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Transparency & Accountability
for the Extractive Industry



**BEYOND CONFLICT AND
THE KIMBERLY PROCESS
CERTIFICATION SCHEME
(KPCS): ENHANCING
TANZANIA'S DIAMOND
GOVERNANCE**

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An aerial, top-down view of a construction site at night. The ground is dark and covered in numerous tracks from heavy machinery. A yellow excavator is positioned in the lower-left quadrant, and a yellow truck is in the lower-right quadrant. A blue horizontal banner is overlaid on the right side of the image, containing the text '01 Introduction'.

01 Introduction

Introduction

Diamonds are forever, as the saying goes, but the benefits they generate are not always equitably or sustainably distributed. In many mineral-rich countries, including Tanzania, diamond resources hold significant potential to contribute to socio-economic development but realizing that potential depends on the quality of governance across the value chain. While diamonds captivate global markets, the processes surrounding their extraction, regulation, and trade continue to raise important legal, ethical, and policy questions.

To help address the risks associated with diamond fueled conflict and illicit trade, the Kimberley Process Certification Scheme (KPCS) was established in 2003 as a global initiative mechanism to prevent the circulation of so called “conflict diamonds” from the global supply chain. ¹ Tanzania joined the KPCS in the same year and has since taken legal and institutional steps to align with its procedural requirements. ²

This Position Paper examines how the KPCS has been operationalized within Tanzania’s diamond sector and evaluates the broader governance framework that has evolved around it. The aim is to assess whether existing policies and regulations effectively ensure traceability, digitalization, benefit sharing, environmental

diamond supply chain. While Tanzania has adopted a number of reforms in pursuit of compliance with the KPCS, questions remain regarding their adequacy, scope, and implementation.

The analysis draws on both primary and secondary data sources. Primary data was collected through key informant interviews (KIIs) with purposively selected respondents from the Tanzania Mining Commission, the Federation of Miners Association of Tanzania (FEMATA), and the Commission for Human Rights and Good Governance (CHRAGG), based on their knowledge and institutional role in the diamond sector. Secondary data included legal texts, policy documents, industry reports, and academic literature. Triangulation of both data sets was employed to strengthen the validity of findings and ensure a holistic understanding of the governance landscape.

The analysis begins with an assessment of the KPCS, an overview of diamond sector governance in Tanzania, identifying both progress and persistent gaps. It then proceeds to a thematic assessment of key governance dimensions. Through this inquiry, the paper seeks to inform evidence-based dialogue on how both international mechanisms like the KPCS and domestic laws might evolve to promote more inclusive, ethical, and resilient diamond governance in Tanzania.

What is the Kimberley Process? Published at the Kimberley Process official website. Available at: <https://www.kimberleyprocess.com/about/what-is-kp> (Accessed on June 06, 2025).

Kimberly Process Participants and Observers. Published at the Kimberley Process official website. Available at: <https://www.kimberleyprocess.com/participants> (Accessed on June 07, 2025).

A woman wearing a white hard hat and safety glasses is looking at a tablet in a factory setting. The background is a blurred industrial environment with blue lighting and circular light fixtures.

02

Kimberley Process Certification Scheme (KPCS): Overview and Assessment

02. Kimberley Process Certification Scheme (KPCS): Overview and Assessment

The Kimberley Process Certification Scheme (KPCS), launched in 2003, was developed to prevent **"conflict diamonds"**; Conflict diamonds qualifies the rough diamonds used by rebel movements or their allies to finance armed conflicts aimed at undermining legitimate governments³. It emerged from a 2000 meeting in Kimberley, South Africa, bringing together governments, civil society, and the diamond industry⁴. The KPCS operates as a multilateral trade regime focused on eliminating the trade in conflict diamonds through certification and export control mechanisms⁵.

At its core, the KPCS is a procedural system. It requires participating states to ensure that every shipment of rough diamonds is accompanied by a government-issued certificate bearing the title **"Kimberly Process Certificate"** confirming the diamonds' origin and conflict-free status⁶. These certificates must be verified at both the point of export and import⁷. The scheme does not extend to polished diamonds⁸, although the industry-led System of Warranties established by the World Diamond Council (WDC) helps maintain conflict-free assurances along the supply chain⁹. The system of warranties is a voluntary mechanism that requires that companies include a statement of compliance on all invoices of rough diamonds, polished diamond or any jewelries containing pieces of diamonds. Failure to adhere with

the principles set out in the system of warranties could result in the expulsion from various diamond industry associations.

Participation in the KPCS is voluntary but conditional.¹⁰ States must comply with minimum standards and agree to trade only with other KPCS members. They are expected to establish competent authorities, implement internal controls¹², maintain trade records¹³, and cooperate with periodic review missions. While a World Trade Organization (WTO) waiver for the KPCS member participants legitimizes trade discrimination against non-participants, enforcement under the KPCS is political rather than judicial, compliance is monitored through peer review¹⁴, but sanctions such as suspension rely on consensus.¹⁵

A key limitation of the Kimberley Process Certification Scheme (KPCS) is its narrow definition of **"conflict diamonds,"** which only covers rough diamonds used by rebel groups to finance wars against governments. This excludes state-led abuses, corporate violations, and broader human rights issues, allowing diamonds linked to violence and exploitation outside of armed rebellion to enter the global market as **"conflict free."** Although this shortcoming has been widely acknowledged for years, the Kimberley Process has

³What Is The Kimberley Process? | Kimberley Process

⁴Sansil, M. (2024). An evaluation of the Kimberley Process Certification Scheme's efficacy in limiting the trade of conflict diamonds. *Studies in Philosophy, Politics and Economics*, 6(1), at p. 3.

⁵*Ibid*

⁶Howard, loc cit, at p. 146.

⁷*Ibid*.

⁸Heilmann, C. (2020). The Kimberley Process' legacy: How the 2000 certification process for conflict-free diamonds can help solve contemporary human rights violations within the cobalt & coltan mining industries. *Loyola University Chicago International Law Review*, 16(1), at p. 118. Available at: <https://lawecommons.luc.edu/lucilr/vol16/iss1/7> (Accessed on June 02, 2025)

⁹Heilmann, D. (2010). Kimberley Process. In R. Wolfrum (Ed.), *Max Planck Encyclopedia of Public International Law*. Oxford University Press, at p. 1. Available at: <https://opil.ouplaw.com> (Accessed on June 03, 2025)

¹⁰Howard, A. (2016), loc cit, at p. 146

been slow to expand its scope to address these concerns.¹⁶The lack of an independent monitoring system, limited enforcement capacity, and the voluntary nature of review mechanisms have raised concerns about institutional effectiveness¹⁷.

Other limitations are tied to weak and uneven enforcement, and coverage restricted only to rough stones. Loopholes such as the **“polishing lacuna”** and **“mixing lacuna”** allow diamonds of unclear or tainted origin to enter the market as legitimate, while the consensus-based structure makes meaningful reform difficult¹⁸.

The available literature reveals that the KPCS’s structure inhibits timely responses to non-compliance and fails to evolve with contemporary conflict and governance challenges¹⁹. Studies further point to the scheme’s inability to address state-perpetrated violence, such as in Zimbabwe’s Marange fields²⁰. Similarly, the regulatory gap around polished diamonds, which remain outside the scheme, allowing conflict-sourced stones to be laundered post-processing.²¹

In addition, the KPCS lags behind emerging global innovations in responsible sourcing. It does not

mandate digital traceability tools²², environmental and social governance (ESG) benchmarks, or human rights due diligence standards increasingly demanded by consumers and reflected in frameworks like the OECD Due Diligence Guidance or the EU Conflict Minerals Regulation.

While the KPCS played a pivotal role in raising awareness and introducing baseline controls in the diamond trade, its procedural and conceptual limitations mean it cannot serve as a comprehensive framework for modern diamond governance. Countries like Tanzania, where the state plays both a regulatory and commercial role, require complementary domestic reforms, grounded in legal enforceability, transparency, and multi-stakeholder oversight, to ensure that participation in the global diamond economy upholds both human rights and responsible investment standards.



¹⁶ Howard, A. (2016), *loc cit*, at p. 146.
¹⁷ Section III of the Kimberly Process Certification Scheme core document.
¹⁸ Section IV of the Kimberly Process Certification Scheme core document.
¹⁹ Section VI, paragraph 20 of the Kimberly Process Certification Scheme core document.
²⁰ Section VI of the Kimberly Process Certification Scheme core document.

Section VI, paragraph 5 of the Kimberly Process Certification Scheme core document.
²¹ Real Care is Rare: An on-the-ground perspective on blood diamonds and the fifth ‘C’ | Kimberly Process Civil Society Coalition
²² Rowe, A. (2012), The Kimberly Process Certification Scheme: The primary safeguard for the diamond industry. In P. Lujala & S. A. Rustad (Eds.), *High-value natural resources and peacebuilding*. London: Earthscan, at p. 192.



03

**Domestic Regulatory
Framework for
Diamond Governance
in Tanzania**

3.Domestic Regulatory Framework for Diamond Governance in Tanzania

To assess Tanzania's diamond governance comprehensively, it is essential to first understand the legal architecture underpinning the sector. Beyond the KPCS, Tanzania has enacted a suite of regulations that govern mining rights, trade, value addition, and oversight mechanisms. Chief among these are the Mining (Diamond Trading) Regulations, 2019, the Mining (Mineral Rights) Regulations, 2018, and the Mining (Lapidary) Regulations, 2020. These instruments define the roles of licensed actors, outline procedural safeguards, and empower state institutions to monitor and enforce compliance.

3.1.The Mining (Diamond Trading) Regulations, 2019

These Regulations prohibit unlicensed diamond mining and trade, mandating government valuation prior to export and requiring that all imports and exports of rough diamonds be conducted by registered KPCS participants. Valid certificates and declarations must accompany every parcel, which must remain sealed throughout shipment to preserve its integrity. Provisions for re-exportation are also articulated. The Mining Commission plays a central enforcement

role, with powers to inspect, seize, and sanction violations. Penalties for non-compliance include fines, imprisonment, license cancellation, and forfeiture of diamonds. Additionally, all licensed miners, dealers, and brokers are required to keep detailed daily records of transactions, capturing buyer and seller information, quantities, and values, which are submitted monthly to the Commission. This mandatory documentation enhances traceability and creates a verifiable paper trail aligned with international certification standards.

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²³Belgiums fight against conflict diamonds.pdf
²⁴Howard, A. (2016). Blood diamonds: The successes and failures of the Kimberley Process Certification Scheme in Angola, Sierra Leone and Zimbabwe. Washington University Global Studies Law Review, 15(1), 137–163, at 152. Available at https://openscholarship.wustl.edu/law_globalstudies/vol15/iss1/6/. (Accessed on June 09, 2025).
²⁵From legend to leader? Zimbabwe's turbulent diamond history - IPS
²⁶Howard, A. (2016). Loc cit, at p. 156.
²⁷Annex 1 of the Kimberley Process Core Document, loc cit.

²³Regulation 3 of the Mining (Diamond Trading) Regulations (Government Notice (GN) No. 137 of 2019).
²⁴Regulation 8 of the GN No. 137 of 2019.
²⁵Regulation 9, supra.
²⁶Regulation 9(4) and Regulation 10(6) of the GN No. 137 of 2019, loc cit, respectively.
²⁷Ibid.

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3.2.The Mining (Mineral Rights) Regulations, 2018

These Regulations govern the granting³¹, renewal,³² and administration of mineral rights in Tanzania, including those for diamond extraction. They outline licensing procedures, demarcation standards³³, and eligibility criteria for various categories of mining operations. The Regulations emphasize that the prospecting license holders are subject to extensive record keeping obligations³⁴. Further, licensing process extends to environmental commitments, including Environmental Impact Assessment obligations, especially for medium and large scale mining applicants³⁵. The Regulations also mandate compliance with national development priorities, linking mineral rights with broader socio-economic planning.

²⁸Regulation 12, *supra*.

²⁹Regulation 17, *supra*.

³⁰Regulation 13, *supra*.

³¹Regulation 3 of the Mining (Mineral Rights) Regulation Government Notice (GN) No. 1 of 2018.

³²Regulation 4, *supra*.

³³Regulation 8, *supra*.

³⁴Regulation 10, *supra*.

³⁵Second Schedule (Application Forms and Certificates), *supra*.

³⁶Regulation 5 of the Mining (Lapidary) Regulations (Government Notice (GN) No. 485 of 2020.

³⁷Regulation 13(2) (c), *supra*.

³⁸Regulation 15, *supra*.

3.3.The Mining (Lapidary) Regulations, 2020

This legal instrument governs the value addition process for gemstones, including diamonds, by regulating lapidary (cutting and polishing) activities. Only licensed individuals or entities may conduct such operations³⁶, and they must disclose the source and type of gemstones processed³⁷. Regular reporting and record-keeping are compulsory³⁸.

The Mining Commission again plays a supervisory role, empowered to inspect facilities, examine equipment and documentation, and enforce sanctions, including confiscation or license suspension for non-compliance. These provisions are crucial for monitoring the mid-stream segment of the diamond value chain.

²⁸ Tanzania's Mining Commission Annual Report for the Financial Year 2022/2023, at p. 10. Available at: <https://www.tumemadini.go.tz/publications/reports/> (Accessed on June 14, 2025).

²⁹Ibid.

³⁰Adokanle Agbeliwoye, Top 10 African countries with the highest diamond production values, *Business Insider Africa*, July 22, 2024, <https://shorturl.at/KkqLIV> (Accessed on June 14, 2025).

³¹Africa Mining Market, Tanzania Now Owns 97% of the Williamson Diamonds Ltd, December 23, 2021, <https://shorturl.at/LqWz> (Accessed on June 14, 2025).

³²Section 102 of the Mining Act, 2010 [Cap 123, R.E., 2019].

³³Section 103, *supra*.

³⁴Section 105, *supra*.

³⁵Regulation 10 of Diamond Trading Regulations of 2019, *loc cit*.

³⁶Regulation 7, *supra*.



04

An Overview
of Tanzania's
Diamond
Governance

An Overview of Tanzania's Diamond Governance

Tanzania's diamond sector is primarily concentrated in the Shinyanga region, particularly around the Williamson Diamond Ltd (WDL) mine in Mwadui and adjacent small- and medium-scale mining operations in Kishapu District. With an average annual production of around 207,766.5 carats,³⁹ the sector generates approximately USD 34.8 million in revenue⁴⁰. Diamonds rank fourth (next to gold, copper and coal, in order) among Tanzania's top mineral exports, making the country the ninth Africa's largest diamond producer.⁴¹

Government revenue from the diamond sector is derived through various channels, including taxation and state equity, most prominently a 37% shareholding in WDL⁴². The legal and policy framework governing the sector imposes obligations related to local content⁴³, training and employment of Tanzanians, and corporate social responsibility (CSR),⁴⁴ in line with the broader aim of linking mineral extraction to national development. Oversight of the sector is managed by the Mining Commission, which also serves as Tanzania's designated authority under the Kimberley Process Certification Scheme (KPCS). Tanzania has adopted several procedural elements of the KPCS, including customs controls⁴⁶, and export certification⁴⁷. In addition, a suite of domestic

regulations governs mineral rights, diamond trading, and value addition. These include the Mining (Diamond Trading) Regulations, 2019; the Mining (Mineral Rights) Regulations, 2018; and the Mining (Lapidary) Regulations, 2020.

This overview provides the context for a deeper examination of how Tanzania's diamond governance framework operates in practice. The following thematic assessment explores four key governance dimensions: traceability and digitalization, benefit-sharing, environmental sustainability, and human rights protections, in relation to both KPCS obligations and domestic law. Through this lens, the analysis considers whether existing systems and practices adequately support transparency, accountability, and equitable outcomes in the diamond value chain.

4.1. Thematic Assessment: Gaps and Alignments in Diamond Governance

This section assesses how Tanzania's legal framework and the KPCS measure up against key elements of responsible diamond governance. It addresses critical gaps in traceability, benefit sharing, environmental

³⁹ Canada, Kimberley Process Certification Act, S.C. 2002, c. 25.

⁴⁰ Botswana, Precious and Semi-Precious Stones (Protection) Act, Cap 66:03, and the Mines and Minerals Act, Cap 66:01.

⁴¹ Annex 1 of the KPCS, core document, loc cit.

⁴² De Beers Tracr, available at: <https://www.debeersgroup.com/sustainability-and-ethics/leading-ethical-practices-across-the-industry/tracr> (Accessed on June 14, 2025).

⁴³ Bone, A. (2012). The Kimberley Process Certification Scheme: The primary safeguard for the diamond industry. In P. Lujala & S. A. Rustad (Eds.), High-value natural resources and peacebuilding. London: Earthscan, at p. 192.

sustainability, respect for human rights, and digital innovation, issues raised in the preceding overview. By examining the extent to which Tanzanian law and the KPCS enable transparent, inclusive, and sustainable diamond production, the analysis highlights areas where reform is needed to align with global best practices..

4.2. Traceability and Digitalization

4.2.1. Traceability

Under the KPCS, traceability is narrowly defined and largely restricted to the point of export. This upstream focus limits its effectiveness in detecting or preventing the laundering of illicit diamonds. Tanzania mirrors this limitation in its national framework. While diamonds are certified at the export stage, there is no continuous, legally mandated tracking of diamonds from extraction to final sale.

Tanzania has taken a partial step forward through Regulation 13 of the Mining (Lapidary) Regulations, 2020. This provision empowers the Mining Commission to inspect lapidary premises and verify documentation on gemstone provenance. However,

this regulation applies only to a segment of the downstream market and imposes no ongoing obligations on brokers, dealers, or retailers to verify provenance or maintain chain-of-custody records.

The absence of full-chain traceability creates blind spots in the diamond value chain. Unscrupulous actors can exploit these gaps to integrate undocumented or conflict diamonds into legitimate markets. In contrast, jurisdictions like Canada⁴⁸, and Botswana⁴⁹, impose traceability obligations on all actors, including retailers, and employ tamper-proof systems such as blockchain for verification. For Tanzania to meet global standards, comprehensive traceability reforms are essential.

4.2.2. Digitalization

The KPCS treats digital traceability systems as optional rather than mandatory⁵⁰. Tanzania reflects this permissiveness, relying on paper-based certification under the 2019 Mining (Diamond Trading) Regulations. The absence of digital technologies like QR codes, blockchain, or electronic records renders the system vulnerable to smuggling, forgery, and data gaps.

Peer jurisdictions such as Botswana and Namibia have

⁴⁸Daily News, May 24, 2025, Tanzania Thwarts Attempt to Smuggle Diamonds Worth 1.7 bn/- Available at: <https://dailynews.co.tz/95877-2/> (Accessed on June 14, 2025).
⁴⁹Microsoft Word - 2012 Washington Declaration.docx
⁵⁰Microsoft Word - 2012 Washington Declaration.docx

⁴⁹Tanzania's Mining Commission Annual Report 2021/2022, at p.4, Available at: <https://www.tumemadini.go.tz/publications/reports/> (Accessed on June 14, 2025).
⁵⁰The National Action Plan for Artisanal and Small-Scale Gold Mining (NAP-ASGM), implemented under the coordination of the Ministry of the State, Vice President Office, (Union and Environment). Available at: https://minamataconvention.org/sites/default/files/documents/national_action_plan/TANZANIA-NAP-EN-2020.pdf (Accessed on June 14, 2025).

integrated blockchain platforms (e.g., De Beers' Tracr)⁵¹ for real-time traceability. Tanzania has no legal basis for piloting or mandating such innovations. Modernizing the traceability component, KPCS should make digitalization a mandatory condition. These measures would incentive similar approaches in diamond producing countries, such as Tanzania, thus enabling such countries to meet growing international demands for transparency and accountability in the diamond trade.

Insights from a senior officer at the Tanzania Mining Commission reinforce this observation. The officer confirmed that Tanzania has not yet initiated the implementation of a digital traceability system for minerals including diamonds. As a result, there is limited institutional experience to assess the practical challenges such a system might entail. Nonetheless, the officer expressed a positive view of digital traceability and acknowledged the potential benefits of its adoption. This indicates a degree of institutional openness to reform, provided that policy guidance and technical support are made available.

4.3. Weak Enforcement and Oversight under the KPCS

The KPCS lacks an independent enforcement body, relying instead on member states' self-reporting and peer reviews, which weakens accountability⁵². This political model of compliance offers minimal consequences for violations, leading to inconsistent implementation. In fragile governed contexts, such as Tanzania, this has allowed illicit trade to persist under the radar of formal certification.

In Tanzania, enforcement gaps remain evident in the smuggling of gemstones, including diamonds, particularly following the 2017 amendments that centralized the issuance of export permits under the Tanzania Mining Commission in Dodoma. The resulting bureaucratic delays have created incentives for some actors to bypass formal export channels. Credible reports indicate that diamond smuggling continues to occur. For example, in May 18, 2025, authorities intercepted an attempted smuggling operation involving diamonds valued at approximately 1.7 billion Tanzanian shillings (about 635,847.66 USD).⁵³

Unlike peer countries with stronger institutional mechanisms, Tanzania's compliance is driven more by discretion than law. KPCS must strengthen its oversight regime. Similarly, Tanzania should decentralize export control and establish independent monitoring to close these gaps.

4.4. Artisanal and Small-Scale Mining in the KPCS Framework

The Kimberley Process Certification Scheme (KPCS) has made efforts to address artisanal and small-scale mining (ASM) through initiatives such as the Working Group on Artisanal and Alluvial Production (WGAAP), the Washington Declaration (2007)⁵⁴, and the Moscow Declaration (2005)⁵⁵, which outlined principles for ASM integration, formalization, and improving social conditions in mining communities. However, despite these commitments, implementation has largely fallen short, leaving ASM—which accounts for a significant share of diamond production in sub-Saharan Africa—insufficiently integrated into the KPCS framework.

In Tanzania, the gaps in ASM integration under the KPCS are evident. While gold production is systematically disaggregated by scale (large, medium, small) in official Mining Commission reports, diamond production figures remain generalized, obscuring the role of ASM.⁵⁶ Unlike gold, where Tanzania has adopted National Action Plans for Artisanal and Small-Scale Gold Mining (NAP-ASGM) under the Minamata Convention,⁵⁷ no equivalent measures exist for diamonds. The absence of ASM-specific diagnostics or national strategies in the diamond sector limits the government's ability to implement reforms or ensure compliance with KPCS principles at the artisanal level.

These findings are reinforced by insights from a senior officer at Tanzania's Federation of Miners Association (FEMATA), who explained that traceability is not a major concern among artisanal and small-scale miners (ASM), as their trade is primarily domestic. He further noted that, unlike gemstones such as rubies, which can often be traced back to their source, diamonds present a different challenge. Although many are mined in areas like Kishapu, the absence of traceability mechanisms means it is difficult to determine whether they originate from Tanzania or have been smuggled in from other countries, such as the Democratic Republic of Congo (DRC), for re-export to international markets.

Addressing this institutional neglect requires structural reforms within the KPCS to explicitly incorporate ASM into its certification and monitoring framework. Making ASM compliance a core component of the scheme would compel member states, including Tanzania, to adopt tailored national policies, improve traceability, and formalize the sub-sector. Given the KPCS's global influence, such reforms would catalyze policy harmonization across producing countries and advance a more equitable, transparent, and sustainable diamond economy, particularly in ASM-dependent communities.

⁵⁴ Section 105 of the Mining Act, *loc cit*.
⁵⁵ Section 81 of the Environmental Management Act of 2004.
⁵⁶ Section 105 of the Act, *supra*.
⁵⁷ *Giuseppe Lantini & Dickinson Wright*, November 13, 2022, *Experts Want Probe into Mwadui Plant by Independent Body*, *The Citizen*. Available at:

⁵⁸ *After the tailings dam collapse: Community perspectives on compensation and restoration at the Williamson diamond mine, Tanzania - IPIS*.
⁵⁹ *The Guardian*, May 18, 2021, *Petra Pays Euro 4.3 Million to Tanzanians 'abused by its contractors*, available at: <http://www.theguardian.com/global-development/2021/may/18/petra-diamonds-pay-43m-to-tanzanians-abused-by-its-contractors> (Accessed on June 2025).

4.5. Benefit Sharing

Tanzania's policy and legal framework includes provisions for local content, local employment, and corporate social responsibility (CSR). However, implementation is uneven, and gaps remain in ensuring that communities hosting diamond operations experience meaningful socio-economic benefits. The KPCS, with its narrow focus on conflict prevention, does not address benefit sharing, leaving critical governance challenges unaddressed.

4.6. Local Content

Tanzania's local content laws⁵⁸, aim to promote domestic participation but define "**local**" broadly as any Tanzanian or firm incorporated in Tanzania. There are no targeted provisions for host-community businesses. Residents near diamond mines often lack capital, capacity, or access to procurement opportunities. The KPCS also lacks guidance on local economic inclusion, leaving such issues outside its compliance model.

4.7. Local Employment

While companies like Williamson Diamond Ltd employ local residents for unskilled roles, skilled positions are often filled by workers from other regions. Tanzanian law does not impose binding employment targets or

training obligations for host communities. The KPCS remains silent on labor rights and workforce development.

4.8. Corporate Social Responsibility (CSR)

Though CSR is legally mandated in Tanzania, implementation is often politicized and fragmented. During Human Rights and Business surveys in 2024, the author noted that companies such as WDL, allocates 1% of its turnover (0.3% service levy and 0.7% CSR) to community projects, but priorities are often shaped by ward-level political dynamics rather than long-term community needs. The 2023 CSR Regulations defer project identification to local authorities but lack accountability mechanisms. The KPCS provides no CSR framework, making these gaps invisible at the international level.

4.9. Environmental Sustainability

Environmental governance is another critical blind spot in the KPCS framework, which imposes no obligations related to environmental risk management, sustainability, or independent auditing. This normative gap is echoed in Tanzania's domestic legal framework.

.For instance, under the Tanzania’s Environmental Management Act (EMA 2004), mining projects must conduct Environmental Impact Assessments (EIAs)⁶⁰, but there is no legal requirement for Strategic Environmental Assessments (SEAs),⁶¹ or Environmental and Social Impact Assessments (ESIAs) that would address cumulative and social risks.

Moreover, while environmental audits are permitted under the EMA, they are not aligned with international standards like the Global Industry Standard on Tailings Management (GISTM). A stark example is the expansion of WDL’s license in 2022 without an independent tailings audit.⁶² The failure of a tailings dam shortly thereafter displaced over 50 households, underscoring the regulatory weaknesses.⁶³

By failing to take measures such as aligning independent audits with best practices, undertaking comprehensive risk assessments, or public disclosure, Tanzania’s legal framework falls short of ensuring environmental safeguards in diamond mining. Therefore, reforming the KPCS to include environmental due diligence standards would provide the necessary leverage for domestic legal reforms, thereby enhancing protections for mining-affected communities and ecosystems.

⁶⁰ Ibid.

4.10. Respect for Fundamental Human Rights and Security Risks

The narrow definition of “conflict diamonds” under the KPCS excludes systemic human rights violations committed by state security forces, private contractors, or corporate actors. This gap renders the KPCS silent on abuses that fall outside civil war contexts, weakening its credibility as a framework for responsible sourcing. Companies operating in countries like Tanzania can receive “conflict-free” certification despite documented links to violence and repression against artisanal miners and host communities.

Tanzania’s Williamson (Mwadui) Diamond Mine illustrates this regulatory failure. For instance, between 2009 and 2020, multiple human rights violations were reported, including shootings, beatings, and arbitrary detentions of local artisanal miners by police and contracted mine security.⁶⁴

In a landmark legal case filed in the High Court of London, 71 Tanzanian claimants brought a class action lawsuit against WDL, alleging severe abuses tied to the mine’s security practices. Although the case was settled for £4.3 million without admission of liability, the mine’s diamonds retained their “ethical” certification throughout.⁶⁵ These abuses stem from state and corporate security arrangements, not rebel activity, and thus escape KPCS scrutiny revealing a structural flaw in the KPCS framework.

Domestically, the absence of a comprehensive law governing private security services has contributed to weak oversight of guards deployed at diamond mining sites. A senior officer from the Commission for Human Rights and Good Governance (CHRAGG) confirmed that there is a legal and institutional grey area regarding responsibility between private security and the police. CHRAGG's officer added that majority of the private guards are inadequately trained in human rights standards, may commit abuses under minimal supervision. The officer added that when companies do conduct human rights training, it is frequently compliance-driven rather than transformative to impart the knowledge of human rights to private guards.

To add on, CHRAGG's officer noted that in cases of excessive force, the police tend to disassociate themselves while companies claim the incidents are internal matters, complicating accountability. This gap is compounded by the 2018 Mining (Integrity Pledge) Regulations, which do not define human rights violations as breaches of responsible sourcing.

If the KPCS were reformed to explicitly address security-related abuses, regardless of the perpetrator, it would create drive for Tanzania to adopt international frameworks such as the Voluntary Principles on Security and

Human Rights (VPSHR), enact stronger laws on private security oversight, and revise the Integrity Pledge to include enforceable human rights obligations. Such steps would enhance accountability and reinforce human rights governance within the diamond sector.

05 Conclusion and Implications for Tanzania

Tanzania's engagement with the Kimberley Process Certification Scheme (KPCS) highlights both the promise and the limitations of global efforts to regulate the diamond trade. While the country has undertaken notable legal reforms, such as the Mining (Diamond Trading) Regulations, 2019 and the Mining (Lapidary) Regulations, 2020, to align with KPCS standards, its experience reveals deep-seated systemic challenges. These include weak traceability systems, the exclusion of artisanal miners, environmental degradation, and a narrow conflict definition that fails to encompass human rights abuses.

Tanzania's situation is not unique but symptomatic of the broader structural shortcomings of the KPCS framework, particularly its limited mandate, lack of enforcement powers, and outdated normative scope. Although membership in the KPCS is technically voluntary, its operational structure, especially the prohibition against trading rough diamonds with non-members, renders it a de facto compulsory regime for diamond-producing and trading nations. As such, reforms at the KPCS level are likely to catalyze domestic legal and institutional changes in countries like Tanzania.

A more robust, inclusive, and enforceable KPCS, featuring mandatory environmental safeguards, digital trace-

ability, human rights due diligence, and greater transparency, would establish international benchmarks that Tanzania and other member states would need to incorporate into national laws and practices to maintain trade legitimacy and market access.

For Tanzania, the implications of such global reforms would be far-reaching. Thus, strengthened KPCS standards could trigger amendments to domestic legislation, such as more stringent traceability rules, the formalization of artisanal mining, and more equitable frameworks for benefit sharing and environmental protection.

In this way, Tanzania is not just a participant in the KPCS, it is also a lens through which the limitations of the current system become visible, and a likely beneficiary of meaningful international reform. A reimagined KPCS, aligned with modern governance and sustainability standards, would therefore serve as both a trade facilitation mechanism and a driver of transformative legal and policy change in Tanzania's diamond sector.

A person in silhouette stands in a cave, looking towards a bright light source. The cave walls are textured and illuminated with a greenish glow. The person is wearing a headlamp and a backpack.

06 Recommendations

06. Recommendations

Strengthening the Kimberley Process Certification Scheme (KPCS) is critical not only for improving the integrity of the global diamond trade but also for driving domestic reforms in participating countries. Tanzania's experience underscores how gaps at the international level can undermine national efforts. The recommendations below aim to enhance the KPCS so it can more effectively influence legal and policy changes across member states.

6.1. Short-Term Recommendations:

1. Strengthen the KPCS Secretariat and National Alignment

The KPCS Secretariat in Gaborone should be better resourced and equipped with technical expertise to fulfill its mandate effectively. Tanzania, in turn, should strengthen internal controls, improve reporting, and integrate KPCS standards into national mineral policies to meet its obligations and enhance credibility in the global diamond market..

2. Expand the Definition of Conflict Diamonds

The KPCS should revise its definition of conflict diamonds to encompass human rights abuses, environmental degradation, and state-sponsored violence. This broader definition would reflect current global concerns and close the loopholes that allow unethical diamonds to enter legal trade.

3. Mandate Digital Traceability Mechanisms

The KPCS should establish minimum digital traceability standards for all member countries, including blockchain-based tracking, QR-coded certification, and electronic data submission. These systems would enhance real-time monitoring and reduce forgery risks..

4. Strengthen the Functioning of the KPCS Secretariat

While the Kimberley Process already has a Secretariat based in Gaborone, established in October 2024 with a mandate to enhance coordination, monitoring, and institutional memory, its effectiveness will depend on

adequate resources, clear operational procedures, and independence from political influence. Strengthening its capacity with technical and legal expertise, improved transparency mechanisms, and stronger enforcement support would ensure it fully delivers on its intended role.

5. Formalize Artisanal and Small-Scale Mining (ASM) Integration

KPCS should develop and adopt ASM-specific guidelines and reporting frameworks, recognizing the distinct challenges and risks associated with this sector. This could include simplified certification procedures and incentives for formalization.

6.2. Long-Term Recommendations:

1. Introduce a Binding Compliance Mechanism with Graduated Sanctions

The KPCS should evolve from a political consensus model to a rules-based framework with clearly defined sanctions for non-compliance. A tiered enforcement

structure, including warning systems, temporary suspensions, and public disclosure, would promote accountability.

2. Broaden Scope to Include the Entire Diamond Value Chain

The current KPCS oversight stops at the export of rough diamonds. A reformed KPCS should extend its purview to include polishing, retail, and post-processing stages to ensure comprehensive supply chain integrity.

3. Establish Global Reporting Benchmarks and Public Databases

Mandate the creation of a central, publicly accessible database of KPCS reports, country reviews, and audit findings. This would allow greater scrutiny by civil society and international watchdogs, improving transparency and trust.

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