



Maendeleo Diamond Standards TM Overview

April 2016

The Diamond Development Initiative

The Diamond Development Initiative (DDI) envisions a world in which artisanal and small-scale miners have access to the opportunities, information and tools they need to work with dignity in flourishing, self-sustaining communities, as valued actors in the formal economy and as contributors to their country's development.

DDI helps transform the artisanal and small-scale mining communities through innovative programs and partnerships that bring together governments, civil society, industry, academia and artisanal miners themselves. The work complements regulatory efforts by fostering the integration of development solutions that favour positive socioeconomic outcomes for miners and their families. DDI is a member of the Kimberley Process Certification Scheme with independent observer status. DDI supports a range of other initiatives oriented to improving responsibility in jewellery supply chains.

Standards and responsible sourcing

Today's consumers want to know that the goods they buy are produced responsibly, particularly in the case of diamonds. Controversy over conflict or blood diamonds and reports about human rights abuses in diamond mining areas, have raised consumer awareness to new levels. Companies have responded by developing responsible sourcing protocols to improve consumer confidence in their products. However, a significant gap remains in the artisanal and small-scale diamond mining sector.

The standards and responsible sourcing protocols that currently exist in the diamond industry are generally aimed at large-scale industrial mining, concessionaires and other entities that operate in a more formalized manner. These existing protocols neither reach the artisanal and small-scale diamond mining sector, nor do they fully address their specific conditions. Without a dedicated focus on artisanal and small-scale diamond mining, initiatives to promote responsible jewellery supply chains will continue to be undermined by their limited applicability to the large number of diamonds produced by this sector.

The Maendeleo Diamond Standards overcome this challenge by underwriting a transparent certification process tailored for artisanal and small-scale diamond miners. These Standards complement existing protocols by extending and adapting them to the particular needs of the miners and their conditions. The Maendeleo Diamond Standards are also designed to build a bridge between this sector and existing responsible supply chains. As a result, artisanal and small-scale diamond miners have access to new markets for the diamonds they produce and the world diamond market will have access to a supply of responsibly sourced artisanally mined diamonds.

Artisanal and small-scale diamond mining

Artisanal and small-scale diamond mining produces up to 20% of the world's gem quality rough diamond supplies on an annual basis.¹ It is an important driver of local employment and income generation in diamond-rich regions around the world.

Although diamonds are a source of great wealth for some and diamond jewellery may require great wealth to purchase, the majority of artisanal diamond miners live in abject poverty. Without investment and dedicated effort, the artisanal diamond mining sector will continue to fall short of its promise to improve the lives of artisanal and small-scale diamond miners and contribute to the development of the communities to which they belong.

The Maendeleo Diamond Standards system proposes a solution.

Maendeleo Diamonds

Maendeleo is a Swahili word meaning “development.” It also connotes the ideas of improvement and advancement. Maendeleo diamonds come with an assurance for diamond buyers and consumers alike. They are an investment that promotes sustainable development and responsible mining practices at artisanal and small-scale diamond mines. This improves the lives of the miners who dig artisanal diamonds and benefits the broader communities to which they belong.

Maendeleo diamonds are artisanally mined in conflict-free zones and produced safely in consenting and engaged communities through violence-free operations with respect for human and worker rights using practices that promote environmental responsibility.

- **Conflict-free zones** are areas in compliance with the Kimberley Process Certification Scheme, which ensures that diamond purchases do not finance violence by rebel movements and their allies seeking to undermine legitimate governments. These zones must also be free from extra-legal actions on the part of governments (e.g. human rights violations by national security forces).
- **Safely** means mining operations and related activities do not endanger the health and well-being of miners and their communities.
- **Consenting and engaged communities** means that free, prior, informed and ongoing consent for mining operations is provided by communities throughout the mining site lifecycle.
- **Violence-free operations** means that miners can operate without fear of physical or mental harm.
- **Respect for human and worker rights** means mining operations and related activities that are consistent with the basic rights and freedoms of workers.
- **Promote environmental responsibility** means encouraging and facilitating work practices that minimize the environmental impact of artisanal and small-scale diamond mining.

¹ Source: <http://www.worldbank.org/en/topic/extractiveindustries/brief/artisanal-and-small-scale-mining>.

Maendeleo diamonds also help ensure sustainable development through the payment of fair prices by buyers.

- **Fair pricing** means a price that has been mutually agreed by everyone through dialogue and participation, provides a fair return to miners and can be sustained by the market.²

Who Benefits from Maendeleo Diamonds?

Miners seeking to optimize artisanally mined alluvial diamond production and improve the socio-economic conditions of their own families and communities.

Government officials seeking to better regulate and make progress on transforming the artisanal and small-scale diamond mining sector in their country.

Industry members seeking to diversify diamond sourcing and thus able to include certified artisanally mined diamonds from responsible supply chains.

Consumers seeking to purchase responsibly mined and sourced diamond jewellery.

The Maendeleo Diamond Standards System

The Maendeleo Diamond Standards are a baseline standard that addresses the mode of production and socio-economic context of the artisanal and small-scale diamond mining sector in Kimberley Process-approved zones. These zones must also be free from extra-legal actions on the part of governments (e.g. human rights violations by national security forces) and must not be located in environmentally protected areas. The MDS certification process is voluntary, practical and cost-effective. This system has been created in consultation with artisanal and small-scale diamond miners who are committed to improving their own practices, increasing their family livelihoods and benefitting the communities to which they belong.

The Maendeleo Diamond Standards are composed of eight specific Standards, covering legality, consent and community engagement, health and safety, violence-free operations, environmental management, interactions with large-scale mining and site closure. Each of these Standards consists of a related series of Provisions defined by measurable requirements, concrete performance criteria and a list of acceptable audit evidence. The Standards are tailored to local conditions in the form of critical provisions that are determined to be relevant for each location (e.g. a specific zone in a country).

The certification process for the Maendeleo Diamond Standards helps to formalize the artisanal and small-scale diamond mining sector through better mining practices and professionalized operations.

The formalization of the artisanal diamond mining process through clear and transparent Standards, a reliable certification process and integrating artisanally mined diamonds into existing responsible supply chains can open up new markets for artisanal and small-scale miners, thereby increasing their earning power.

The certification process is specifically tailored to the needs of artisanal and small-scale diamond miners, and helps improve their working conditions, increase their production capacities, access new

² The term “fair pricing” is defined in accordance with the 10 Principles of Fair Trade developed by the World Fair Trade Organization.. See: <http://wfto.com/fair-trade/10-principles-fair-trade>.

markets and implements best practices. Due to these outcomes, there is a strong uptake for the process in mining communities.

The Maendeleo Diamond Standards system also includes a due diligence program for buyers, which includes know your customer requirements, anti-money laundering, traceability and segregation policy and procedures. This enables the maintenance of the integrity of certified artisanally mined diamonds from miner to consumer.

How it Works

Only artisanal and small-scale diamond mining sites located in zones or countries that meet the necessary prerequisites of compliance with the Kimberley Process Certification Scheme³, are free from government-led violence and abuses, and do not undertake mining operations or related activities in any protected or conservation areas are eligible for certification. The sites must also be licensed or be in the process of being licensed and able to provide evidence to this effect.

Certification is valid for a six-month period and then must be renewed. To receive certification, eligible mining sites must fulfill the the critical provisions applicable to their location and particular mining site. It is necessary to produce evidence of having done so, which is verified by independent third-party auditors. Designed as a modular approach, critical provisions are identified for each certification cycle. Compliance is a progressive achievement that builds on gains consolidated in the previous certification cycle.

The MDS certification process is entirely voluntary. It depends on the buy-in and ownership of artisanal and small-scale diamond miners. The MDS certification process is designed so site operators and miners can participate without incurring any prohibitive participation and auditing costs that could otherwise render responsible artisanal and small-scale diamond mining impractical. Importantly, the MDS certification process also aims to support eligible mining sites to progressively improve over time.

No Diamond Development Initiative representatives or independent third-party auditors are directly engaged in commercial transactions throughout the MDS certification process nor do they benefit from any financial gains through certified artisanally mined diamonds or Maendeleo diamonds.

Summary Charter: Maendeleo Standards

Standard 1: Legality. Intended to reiterate the status of the Maendeleo Diamond Standards as a voluntary certification system that does not aim to supersede or replace national laws or legal frameworks. Where the laws and regulations in force or their enforcement create a comparatively lower threshold, the site operator(s) shall actively aspire to the higher, voluntary Provisions of the Standards.

Minimum Requirements: designed to formalize the artisanal and small-scale diamond mining sector by ensuring legal compliance and traceability for the diamonds mined at artisanal and small-scale mining sites.

³ Beyond the Kimberley Process prerequisite, the Maendeleo Diamond Standards (MDS) certification process excludes any and all individuals, companies or entities subject to UN, US, UK, Canadian and/or EU sanctions or who/which appear on any government or international organization sponsored list of “specially designated persons”, “politically exposed persons” or those suspected of engaging in money laundering or terrorist financing. Also see Part B below.

Progress Requirement: seeks to encourage site operator(s) participation in government actions to formalize artisanal mining processes over the medium and long term.

Standard 2: Consent and Community Engagement. Helps ensure that communities are involved in discussions and negotiations around the potentials (e.g. economic growth and employment opportunities) and known impacts (e.g. environmental and loss of economic resources with mine closure) of such projects.

Minimum Requirements: designed to facilitate the building of positive, mutually beneficial relationships and understanding between the site operator(s) and the local communities affected by or located in areas where mining operations and related activities occur.

Progress Requirements: seek to involve the responsible parties for the mining site appealing for MDS certification to actively drive or engage in community development initiatives, beyond direct mining operations, over the medium and long term.

Standard 3: Human and Worker's Rights. Intended to help ensure that artisanal and small-scale diamond mining site operator(s) conduct their mining and related activities—over which they exercise control and influence—in a manner that is consistent with the basic rights and freedoms of their workers, and the individuals and communities involved in or affected by said mining operations.

Minimum Requirements: designed to establish the basic rights of individuals working at (or related to) mining sites at all times.

Progress Requirements: seek to develop rights-based approaches to mining operations over the medium and long term.

Standard 4: Health and Safety at the Mining Site. Intended to minimize the risks to health and safety that are directly associated with artisanal and small-scale diamond mining operations and related activities.

Minimum Requirements: designed to achieve the most basic health and safety standards for miners.

Progress Requirements: aim to achieve higher levels of health and safety, including preventative planning, at mining sites over the medium and long term.

Standard 5: Violence-Free Operations. Intended to promote violence-free mining operations.

Minimum Requirements: aim to ensure that everyone at an artisanal and small-scale diamond mining site can work without fear of physical or mental harm.

Progress Requirements: seek to foster artisanal and small-scale diamond mining as an endeavour that enhances violence prevention and resolution over the medium and long term both at mining sites and in the community at large.

Standard 6: Environmental Management. Intended to progressively diminish the potential for environmental degradation of the natural surroundings (including soil, water, air and biodiversity) in the communities where mining operations and related activities and/or their impact occur.

Minimum Requirements: adopt an approach focused on raising awareness and to build capacities for basic, remedial action that reduce negative impacts of artisanal and small-scale diamond mining sites and on the surrounding environment.

Progress Requirements: aim to facilitate greater responsibility with respect to environmental impact, along with enabling the gradual attainment of capacities for mitigation and remediation of environmental impacts.

Standard 7: Interactions with Large-Scale Mining (Where Applicable). Intended to improve the relationship between the ASM and LSM sectors.

Minimum Requirements: aim to equip artisanal and small-scale diamond miners and site operator(s) with the necessary guidance required to successfully navigate LSM-ASM relations.

Progress Requirements: seek to structure and build constructive relationships based on greater transparency, mutual respect and nonviolent interactions between ASM and LSM operations over the medium to long term.

Standard 8: Site Closure. Intended to address the role of the site operator(s) in social and economic planning for the cessation of mining operations and related activities and rehabilitation of the mining site.

Minimum Requirements: aim to reduce the geophysical impact of the mining site lifecycle, in particular at the time a mine closes.

Progress Requirements: seek to mitigate, in greater detail, the broader negative effects of site closures on mining communities, especially the social, economic and environmental effects associated with site closure.

The Maendeleo Diamond Standards were developed with support from a number of donors that have funded the Diamond Development Initiative: the Anglo-American Group Foundation, the Antwerp World Diamond Centre, Brilliant Earth, the Diamond Manufacturers and Importers Association of America, the De Beers Group of Companies, the Government of Angola, the International Diamond Manufacturers Association, Jewelers of America, Rio Tinto Diamonds, Rubel et Méнасché, The Tiffany and Co. Foundation and the World Federation of Diamonds.

In Sierra Leone, the implementation of the Maendeleo Diamond Standards program has been funded by GIZ on behalf of the Federal Republic of Germany and The Tiffany & Co. Foundation. Previously, activities were also funded by Cartier International and Brilliant Earth.