

**By Rory More O’Ferrall, Honorary Vice Chairman, Diamond Development Initiative
Speech delivered at the World Diamond Congress in Antwerp (15 – 18 June)**

In Africa and South America there are more than one and a half million diamond diggers working in arduous and highly dangerous conditions for paltry reward. They and their families – *up to 10 million people in total* – barely survive on less than two dollars a day and their communities are trapped in abject poverty, exploited and abused.

16 per cent of the world’s rough diamonds come from this informal sector of mining, as does 12 per cent of gold. For those manufacturers and polished traders not receiving “sights” from the major producers, supplies from the DRC, Angola, Zimbabwe or elsewhere, represent the only rough on the open market. As an industry, we are thus directly affected and involved whether we like it or not.

The workers in the informal sector are unregistered, unregulated and unprotected, at the mercy of unscrupulous traders, corrupt government officials and rogue military.

Some in the industry may say we are already covered by the Kimberley Process and the chain of warranties, so there’s nothing to worry about. That would be burying our heads in the sand as the generally accepted definition of conflict minerals now speaks of “natural resources whose exploitation and trade contribute or result in serious violations of human rights”. The Kimberley Process does not address the issue of human rights or social degradation, and both are all too clearly present in the digging fields of Africa.

If the diamond industry does not want to be condemned for ignoring the problem and plight of the workers in the alluvial diamond and gold mines; if we do not want our industry to become the target for very public criticism by international organisations and in the media; if we do not want our business to be subject to far stricter oversight and regulation; if we do not want consumers to boycott our product, we must take action, and take action now.

This is not just an issue of morality – doing the right thing – but actually a business driven imperative, something that needs to be done – *and done now* – to protect margins, differentiate the product and continue to create value in all the businesses in the industry, large and small. I know it is often struggle enough, just to keep the business going, without having to deal with these additional concerns. But businesses are not alone in tackling this.

Just as the industry came together to form the World Diamond Council to counter the threat of conflict diamonds, it has also helped create an organisation specifically designed to address the issues raised by the circumstances and situation in which so many diamond diggers and their families are trapped, and which have such potential to damage the whole industry.

The Diamond Development Initiative (DDI) exists to confront the political, social and economic challenges facing the informal mining sector, bringing governments, industry and civil society together to create sustainable development for the diggers and their

communities.

DDI promotes better government mining regulation, efficient organisation of production, legitimate and transparent distribution channels and free and open markets.

Wide participation in the process includes not just governments and industry, but also the local communities themselves, donors and development agencies.

DDI is doing extraordinary and essential work on the ground in Africa. In the Democratic Republic of Congo, it has registered over 100,000 diggers in a DDI-led Government scheme – something that commentators said could not be done – and thus provides the model for other producer countries and other minerals.

In Sierra Leone, a development project is empowering local diamond workers. DDI is in discussion with the Governments of Cote D'Ivoire and Burundi to introduce "development diamond" projects. These activities demonstrate that diamonds can provide a sustainable income for millions of people living in poverty in some of the most vulnerable places on Earth.

The aim of DDI's work is to ensure that "development diamonds" are produced responsibly and safely, with respect for human rights, with real benefits to the communities through the payment of fair prices; revenue for governments *and* proper recognition of the industry's ethical integrity.

All that is good, you will say, so I don't need to do anything. Well, the work being done by DDI cannot be done without proper and sustainable funding.

DDI receives funds from governments and other institutions for projects such as the ones in the DRC and Sierra Leone. Recently, the Angolan Government has given DDI a grant to develop a registration scheme in that country. We are also very grateful for donations from Germany, Canada, Belgium, the UK, the World Bank and a number of corporate and industry bodies.

This is also good. Very good. But it is not enough to cover all of DDI's activities and not, indeed, sufficient to allow the industry to say, to claim, that it is making a real and meaningful contribution to the work to alleviate the plight of diamond and gold diggers. The industry needs to be able to make that claim, and to show that it is true

A number of industry bodies – such as the WFDB, IDMA and the Antwerp World Diamond Centre – all do make valuable donations to DDI – for which we are most grateful – but in my view it is important that companies and individuals within the industry also contribute so they can demonstrate a personal commitment to this vital cause and fend off the criticism that could so severely impact on their business.

Companies need to be able to say to their customers when they question them on this – as they surely will – "I support the Diamond Development Initiative, I support development diamonds". It is not good enough to say "my trade association is making a donation, so I

don't need to"; all companies need to be involved, be proactive and show their direct personal concern. Everyone takes out insurance against all sorts of threats to their business – this is no different and we cannot ignore it.

I know there are other excellent organisations calling on the attention and money of those in the industry. They do important work in education and other areas, but do not directly address the problem at the heart of the matter – the fact that diamonds (and gold and the other minerals) do not improve in any substantial way the lives of those who dig them up in such appalling circumstances. DDI does this in a proven and highly successful manner – on the industry's behalf.

So today, I am asking the diamond industry to help to make a real difference to those of our fellow industry members unbelievably less fortunate than ourselves, to show that you are a responsible member of an industry proud to be at the forefront of sustainable development – and to be seen to be so – by [making a donation to DDI](#).

And for all those outside of the industry who would like to support this essential work, we welcome [donations of any size](#).