

Mr Mandelson
EC Commissioner External Trade
Unit A/2, External Relations Directorate General
European Commission
200 rue de la Loi
B-1049 Brussels
Belgium



Dear Mr Mandelson,

Frankfurt a.M., Amsterdam, January 9th, 2007

In 2007, the European Commission will be chairing the Kimberley Process Certification Scheme (KPCS) for the certification of diamonds. Therefore, the Commission has the chance to decisively influence the further development and improvement of the Kimberly Process. This is an important opportunity to broaden the scope of the KPCS' 'diamonds for development' goal: to not only avoid diamonds being used to finance civil wars, but also use the revenues of diamonds to contribute to the development of communities affected by diamond mining. As members of the international campaign "Fatal Transactions", the campaign which raised the issue of conflict diamonds already in 1999, we address this open letter to you.

We believe that KPCS has the potential to be a success. Positive signs are seen in countries with alluvial mined diamonds where the Process led to more transparency in the mining sector and an increase in the legal export of rough diamonds. The fact that there is now an active working group focusing specifically on the problems of countries with artisanal and alluvial diamond production could be perceived as a positive step. Nevertheless, there are still severe shortcomings in terms of monitoring. Furthermore, KPCS does not address human rights and working conditions. In practice, the KPCS is only concerned with trade, while the production side is totally left out.

The neglect of the production side leads to the KPCS turning a blind eye on human rights violations.

Repressive states such as Angola are members of the KPCS. In Angola - the new chair of the working group on alluvial diamonds- human rights violations that are caused or tolerated by the State occur on a regular basis. In Angola's diamond rich provinces, small scale miners are harassed, sexually abused, tortured and even killed by private security companies protecting the interests of the multinational mining companies and the government.¹

In less repressive countries like Sierra Leone, the rights of the affected communities are also heavily violated, by corporate behaviour. They also face forced evictions, harassments, blastings, destruction of farm land without compensation, slave-like working conditions in the mines etc. Furthermore, environmental vandalism occurs, which often poses a serious threat to the lives and survival of the local people. All this provokes social unrest.

Besides the production side, there are also severe shortcomings of the KPCS within the trade aspects, such as monitoring. Especially the control of the stages diamonds go through from mining to exporting is insufficient. In Sierra Leone for example, huge amounts of diamonds are still smuggled and internal control measures are ineffective and weak.

These deficiencies attribute to a lack of institutional capacity in many diamond rich countries. Personnel of control agencies in mining countries are badly trained and equipped and the transport of diamonds within these countries or across regional borders is still hard to control. In addition, there is a lack of data on production and imports and exports.

¹ See Rafael Marques, Rui Falcao de Campos: Lundas, The stones of death. Angolas deadly diamonds: Human rights abuses in the Lunda provinces. 2005. www.niza.nl
Raphael Marques, Angola: The New Blood Diamonds. www.africafiles.org

KPCS is still self-regulating. Its members hardly ever have to fear punishment when violating the KPCS agreements. Although the expulsion of Congo Brazzaville seemed like a major step at the time, there is still no mechanism in place for suspending non-compliant participants. The KPCS shows that there is a potential for change in the diamond industry, and that awareness on the issue of conflict diamonds can lead to an improvement of policies. Nonetheless, major steps have to be taken to achieve the ultimate aim of "diamonds for development":

As members of the international campaign "Fatal Transactions" we request that as Chair for 2007, you commit yourself to:

- Improving the KPCS, which should go hand in hand with substantial efforts to promote development in the mining communities. This also means that countries and companies should be held accountable for violations of the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights. Ensuring humane working conditions in the mines and respecting the rights of the affected communities are an integral part of this.
- supporting initiatives for communities and mining workers - for example, to support miners' cooperatives through the European Development Fund and urge the member states to do the same. This bottom-up approach can ensure a better income for the workers on the one hand and will promote the interest of the community to have their diamonds certified on the other. This can facilitate the control of alluvial mined diamonds without a massive increase in state interventions.
- supporting efforts that guarantee the control of diamonds between mines and export agencies. For example, proactively advertise the possibility for ACP-countries to ask for technical and financial support to implement and enrol the KPCS.
- supporting the efforts to establish an independent regular monitoring system and binding regulations.
- supporting the efforts in gaining and publishing of statistical data. Knowledge of statistical data is compulsory for achieving control over the export of diamonds.

Fatal Transactions sees the chairmanship of the European Commission as an enormous opportunity to improve and broaden the KPCS' efforts to ensure that diamonds contribute to the development of African countries. We sincerely hope that we can work together over the coming years to reach this goal.

Yours faithfully,



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For the international Campaign Fatal Transactions

Fatal Transactions is an international consumer campaign, calling on the public and other interested organisations to ask governments and companies involved in extractive industries to implement effective controls to ensure that the trade in natural resources does not finance or otherwise support conflict and economic injustice in Africa. The campaign wants to raise awareness and increase understanding of how western companies are involved in conflicts in Africa through buying natural resources from combatants.

cc:

Mr Karel Kovanda, Kimberley Process Chair

Mr Michel, EC Commissioner Development and Humanitarian Aid