

OTHER FACETS

NEWS AND VIEWS ON THE INTERNATIONAL EFFORT TO END CONFLICT DIAMONDS

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VENEZUELA ATTACKS PAC Inaction Damages Kimberley Process: NGOs

Venezuela, which has not submitted a single report to the Kimberley Process for more than two years, finally appeared at the Brussels Kimberley Process intersessional meeting in June. Instead of the contrition expected by many, Venezuela used the occasion to attack Partnership Africa Canada (PAC) for its November 2006 report, *The Lost World: Diamond Mining and Smuggling in Venezuela*. According to Vice Minister of Mines Iván Hernández, PAC had meddled in Venezuela's constitutional affairs, and had failed to understand that the absence of reporting and the absence of any diamond exports for more than two years was simply an effort by Venezuela to gain control of its troubled diamond areas.

In its report, PAC documented the violence and ineptitude that mark Venezuela's diamond controls. PAC researchers met with miners, diamond smugglers and government officials, and the report contained testimony from, and photographs of miners at work. The report, which followed two earlier reports on Brazil and one on Guyana, discussed the blatant smuggling that takes place on the border where the three countries meet.

PAC was denied an opportunity to respond following the attack at the KP meeting, and Venezuela was permitted to sit in on sensitive committee meetings where participants had to decide on what action to take. In the end, Venezuela announced that it would resume issuing KP certificates and would submit statistical and other reports, but the Vice Minister said that it did not intend to invite the review mission that the KP agreed last November was necessary. Venezuela remains the only participant in the KPCS that has not invited a review.

"The diplomatic game playing and the unwillingness of other governments to say clearly what must be done fundamentally damages the Kimberley Process," said Ian Smillie, PAC's Research Coordinator. "Some people would rather criticize NGOs and write polite letters to each other than deal with the fundamental problem of non-compliance in a system that is legally binding in more than 70 countries."

"This is not about diplomacy, or the Venezuelan constitution, or NGOs," he said, "it is about ending a bloody scourge that took the lives of hundreds of thousands of people. If the KP does not start to get tough with laggards and delinquents, there will be no incentive for anyone to take the Kimberley Process seriously."

A Venezuelan statement can be found at <http://www.mibam.gob.ve/>. *The Lost World: Diamond Mining and Smuggling in Venezuela* can be found at http://www.pacweb.org/e/images/stories/16_thelostworld_nov2006.pdf

WORRIES ABOUT ILLICIT TRADE KP Effectiveness Questioned

As noted above, a hot topic at the June Kimberley Process intersessional meeting in Brussels was Venezuela and its compliance with the KPCS. Venezuela has submitted no statistical reports to the Kimberley Process for two years, suggesting one of two things. The first, implied in comments by the country's Vice Minister of Mines, is that Venezuela has simply not exported any diamonds for two years. The second, documented in the Partnership Africa Canada report, *The Lost World: Diamond Mining and Smuggling in Venezuela*, is that Venezuelan diamonds continue to be exported, but without official sanction. In other words, they are smuggled.

The issue is not new and it is not unique to Venezuela. Officials in the Democratic Republic of the Congo are concerned about smuggling, and dealers there talk openly about the ease with which diamonds can be exported below the radar to centres such as Antwerp and Dubai. In Sierra Leone, estimates of smuggling range from 10% of the total – which reached \$125 million in 2006 – to as much as 25%.

Few who understand the diamond industry expect diamond smuggling to be fully curtailed any time soon. But with estimates of this magnitude, it is clear that a parallel market exists beside the one regulated under the Kimberley Process. In the context of the Venezuela discussion, a Congolese delegate to the June KP meeting said that the issue was not one for Venezuela alone. All "missing" diamonds reach trading and polishing centres in countries that are also KP participants. In other words, the KP is considerably less effective than advertised, and many of its members may be complicit in the illicit trade. Where conflict diamonds are concerned, any illicit opening in the pipeline offers and opportunity for laundering.

The worrisome thing in this, according to some observers, is not that diamonds are smuggled. It is that the KP has taken so little interest in the problem. "It is as though this has nothing to do with the Kimberley Process," said PAC's Dorothee Gizenga, who participated in the Brussels meeting. "There was an apparent willingness to accept Venezuela's explanation about its missing diamonds, and absolutely no discussion about where they might have gone after leaving the country."

Freetown Verdict First Diamond War Convictions

On June 20, the UN-backed Special Court for Sierra Leone brought down its first verdicts in the war crimes trial that began more than three years ago.

Alex Tamba Brima, Brima Kamara and Santigie Borbor Kanu were senior members of the Armed Forces Revolutionary Council (AFRC), an armed faction that overthrew the government in 1997, bringing the Revolutionary United Front into a violent coalition that terrorized the country for six months.

The three men were found guilty on 11 of the 14 charges, but they were acquitted of charges dealing with sexual slavery and other inhuman acts. The verdict was significant, because it is the first time that an international court has issued a verdict on the recruitment of child soldiers.

Tens of thousands of people were killed during the conflict, as rebel forces raped and mutilated defenceless innocent civilians.

In all, the court indicted 12 people – those “bearing the greatest responsibility” for the atrocities that had been committed during the war. Several, however, have escaped the verdict of the court. RUF leader Foday Sankoh died in prison. Sam Bockarie, his murderous henchman, was killed in Liberia, and Hinga Norman, head of the Kamajors, the Civil Defence Force that fought against the RUF, died earlier this year following a medical operation in Senegal. Johnny Paul Koroma, head of the AFRC, escaped to Liberia, and is presumed dead. Verdicts in other trials are expected soon.

TAYLOR TRIAL BEGINS War Crimes and Crimes against Humanity

The trial of former Liberian President Charles Taylor began in The Hague in June, with the dramatic charges against him somewhat overshadowed by his dramatic non-appearance on the opening day, and by the firing of his lawyer. Taylor, who claims to be indigent, said that he had not been given the time or resources to prepare his case, and that because the trial is being held in The Hague, he did not have access to his family and visitors. He announced that he would not attend the trial until adequate facilities were provided, calling the process a “charade”.

The Court ruled that Taylor’s failure to appear was tantamount to a boycott of the proceedings and that he, therefore, could not be permitted to represent himself – a possibility that had presented itself briefly. The issue is not that Taylor has refused to be defended, rather it has to do with the composition and cost of his defence team, and the implications this might have on the timing of the trial. The Court directed the Principal Defender to appoint new counsel to assume control of Taylor’s defence. This is to be in place by July 31, 2007. The first Prosecution witnesses were expected to appear between

July 3 and July 11, followed by a judicial adjournment until Aug. 20.

Taylor is charged with five counts of crimes against humanity, five war crimes counts and one count of other serious violation of international humanitarian law. The Prosecution has laid out a case which placed Taylor at the centre of a systematic campaign of terror waged against civilians in Sierra Leone after November 30, 1996, which included murder; rape; sexual slavery; amputation of limbs; looting; setting fire to property and conscripting child soldiers.

The website of the Special Court, which includes background and transcripts as well as audio and video feeds is <http://www.sc-sl.org/index.html>. A new website called “The Trial of Charles Taylor” contains additional information and commentary: <http://charlestaylortrial.org/>. This site is a project of the Open Society Institute, the International Senior Lawyers Project and the law firm of Clifford Chance.

Liberia: UN Diamond Embargo Lifted Joins Kimberley Process

In April, the United Nations Security Council voted unanimously to lift the embargo on Liberian diamond exports, imposed six and half years earlier. Liberia had long been a conduit for Sierra Leonean diamonds and had been accused by a UN Expert Panel and others of assisting Sierra Leone’s Revolutionary United Front (RUF) by providing weapons in return for smuggled diamonds.

Following the lifting of the embargo, Liberia was admitted in May as a member of the Kimberley Process Certification Scheme (KPCS). Several KP teams have visited Liberia over the years to assess the country’s readiness for membership, which finally came, along with several recommendations for improving the plans that had been developed with assistance from USAID, De Beers and others.

Liberian President Ellen Johnson-Sirleaf applauded the decision, saying that everyone in Liberia, from local citizens to international mining firms must now work to ensure that diamonds in Liberia will never again fuel conflict. In an effort to demonstrate her intention that Liberia will comply with KPCS provisions, the President recently fired two officials in the Ministry of Lands, Mines and Energy, including Assistant Minister James Konuwah, for their role in granting bogus mining licenses. The President also directed the Minister, Eugene Shannon, to review all licenses for gold and diamond mining, to ensure that those in possession of licenses behave according to the law.

Partnership Africa Canada and Global Witness welcomed the admission of Liberia to the KPCS. Both NGOs have produced several reports on Liberia and conflict diamonds. The two organizations called for assistance to Liberia and continued vigilance from the Kimberley Process, saying that the KP would have to ensure that Liberia’s system of controls is effectively enforced.

DDI: G8 ENDORSEMENT

Diamond Development Initiative Appoints New Board

The G8 Summit that took place at Heligendamm in Germany in June endorsed the Diamond Development Initiative in its Summit Declaration entitled *Growth and Responsibility in the World Economy*. In the document, the G8 leaders said, “We encourage support for the ... multistakeholder Diamond Development Initiative (DDI), which emerged from the Kimberley Process to strengthen the developmental impacts associated with artisanal diamond mining in Africa.”

The DDI aims to gather all interested parties into a process that will address the political, social and economic challenges facing the artisanal diamond mining sector, in order to optimize the beneficial development impact of artisanal diamond mining to miners and their communities.

The DDI held a board meeting in London in June, at which a new Board of Directors was elected. Ian Smillie, of Partnership Africa Canada, was elected Chair, and Dr. Muzong Kodi of Chatham House became Vice Chair. Ray Simmons, founding Director of the Foundation for Environmental Security and Sustainability becomes the organization’s Treasurer and Simon Gilbert of De Beers will be the DDI Secretary. Other members include Matt Runci, President and CEO of Jewelers of America and Chairman of the Council for Responsible Jewellery, John Hobbs, Lead Policy Analyst at DFID, Dr. Gavin Hilson of the University of Manchester and Stephane Fischler, Secretary General of the International Diamond Manufacturers Association and a founding member of the World Diamond Council.

The Board approved new projects in Angola, the Democratic Republic of the Congo and Sierra Leone, and reviewed plans for DDI’s public outreach, fundraising and future programming.

The Board also confirmed the organization’s 40-member Advisory Group, which includes representatives of government, industry, civil society, academia and the media.

TO HAVE AND HAVE NOT

New Global Witness Report

A new Global Witness report, commissioned by the Berlin-based Heinrich Böll Foundation, was launched in May. ‘To Have and Have Not’ presents a wide cross section of civil society views on resource governance in the 21st Century.

The report says that despite their wealth in natural resources, many developing countries suffer from ever-increasing poverty, serious environmental and social problems, and violent conflict. “How natural resources are accessed, how contracts are negotiated, and how economic benefits are managed and used,” the report says, “are crucial factors in the struggle to alleviate poverty.”

The report describes the economic, social and ecological implications of resource exploitation and makes specific political demands and recommendations to the G8 in regard to the challenges these issues raise. The report is available at http://www.globalwitness.org/media_library_detail.php/551/en/to-have-and-have-not-resource-governance-in-the-21st-century

MEDIAWATCH

Agence France-Presse reported in March that two eight-year-old twin boys had found a 2.5 carat diamond at the **Crater of Diamonds State Park** in Arkansas. The diamond was said to be worth “several thousand dollars”. Commercial diamond mining ended many years ago in Arkansas.

Also in March, thieves managed to steal 128,000 carats worth of diamonds valued at \$28 million from safety deposit boxes at the **ABN Amro Bank** in the diamond district of Antwerp. Police said that the thieves must have planned the robbery for many months, becoming trusted diamond traders with access to the vault. One suspect was arrested in Germany in April and a second was thought to have escaped to Israel.

Wretched excess is not unusual in the diamond business, but here is something new: *JCK News* reports that an Indian beauty guru, **Shahnaz Husain**, has created a “diamond facial” using a diamond base to remove toxins from the skin. The result is said to be regenerated cells and younger-looking skin. Yeah, right. And just when you thought you had heard everything, in June, artist **Damien Hirst** unveiled a diamond-encrusted skull at London’s White Cube Gallery. Aptly named “For the Love of God”, the item was said to be decorated with 8,601 diamonds. Hirst told journalists that the diamonds, said to be worth £12 million, were “ethically sourced”. The skull was available for purchase to a discerning collector with £50 million. Singer **George Michael** was said to be in negotiation with the artist.

In April, *Diamond Intelligence Briefs* released its provisional analysis of the **diamond pipeline in 2006**. Five billion dollars in direct mining cost of production led to retail sales of diamond jewellery worth \$68.51 billion. The world’s largest producers were Botswana and Russia, with Angola, Canada and South Africa producing roughly similar output in a grouping of third place producers. In polished production, India outstripped Israel by a factor of three and eclipsed all others, and the United States remained the world’s largest consumer of diamond jewellery, with just under 50% of the market.

In July, **YouTube** featured a music video, reportedly sponsored by the **Government of Zimbabwe** to justify its nationalization of the mining industry. The video’s dancing miners, reminiscent of **The Village People**, deliver an ambiguous message with a catchy tune: “Mining what is not mine”. See it at http://uk.youtube.com/watch?v=2_YDKoCdMd0

Audio Slideshow: Sapphire Miners

Madagascar is one of the poorest countries in the world, with more than half the population living well below the World Bank’s poverty line of \$1 a day. The country also has one of the largest gem stone deposits on the planet. The sapphire trade directly links the very poorest to some of the world’s richest people. The BBC has posted an audio slideshow where three minutes of photographs are worth much more than a thousand words: http://news.bbc.co.uk/2/hi/in_depth/629/629/6230594.stm

Books

John Le Carré, *The Mission Song*, Little, Brown & Co., New York, 2006, 337 pages. US\$26.99; Can\$36.00; £17.99

Adam Roberts, *The Wonga Coup: Guns, Thugs and a Ruthless Determination to Create Mayhem in an Oil-Rich Corner of Africa*, Basic Affairs, New York, 2006, 303 pages. US\$26; Can\$29.48; £9.99 (paperback)

In these two books we have a case of art (Le Carré's) imitating life – "life" being the so-called "Wonga coup" of 2004, in which a group of mercenaries plotted to take over the small West African nation of Equatorial Guinea, installing a puppet regime to replace the cruel Obiang Nguema dictatorship. The motivation for the coup was oil, however, not democracy. The plotters were led by Simon Mann, a former SAS officer and a veteran of Executive Outcomes' diamond wars in Angola and Sierra Leone. The plan for the coup included the establishment of an advance party of "businessmen" in Malabo, the capital of Equatorial Guinea, and a planeload of South African mercenaries who would arrive moments after the airport had been secured. Once the army, police and president had been immobilized, the exiled opposition leader Severo Moto would be flown in from Madrid to head a government that would, in reality, be run for the benefit of Simon Mann, his commercial backers, and an oil-thirsty world. Mann believed he had the tacit support of South Africa, and Spanish plans for naval "training exercises" near Equatorial Guinea at the time of the coup suggested that Spain was both in the know and supportive.

Le Carré's *Mission Song*, his 20th novel, tells a remarkably similar tale, although his setting is Kivu in the eastern Congo, and the object is coltan-columbite-tantalite, a rare mineral used in cell-phones, DVD players, and Playstations. *Mission Song* is written from the perspective of Bruno Salvador, a translator used by a shadowy syndicate in thrall to the British government. "Salvo", born in the Congo to an Irish missionary and his Congolese mistress, acts as interpreter at negotiations on a remote

Hebridean island, where a revered Congolese opposition leader makes a deal with warlords, Kinshasa, the Foreign Office and various commercial interests. The *Mission Song* plan, similar to Mann's, is for a staged uprising in Kivu, during which a planeload of South African mercenaries will arrive to support an advance team of "businessmen" already on the ground.

The Wonga coup went wonky in its execution. Mann had trouble with aircraft, finally coming to grief when his planeload of mercenaries stopped in Zimbabwe to pick up arms. All of them were arrested, and within hours the advance party in Malabo was jailed as well. Part of their problem was an almost complete absence of secrecy, and an assumption that the world would welcome the fall of an evil dictatorship, regardless of who might benefit.

Le Carré's version, seen through the eyes of a conflicted translator, is more personal. Corporate greed is a theme Le Carré explored in his last book, *The Constant Gardener* (2001), where the setting was Kenya and the subject was pharmaceuticals. Here the story has a long, slow buildup, but the suspense builds quickly towards the end as the plot thickens, demonstrating that Le Carré has lost none of the skills displayed in *The Spy Who Came in from the Cold* and *Smiley's People*.

The Wonga Coup, written by Adam Roberts, a staff correspondent for *The Economist*, joins Robert Klitgaard's *Tropical Gangsters* as one of the few good English language books to expose the horrors of Equatorial Guinea, and its confused relationship with a world that cannot seem to think about Africa except in terms of oil, coltan and diamonds – and how to get them. – IS



CÔTE D'IVOIRE FIGHTING CONTINUES Peace Deal and Amnesty Not Working

Despite a peace agreement and a wide ranging amnesty for government forces and those of the Forces Nouvelles rebels backdated to 2000, fighting continues in Côte d'Ivoire.

At least 49 people were killed in June and many others were wounded in renewed fighting near Duekoue, in a cocoa-producing region near the Liberian border. In May, at least 25 people died in ethnic clashes in the area. Côte d'Ivoire has been in crisis since rebels launched an insurgency in 2002. In 2005 the United Nations imposed a ban on all diamond exports, making Côte d'Ivoire the last country in Africa with officially designated "conflict diamonds".

Thousands of peacekeepers have been patrolling a buffer zone between the rebel-held north and the government-controlled south, under an agreement to try to end the civil war. Amnesty International has condemned what it calls a "climate of impunity" in the country, saying that both sides have been guilty of serious crimes.

OTHER FACETS

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