act responsibly, in ways that improve the chances of peace, or at least do not fuel the continuation of conflict. De Beers has set an example with its response to criticism of the diamond trade in Africa, and its efforts to ensure that traders and consumers of diamonds will no longer unwittingly help to finance warlords."

In addition, Annan's words were echoed by Richard Holbrooke, former U.S. Ambassador to the UN: "The U.S. Government attaches great importance to the co-operation of De Beers. We welcome the co-operation from De Beers and have always maintained that we will pursue no policies that threaten legitimate diamond producers."

2002

- Fifty-two governments ratified and adopted the Kimberley Process.
- De Beers, along with other leading organizations, including the World Federation of Diamond Bourses and the International Diamond Manufacturers Association, established the World Diamond Council based in New York to represent the entire industry, from mining to retail companies, on the issue of conflict diamonds.

2003

- The Kimberley Process is fully implemented with 70 participating countries.

2004

- Official exports of Sierra Leone’s diamonds rose from almost \$5 million in 2000 to more than \$120 million in 2004, driving the country’s economy forward and making a considerable contribution to post-conflict reconstruction and development.
- De Beers continued to work with government agencies and NGOs in a number of African and European countries on capacity-building initiatives aimed at developing diamond skill sets. De Beers continued to offer its expertise to governments and organizations requiring technical assistance in dealing with conflict diamonds.

2005

- At a January meeting, hosted by De Beers, Global Witness, Partnership Africa Canada and the World Bank, the Diamond Development Initiative (DDI) was created to build upon the Kimberley Process. The DDI will address the underlying problems of Africa’s alluvial diamond operations by creating a multilateral partnership framework in which interested parties can pool their resources, experience and knowledge.