

FAIR-LY CLEAN DIAMONDS

BY

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One Sky and Amnesty International action in Toronto before the World Jewellery Expo hosted by the Canadian Jeweller's Association. Photo courtesy of Larry McCulloch.

INTRODUCTION

Diamonds — symbols of wealth, love, luxury — became linked with images of war and brutal amputations in Africa in the late nineties, particularly in Angola, Sierra Leone, Liberia and the Congo. Rebels (and, all too often, government soldiers as well) exchanged diamonds for arms. Diamonds became not only the means to continue fighting but an end themselves as rebels fought for control of diamond-rich areas. This was particularly true in Sierra Leone's decade long rebel war.

Civil society groups campaigned to bring the issue to the public's attention, pressuring governments and the diamond industry to put an end to the trade in these "conflict diamonds." The result was the Kimberly Process — an international certification system created by the diamond industry, governments, and civil society. Implemented in January 2003, the scheme is not perfect but it's a step in the right direction. The Kimberly Process Certification

Scheme is a voluntary system that imposes requirements on participants to certify that shipments of rough diamonds are free from conflict diamonds. There are 43 participants, including the European community, accounting for approximately 99.8% of the global production of rough diamonds.

Yet the Kimberly Process deals with the conflict aspect of diamonds only — which begs many other questions. Are communities in diamond areas benefiting from mining? What are the mining conditions? What are the environmental and social impacts? What can the international community do to support local efforts on mining issues? In November 2003, an international delegation of One Sky — the Canadian Institute of Sustainable Living and the Conservation Society



At Murraytown refugee camp in Freetown, Sierra Leone. Photo courtesy of Nikki Skuce, One Sky

of Sierra Leone travelled to Kono district in Sierra Leone in the search for answers to these questions.



Burned out truck on road in Kono: rebels destroyed houses, property and infrastructure in the Kono region. Photo courtesy of Mike Simpson, One Sky.

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Kono district was one of the most heavily fought over areas in Sierra Leone's war as the rebels fought for control of Kono's rich diamond resources. The scars of war are still clear in this country that has so often landed 173rd out of 173 countries on the United Nation's Human Development Index since the outbreak of civil war in 1997.

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The diamond fields surround and even enter Koidu, the main town in Kono, which is in the eastern region of Sierra Leone. Former fertile river valleys are now miles and miles of pits. In one area, the delegation is told that the diggings cover an area that is $\frac{3}{4}$ mile wide and 7 miles long. It is difficult to get an estimate of the extent of artisanal diamond mining happening in Sierra Leone, as monitoring is poor and there is much illegal mining activity. However, 80 chiefdoms in eleven out of twelve districts in Sierra

Leone are classified as alluvial diamond mining areas by the Ministry of Mineral Resources. Estimates of those directly involved in artisanal mining range from “over 49,000 to 200,000 (UK Department for International Development, 2003).

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Diamond mining in Sierra Leone is almost all artisanal. Miners dig through the rich river soil, pumping out the water with a generator-powered pump. When the miner reaches gravel, he shakes it through a sieve in the hopes of finding a diamond.

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A local chief tells us that 85–90% of the people in his village are involved



in diamond mining or diamond-related activities. “Mining is gambling,” one worker tells us. “If I had opportunities, I wouldn’t dig for diamonds.”

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Diamond workers are pulled to the mines by the gamble of diamond wealth, pushed by poverty. Miners make about 1200 Leones a day, enough to buy one plate of rice.

6

Local NGOs have documented over 1500 children mining in the Kono district. Young boys are lured, by tales of wealth, out of schools

Photo courtesy of Mike Simpson, One Sky.



Photo courtesy of Mike Simpson, One Sky.

and into the diamond fields; they may need to earn money for food, school fees for siblings, and other necessities. Young girls are drawn into prostitution that there is a high demand for in mining towns. Mining crew bosses often hire children as they can pass them lower wages than adults — nearly 30% of children in a World Vision survey reported receiving earning no money from mining activities (World Vision, 2002). The Kono District Child Protection Committee and other groups are working to address these issues through education and awareness, vocational training, and alternative income programs.

7

“Most of the areas where mining is taking place are going through environmental degradation. Very few areas have been left untouched,” says Sahr Nyama of the Peace Diamond Alliance in Kono. People here do not need to be told about the environmental impacts — many people spoke to the delegation about the impacts of mining on their income, food, water sources, and health. The land is degraded as miners remove vegetation and economically viable trees, leading to erosion and flooding particularly in hilly areas. In many places, their activities divert surface drainage leading to the siltation of local streams and rivers — a problem for downstream communities for



Diamond miners. Photo courtesy of Mike Simpson, One Sky.

whom these rivers are their main water source. Water volume and quality are drastically impacted causing changes in available groundwater. As a result, local fish and freshwater habitat have been compromised — impacting already low levels of food security in a region where fish provide a majority of protein in the local diet. Productive top layers of soil are buried under gravel and mining debris. Farmers, as they lose land to miners, have been moving into the nearby, forested hillsides in search of arable land which in turn has led to deforestation and the loss of biodiversity. Exploitation of wildlife has increased as local hunters provide food for miners. Abandoned mine pits fill with water and remain stagnant — perfect breeding grounds for mosquitoes bearing malaria.

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Before the war, Kono was one of the main sites of recruitment for the rebels, particularly youth. The same social conditions still exist as poverty and lack of opportunities contrast with rich diamond wealth. People still lack control over their resources and livelihoods. Social impacts from mining add to this volatile mix. Overpopulation from an influx of miners and slowly returning displaced peoples brings big-city problems without the necessary infrastructure. Waste and sanitation are obvious problems, with the resulting health impacts. In a region where over 94% of buildings were destroyed

during the war, adequate housing is scarce and many make their homes in bombed-out buildings (Development Assistance Coordination Office, 2004). HIV/AIDS is a growing concern as young women become involved in prostitution in the diamond districts.

9

Many of the diamond miners come from neighbouring provinces or states, including many ex-combatants. This can lead to conflict over land use as miners and locals often have different ideas about land use. Conflict has arisen between miners and farmers. Miners have damaged personal and public property – at times mining right in private houses and in one case destabilizing a bridge that is a main transportation route into the village. The Ministry of Mines has the job of monitoring and regulating the situation – understaffed, undersupplied and very much aware that many of the miners are ex-combatants – they are understandably reluctant to confront miners disregarding regulations.

10

Diamonds pass through many hands from the digger to point of export. If they follow the legal channel before export, a diamond travels from the dig-



Photo courtesy of Kristin Patten, One Sky.

ger, to the mine license holder, to a licensed dealer (usually in Koidu town for Kono diggers) and to a licensed exporter – passing through the Government Gold and Diamond Office for valuation, taxes and Kimberley Process certification. However, an estimated two-thirds of mined diamonds are exported illegally, transported overland through porous borders to neighbouring countries in the hopes of getting better prices. Non-governmental organizations, chiefs, communities and the government are working hard to bring more benefits to miners. The Peace Diamond Alliance (PDA) is, among other things, setting up mining cooperatives and training miners in diamond valuation. Creating cooperatives is one step towards putting the control of the resource into the hands of the miners. It is hoped that valuation training will help miners negotiate better prices from the diamond-buyer cartel in Kono that keeps diamond prices at a fraction of international prices. This strategy is not without its challenges – reportedly, international dealers have tried to buy more directly from diggers in the past but have been met with intimidation and harassment by local diamond dealers.

12

“You can be in mining for a year and get nothing. But with agriculture you can benefit ... the community will stop people from mining if committed to agriculture,” says Tamba Nelson, Acting Regional Coordinator for



Photo courtesy of Mike Simpson, One Sky.



Photo courtesy of Mike Simpson, One Sky.

World Vision in Kono. Agriculture is mentioned again and again as an alternative to mining, especially critical since Kono is still a recipient of food aid. People need tools and seeds. And they need assurance that agricultural land will not be dug up in the desperate search for diamonds. Mr. Michael Aruna, a local agriculturalist with Friends of the Earth Sierra Leone (FOESL) is supported by One Sky and the Canadian International Development Agency to deliver agricultural workshops to four women's and community groups, accompanied by the provision of trees, seeds and basic hand tools. Agricultural projects like FOESL's are met with enthusiasm by a wide sector of the community and are a potential foundation to wider community-based strategies that involve local authorities and communities in decisions around land-use. Organizations like FOESL are looking for financial and technical support for agricultural projects.

13

One Sky, in partnership with local organizations, is exploring the possibility of creating an enabling environment for "fair trade" diamonds — linking diamonds produced according to environmentally and socially just criteria in Sierra Leone with consumers seeking such "clean" diamonds internationally.

NGOs have built up in-depth industry knowledge, networks, and strategies leading up to and during the creation of the Kimberly Process (KP)



Photo courtesy of Mike Simpson, One Sky.

scheme. As well, the process has proven that the diamond industry will adopt a certification system — but only if pressured to do so. There is a significant opportunity to build on the existing experience and momentum to implement social and environmental aspects of certification — whether within the KP system or outside.

Fair trade products exist in a growing range of products — coffee is probably the most well-known product. Chocolate, tea, rice, and crafts are other examples, and a “Green Gold” certification scheme is currently being developed in Colombia. Certification schemes incorporating environmental and social principles also exist for forest, organic agriculture, and marine products. These schemes have had varying degrees of success on economic, environmental, and social fronts. A variety of fair trade labels or certifiers have also emerged to support this growing industry.

Lessons learned and best practices are beginning to emerge from these experiences. Any fair-trade diamond scheme would do well to draw on the wealth of expertise and experience for creating an effective certification scheme. Essential elements include developing a broad base of support; a competent design developed by a broad base of stakeholders and experience of those involved in existing certification schemes; financial incentives for miners to participate in a fair-trade scheme; creation of a market in consumer countries including developing relations and agreements with retail-

ers and wholesalers as well as adequate resources for promotions and advertising; and the creation of cooperatives capable of producing a large enough supply of diamonds to meet market demand.

There are, of course, significant elements in the diamond industry that are strongly resistant to the idea of incorporating social or environmental principles. An industry expert at a KP monitoring training expressed strong disapproval of any fair-trade scheme. Attempts to discuss “development diamonds” in KP meetings haven’t gone far. However, there are others in the industry willing to act on fair-trade principles. Some Canadian retailers expressed support for action that goes further than the Kimberley Process during One Sky’s “Canadian Jewellers for Conflict-free Diamonds” campaign. A search on the USA’s national green pages leads to a few retailers and wholesalers selling fair-trade diamonds — a phone conversation reveals that while these diamonds are not in any way independently verified as fair trade, the owners express a strong desire to support environmental and social responsible mining practices.

Obstacles on the ground are also significant. Local dealers may initiate a campaign of conflict and intimidation. Cooperatives may fail, or may not be able to produce enough diamonds. It’s not easy to set up a workable tracking system that keep fair-trade goods clean in a country like Sierra Leone — particularly in the international diamond industry which has a long history in



Photo courtesy of Mike Simpson, One Sky.

shady dealings. Miners participating in any future fair-trade scheme are the ones that will have to bear the brunt of local repercussions or dashed hopes. Yet if they are willing to gamble for the chance of a system that works for them, this is a choice that the international community can support.

Fair trade is a natural extension of the cooperative system that is supported in Sierra Leone by miners, policy analysts, and members of the government. Initial conversations with miners and mining organizations have revealed support for the idea of a fair-trade scheme. Obviously, it is essential that miners be included in a meaningful way in the creation of any scheme. One Sky is currently conducting research on the potential for a fair-trade diamond scheme, and is intending to release a discussion paper on the issue in 2005. The next step, with appropriate funding, is to bring together stakeholders to start developing a broad framework.

Sierra Leone's challenges are large. Yet there are people and organizations with innovative ideas working hard to ensure that diamonds bring benefits to communities. Objections are always loudly voiced to those pioneering innovative approaches to natural resource exploitation and production. "It can't be done" often translates as "It's not in *our* interest for you to do this." Transformation — rather than mitigation — of socially unjust practices will always require shifts in power that are strongly resisted by those reaping benefits from existing unjust systems. Valuation, cooperatives, alternative income



A PDA cooperative member at a diamond valuation training organized by the Peace Diamond Alliance. Photo courtesy of Kristin Patten, One Sky.



FOESL workers Pa Conteh and Santige show off the results of their organic agriculture project. Photo courtesy of Mike Simpson, One Sky.

through agriculture, and fair-trade diamonds are just a few of the solutions being explored in the Kono region. Linked with international organizations, change both locally and internationally provides the possibility of transforming this industry, moving from conflict diamonds to truly clean diamonds.

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UK Department for International Development

2003 *Diamond Sector Workshop Report*, March.

World Vision

2002 *Children in Mining Activities Assessment Survey (Kono District)*, August.

OTHER RESOURCES

1. Peace Diamond Alliance www.peacediamonds.org
2. Friends of the Earth Sierra Leone www.onesky.ca/foesl
3. Network Movement for Justice and Development www.nmjd.org/

4. Kimberley Process website www.kimberleyprocess.com

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