

# What is the Kimberley Process?

The Kimberley Process (KP) is a commitment to remove conflict diamonds from the global supply chain. Today, participants actively prevent 99.8% of the worldwide trade. Uniting governments, civil society and the wider industry, the Kimberley Process (KP) defines conflict diamonds as: 'rough diamonds used to finance wars against governments' - around the world. KP members are responsible for stemming 99.8% of the global production of conflict diamonds.

## How the Kimberley Process Works:

The Kimberley Process (KP) is a binding agreement that imposes extensive requirements on every participant. The visible evidence of this commitment is The Kimberley Process Certification Scheme (KPCS) that both safeguards the shipment of 'rough diamonds' and certifies them as conflict free.

- 1). Satisfy 'minimum requirements' and establish national legislation, institutions and import/export controls.
- 2). Commit to transparent practices and to the exchange of critical statistical data.
- 3). Trade only with fellow members who also satisfy the fundamentals of the agreement.
- 4). Certify shipments as conflict-free and provide the supporting certification.

# A BRIEF HISTORY

The Kimberley process started when Southern African diamond-producing states met in Kimberley, South Africa, in May 2000, to discuss ways to stop the trade in 'conflict diamonds' and ensure that diamond purchases were not funding violence.

In December 2000, the United Nations General Assembly adopted a landmark resolution supporting the creation of an international certification scheme for rough diamonds. By November 2002, negotiations between governments, the international diamond industry and civil society organizations resulted in the creation of the Kimberley Process Certification Scheme (KPCS). The KPCS document sets out the requirements for controlling rough diamond production and trade. The KPCS entered into force in 2003, when participating countries started to implement its rules.

## FREQUENTLY ASKED QUESTIONS

Who is involved?

The Kimberley Process (KP) is open to all countries that are willing and able to implement its requirements. As of November 2008, the KP has 49 members, representing 75 countries, with the European Community and its Member States counting as an individual participant. KP members account for approximately 99.8% of the global production of rough diamonds. In addition, the World Diamond Council, representing the international diamond industry, and civil society organizations – Global Witness, Partnership-Africa Canada – are participating in the KP and have played a major role since its outset.

How does the Kimberley Process work?

The Kimberley Process Certification Scheme (KPCS) imposes extensive requirements (\*) on its members to enable them to certify shipments of rough diamonds as 'conflict-free' and prevent conflict diamonds from entering the legitimate trade. Under the terms of the KPCS, participating states must meet 'minimum requirements' and must put in place national legislation and institutions; export, import and internal controls; and also commit to transparency and the exchange of statistical data. Participants can only legally trade with other participants who have also met the minimum requirements of the scheme, and international shipments of rough diamonds must be accompanied by a KP certificate guaranteeing that they are conflict-free.

The Kimberley Process is chaired, on a rotating basis, by participating countries. So far, South Africa, Canada, Russia, Botswana, the European Community have chaired the KP, and India is the Chair in 2008. KP participating countries and industry and civil society observers gather twice a year at intercessional

and plenary meetings, as well as in working groups and committees that meet on a regular basis. Implementation is monitored through 'review visits' and annual reports as well as by regular exchange and analysis of statistical data.

(\*)The requirements for participation are outlined in Sections II, V (a) and VI (8,9) of the KPCS.

#### The Kimberley Process: unique and effective

The Kimberley Process Certification Scheme (KPCS) has evolved into an effective mechanism for stemming the trade in conflict diamonds and is recognized as a unique conflict-prevention instrument to promote peace and security. The joint efforts of governments, industry leaders and civil society representatives have enabled the Kimberley Process (KP) to curb successfully the flow of conflict diamonds in a very short period of time. Diamond experts estimate that conflict diamonds now represent a fraction of one percent of the international trade in diamonds, compared to estimates of up to 15% in the 1990s. That has been the KP's most remarkable contribution to a peaceful world, which should be measured not in terms of carats, but by the effects on people's lives.

The KP has done more than just stem the flow of conflict diamonds, it has also helped stabilize fragile countries and supported their development. As the KP has made life harder for criminals, it has brought large volumes of diamonds onto the legal market that would not otherwise have made it there. This has increased the revenues of poor governments, and helped them to address their countries' development challenges. For instance, some \$125 million worth of diamonds were legally exported from Sierra Leone in 2006, compared to almost none at the end of the 1990s.

In 2006, a review of the KP confirmed its effectiveness, and recommended a number of actions to further strengthen the system in areas such as monitoring of implementation and strengthening internal controls in participating countries, as well as greater transparency in the gathering of statistical data.

#### WHAT ARE CONFLICT DIAMONDS?

What are conflict diamonds?

Conflict diamonds, also known as 'blood' diamonds, are rough diamonds used by rebel movements or their allies to finance armed conflicts aimed at undermining legitimate governments.

What is the Kimberley Process?

The Kimberley Process is an international certification scheme that regulates trade in rough diamonds. It aims to prevent the flow of conflict diamonds, while helping to protect legitimate trade in rough diamonds.

The Kimberley Process Certification Scheme (KPCS) outlines the rules that govern the trade in rough diamonds. The KPCS has developed a set of minimum requirements that each participant must meet.

The KP is not, strictly speaking, an international organization: it has no permanent offices or permanent staff. It relies on the contributions – under the principle of ‘burden-sharing’ – of participants, supported by industry and civil society observers.

Neither can the KP be considered as an international agreement from a legal perspective, as it is implemented through the national legislations of its participants.

Who is involved?

The Kimberley Process (KP) participants are states and regional economic integration organizations that are eligible to trade in rough diamonds. As of 21 September 2007, there are 48 participants representing 74 countries, with the European Community counting as a single participant. The participants include all major rough diamond producing, exporting and importing countries.

The diamond industry, through the World Diamond Council, and civil society groups (currently Global Witness and Partnership Africa Canada) are also integral parts of the KP. These organizations have been involved since the start and continue to contribute to its effective implementation and monitoring.

What areas of the world are affected by conflict diamonds?

The only current case of rebel forces controlling diamond-producing areas is in Côte d’Ivoire. These conflict diamonds constitute less than 0.1% of the world’s production, according to estimates from the Kimberley Process (KP) and the United Nations. The KP is working with the United Nations and neighboring countries to stop these diamonds entering the legal market.

There is now much greater stability in the other countries that have previously suffered from conflicts funded in part by diamonds: Sierra Leone, Angola, Liberia and the Democratic Republic of the Congo (DRC). Of course, fragile situations still prevail, and no one should make the mistake of losing interest just because the guns are silent.

The KP means that there is now the potential for the wealth created by diamonds to contribute to peace and prosperity in these countries, rather than conflict. There have been some promising results – 2006 was the DRC’s best year for diamond exports since the stones were discovered 100 years ago. In Sierra

Leone, legal exports have increased 100-fold since the end of the war in 2002, bringing benefits for the estimated 10% of the population who depend on the diamond industry.

What is the difference between Kimberley Process participants and observers?

Participants in the Kimberley Process (KP) are states or regional economic integration organizations (currently the European Community) that have met the minimum requirements of the Kimberley Process Certification Scheme (KPCS) and are, therefore, eligible to trade in rough diamonds with one another. The KPCS prohibits participants from trading with non-participants. Participants are often referred to as 'members'.

The current list of Kimberley Process participants.

Observers are industry and civil society groups involved in the KP. These groups monitor the effectiveness of the certification scheme, and provide technical and administrative expertise. There are currently three main Kimberley Process observers: the World Diamond Council, representing industry and Global Witness and Partnership Africa Canada, representing civil society.

How do I know I am not buying a conflict diamond?

Although the Kimberley Process does not certify individual jewelers, reputable businesses should only buy from suppliers that can guarantee that their diamonds are conflict-free.

What can I, as a consumer, do?

Ultimately, the success of the Kimberley Process is in the hands of consumers. We appreciate your effort to make sure that you are buying certified diamonds.

The KP does not certify individual jewelers. However, a reputable business should be able to answer the following questions:

How can I be sure your jewelry does not contain conflict diamonds?

Do your diamond suppliers participate in the industry's 'System of Warranties'\*?

Can I see a copy of your company's policy on conflict diamonds?

\*The diamond industry has set up a 'System of Warranties' that complements, but is distinct from, the Kimberley Process. Find out more about the System of Warranties.

How does a country join the Kimberley Process?

A country must meet the minimum requirements of the Kimberley Process (KP) as set out in the relevant sections of the Kimberley Process Certification Scheme (KPCS) document, and submit its application to the Chair, who then requests the participation committee to consider it.

The KP has a mandate from the United Nations to be inclusive and, in principle, all countries with a stake in the diamond business are encouraged to join. Under the scheme's requirements, KP participants may only import or export rough diamonds to or from other participants.

Where can I find more information on the KP?

Please have a look at the documents section on this website. Especially recommended are the KPCS document itself and the third year review that was published at the end of 2006. In addition, you could visit the websites listed in the links section.

Is it possible to say where a rough diamond is from?

A number of researchers are working on different analytical techniques that could enable them to determine where an individual stone comes from. However, to date, there is no scientific consensus on the best methods. The Kimberley Process relies on administrative controls to track stones from mine to export, and subsequent trading.

The Kimberley Process (KP) is investigating the possibility of detecting anomalies both from 'footprinting' (study of the overall characteristics of production/exports) and 'fingerprinting' (identification of individual stones) and how these methods might strengthen KP implementation.

My company wants to ensure it complies with Kimberley Process requirements, what do we need to do?

Companies need a Kimberley Process (KP) certificate when they plan to export rough diamonds from a participant country if the diamonds fall under the relevant customs tariff (subheadings 7102.10, 7102.21 or 7102.31) in the schedule to the Customs Tariff. The exporting authorities in both country of export and the destination country require this certificate to verify that the exporter is meeting all KP requirements.

The KP secretariat can help you in contacting the national KP authorities in your country.

In order to strengthen the credibility of the agreement, the industry body, the World Diamond Council proposed that the industry create and implement a 'System of Warranties' for diamonds. Under this system, which has been endorsed by all Kimberley Process participants, buyers and sellers of both rough and polished diamonds must make the following statement on all invoices:

"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."

Which HS codes fall under the Kimberley Process?

The KP governs production and trade in rough diamonds only (HS codes 7102.10, 7102.21 and 7102.31). For further information on these classifications see the WCO website. Polished diamonds do not require a Kimberley Process certificate.

Questions or uncertainties about HS codes should be raised first with the national authorities of the exporting country.

HAWAII