



DIAMOND DEVELOPMENT INITIATIVE INTERNATIONAL

DEVELOPMENT DIAMONDS: SOMETHING TO THINK ABOUT

By Ian Smillie

A million and a half people in Africa and South America dig diamonds by hand, and ten million others depend on them. The work is dangerous, dirty and very badly paid. Now, something is being done about it.

In recent years several efforts have tackled the underlying problems of Africa's artisanal diamond mining sector, notably its informality and corruption, the poverty of those who work in it, and its potential for economic and social disruption. USAID, for example, initiated a project in Sierra Leone aimed at formalizing and rationalizing the artisanal sector through the creation of digger cooperatives. The project fell short but important lessons were learned. USAID has another project in the Central African Republic, aimed at establishing clear ownership of land on which diamonds are mined. Inadequate property rights, as this project is showing, create uncertainty for both diggers and government.

In 2008, Transfair USA looked into the possibility of "fair trade" diamonds. Their study concluded that the business case was generally positive but not with unorganized subsistence artisanal miners. Martin Rapaport, a major player in the international diamond industry, has ventured into this field twice over the past decade. His experiments were unsuccessful, but Rapaport remains a champion of artisanal diggers and is convinced that they can be organized, if by nothing more than fair prices for their product.

This is where the Diamond Development Initiative (DDI) comes in. DDI was formed in 2005 as a not-for-profit charitable organization, to bring about systemic changes in the way alluvial diamonds and artisanal miners are understood and engaged. It aims to learn from others, providing development solutions to what are essentially development problems, gaining the attention and confidence of mining communities, governments and other development organizations.

There can be no formalization of the artisanal diamond sector without miner registration. In 2009, DDI researched the system used for tracking diamonds in Guyana. And the Democratic Republic of the Congo—long wracked by resource-fuelled conflict—offered to test this system with the help of DDI. With funding from the government of Canada, two pilots were set up in 2010, covering 10,000 miners in two different areas. The initial success has been impressive. Instead of 10,000, more than 80,000 miners have so far come forward. For them, registration means an end to running and hiding, and the opportunity to sell their diamonds on the open, rather than the black market. For the government it means much better knowledge about

what is being produced, better tax revenue, less chaos in the diamond mining areas and greater national security.

In Sierra Leone, DDI is going beyond the idea of “fair trade” diamonds. In working to create Development Diamond™ standards, DDI’s objective is to ensure that artisanally produced diamonds are not “left behind” in the move by major industry players to create higher standards. The idea behind “development diamonds” is to create better working conditions and prices for miners, to help in the formalization process and thus benefit the wider economies of countries where such diamonds are mined. This is an incredibly complex project: finding willing partners where the pilots will take place; working with local and national government authorities; identifying bodies that can provide independent third party verification as the diamonds move from the mine through the cutting and polishing process to the retail end of the pipeline. DDI has had a great deal of support for this effort: financial support from the German government and industry supporters, and practical support from the Kono District Council in Sierra Leone at one end of the chain, to retailers in Europe and the United States at the other.

This is all very new, but governments are supportive of DDI efforts because they have everything to gain from greater levels of formalization in a sector that has produced so many problems over the years. The wider diamond industry is supportive of DDI because the poverty, illegality and chaos surrounding artisanally-produced diamonds present real reputational risks for the industry at large. Miners themselves are positive about anything that will improve their incomes and the conditions under which they work. Although it is still young and growing, DDI represents the first attempt to take a broad, holistic approach to the challenges of artisanal alluvial diamond production, working with governments, miners, civil society and industry to solve problems that have plagued the sector for the better part of a century.

You, too, can make a positive impact on this fragile sector of the diamond pipeline by becoming a *Friend of DDI*. For a small annual contribution of \$250, you’ll receive a Retailer Friendship Kit that gives you the tools to demonstrate that you’re making an effort to provide ethical jewelry to your customers. The Friendship Kit includes a Certificate of Recognition and Counter Card for your office or retail space, and 100 Postcards and 250 personalized Business Cards. You can learn more about the program at www.ddiglobal.org, or e-mail friends@ddiglobal.org.

Stand by for more DDI news in the coming months.

www.ddiglobal.org

Ian Smillie chairs the Board of Directors of the Diamond Development Initiative

About DDII - The Diamond Development Initiative International (DDI International) is a registered charity and international non-profit organization incorporated in the District of Columbia (U.S.). DDII’s executive office is located in Ottawa, ON, Canada.