

**STATEMENT BY HIS EXCELLENCY PRESIDENT AHMAD TEJAN KABBAH IN  
KOIDU ON THE OCCASION OF THE LAUNCHING OF THE KONO PEACE  
DIAMOND ALLIANCE ON WEDNESDAY 27TH AUGUST, 2003**

We are gathered here today to demonstrate the seriousness which my Government and our development partners attach to the need to clean up the diamond industry. This is necessary in order to ensure that this valuable asset benefits the people of this country and that the evil practices associated with the mining and sale of diamonds are eliminated.

The following can be listed among the common and well-known problems associated with the diamond industry in Sierra Leone, particularly in Kono:

- Illegal mining
- Smuggling
- Environmental damage
- Poor working conditions - Including child labour
- Misuse of official positions and power

The resultant effect is that the average Sierra Leonean in the industry benefits very little from it. These bad practices must be stopped. They destroy the economy of this country and may endanger the reputation, security and image of Sierra Leone. My Government and our development partners will spare no efforts to bring them to an end. By the effective implementation of the measures we have already adopted and those we will be announcing at this meeting, we are convinced that we shall succeed in eradicating those undesirable practices, which had plagued our diamond industry for so long.

The solutions to some of the problems can be found in such important initiatives as the Kono Peace Diamond Alliance, which we are gathered here to launch today, and for which we are grateful to the United States Government.

The importance of the Alliance, is demonstrated by my presence and the presence of representatives of the United States Government, the British Government, the United Nations, the legitimate members of the private sector, human rights organizations, and various organizations and traditional leaders of this community.

All members of the Kono Peace Diamond Alliance are working towards common goals, particularly:

- To increase the benefits to local people in Kono and other Sierra Leoneans; and
- To improve our ability to manage, regulate, and police diamond activities in Sierra Leone.

The Alliance has recently elected an Executive Committee that will monitor, investigate, and make recommendations about improving the diamond mining and marketing business here in Kono.

Building on the success of the work here in Kono, the Alliance will branch out into other parts of the country.

Recently we have taken important initiatives to ensure that the country and its people and bona fide investors derive benefits from the diamond trade and from their legitimate investment.

Our efforts are beginning to bear fruit as can be seen from the fact that the Diamond Area Community Development Fund is sending part of diamond export taxes collected back to the communities and legal diamond exports have tripled in the past two years. More miners are taking out legal licenses, and illegal mining operations are being shut down.

Every diamond that is smuggled out of this country robs the nation of the resources we need to build roads, schools, and clinics and money to pay the salaries of our valued public servants. Smuggling also robs communities of their fair share of diamond export taxes - money that could go toward development projects that are desperately needed. I ask Chiefs and communities to take responsibility for ensuring that diamond mining and dealing is conducted legally. We need your cooperation. We need your eyes and ears to detect illegal practices in the industry and expose them. This is your patriotic duty as citizens of this beautiful country

We cannot allow Sierra Leone to become a haven for criminals. We must move fast to stop intending or potential criminals in their tracks. My Government intends to adopt additional policy measures, the proper implementation of which, I am certain will produce the desired results in the diamond industry.

I have asked the Ministers of Finance, Mineral Resources, Agriculture, Forestry and Food Security, Trade and Industry, Local Government and Community Development, the Attorney-General and Minister of Justice, the Police and the Governor of the Bank of Sierra Leone, singly or in collaboration with each other to speedily review policy measures and provide appropriate guidelines and regulatory framework for the industry's operation in the following areas:

1. The Attorney-General and Minister of Justice in collaboration with the Minister of Mineral Resources are to examine the existing penalty for the unlawful possession of diamonds with a view to reinforcing the law so as to make it an effective deterrent and to enhance the payment of reward to those detecting attempts at smuggling or the unlawful possession of diamonds.

2. The Attorney-General and Minister of Justice in collaboration with the Minister of Local Government and Community Development are to provide guidelines for the implementation of the proviso in Section 18 of the Constitution which authorizes the imposition of restrictions on the movement or residence of Sierra Leoneans in designated diamond mining areas, particularly Kono, as a measure reasonably required in the interest of the proper management and exploitation of the mineral resources of the country.

3. The Attorney-General and Minister of Justice is to prepare a draft regulation, also under Section 18 of the Constitution, for the imposition of restrictions on the residence and movement within designated diamond mining areas especially Kono, of African and non-African non-Sierra Leoneans, including citizens of other ECOWAS countries. The purpose for imposing such restrictions is to give effect to the proper management and exploitation of the diamonds in those areas and to prevent illegal and unlawful activities relating to diamonds. This pronouncement should serve as further warning that any illegal or unlawful conduct by foreigners in the diamond trade will render them liable to immediate expulsion from Sierra Leone.

I would like to emphasize here that there is no desire on the part of my Government to abrogate its commitments to respect the free movement within Sierra Leone of citizens from ECOWAS member States. We are only taking steps

to prevent activities that are inimical to the economy and security interests of Sierra Leone. The restriction on non Sierra Leoneans will involve the requirement for them to be in possession of entry permits for access to designated diamond mining areas, especially Kono.

I further emphasize that the restrictions in access to diamond areas is not to be interpreted as a call for residents in such areas to try to take the law into their own hands by trying to enforce such restrictions themselves. Only legal law enforcement agencies have that right.

4. Criminal elements are trying to take advantage of the fact that diamond transactions can be conducted in cash instead of through proper banking channels. In order to ensure that the diamond business is conducted in a legitimate and transparent manner and through banking channels, the Governor of the Bank of Sierra Leone and the Minister of Finance are to take prompt action, including the enforcement of existing rules and regulations to ensure that all funds transmitted from overseas for diamond purchase and related activities are channeled through the banking system.

5. In order to eliminate the possibility of money laundering within Sierra Leone, an activity which can easily be engaged in under the guise of the diamond trade, the Attorney-General and Minister of Justice together with the Police are to examine the existing law relating to searches of persons and property with a view to making provisions that would empower the Police to carry out spot checks of persons and premises for the unlawful possession of large sums of foreign currency. I underline the words unlawful possession, and emphasize that all such searches will be conducted with full respect for the legal rights of all persons, including the requirement to obtain the necessary search warrants.

6. I am aware of the existence of a few local associations such as the Diamond Dealers Association. I welcome this trend provided these associations exist only as self-regulatory mechanisms for members in the diamond industry. They should on no account be used as alternative bodies to perform functions which are properly within the purview of Government or the Ministry of Mineral Resources. In particular they should not be used as mediums for extortion or levying dues from persons legitimately engaged in the diamond business. Rather they should be used to enhance the observance and implementations of the rules and regulations made by Government.

7. It will be recalled that the National Reformation Council (NRC) junta in 1967 decreed that Paramount Chiefs should have no role in the granting of mining licences in their chiefdoms. Because of the emerging confidence between paramount Chiefs and my Government, and my earnest desire to restore the dignity and self-esteem of Paramount Chiefs, my Government restored the right of Paramount Chiefs to have a say in the award of licences for diamond mining in their chiefdoms. It is my desire that the existing situation should continue, but only on condition that the confidence I have reposed in the institution of Paramount Chiefs is not abused. It is my hope that in the performance of their role in this regard, the paramount Chiefs of Kono and other designated diamond mining areas, will act as the eyes and ears of the Government in the observance and enforcement of the law and correct practices in the diamond mining and marketing industry.

In this regard I would like to restate a point I made on the occasion of my recognizing the newly elected Paramount Chiefs in January this year. I advised Paramount Chiefs to consider the question of re-instating the "landlord-stranger"

concept which existed in this country long before Colonial times. According to that arrangement all adult male strangers visiting a community were required to stay with an indigene or a well-respected non-indigene in the community, who acted as his host or landlord. Under the arrangement the landlord was expected to present the stranger to the chief with a 'greeting kola' and to explain the purpose of the stranger's visit.

Throughout his or her stay the landlord was responsible for the actions of the stranger. The landlord therefore had to ensure that the stranger behaved in conformity with the norms of the community. In that way, it became difficult for outsiders to easily infiltrate a community and later cause havoc, as the former rebels did, for example in Pujehun, Kailahun and many other places, which they entered posing as innocent visitors or bona fide travellers.

In considering this idea, the Chiefs may wish, in this day and age, to consider dropping the "greeting kola" tradition from the custom."

I made the above statement in the context of preserving national security. But it is also pertinent in the context of ensuring that undesirable persons do not enter and reside in designated diamond mining areas undetected. So I urge all Paramount Chiefs and Chiefdom elders in Kono to heed the admonition contained in the above statement.

8. You will also recall the declarations I made recently during the meeting of the Cabinet in Bo. I wish to restate and reaffirm two matters. I directed that diamond export license fees payable by Sierra Leoneans be brought to the same level as those payable by non-Sierra Leoneans. This is to put an end to the rampant and undesirable practice of Sierra Leoneans agreeing to be used by foreigners to acquire diamond export licences at the lower fee for the benefit of those foreigners.

I also directed that the Government Gold and Diamond Office (GGDO) should be transferred to the National Revenue Authority (NRA). In addition to that new institution being responsible for revenue collection which also forms the bulk of the activities of the GGDO, it is hoped that the new arrangement will ensure that allegations of irregularities in the valuation and assessment of taxes due and payable by diamond exporters will cease to exist.

9. My Government in collaboration with our partners is determined to ensure that Sierra Leonean miners participate actively and meaningfully in the entire chain of activities associated with the diamond industry from mining to exporting in order to maximize the benefit to Sierra Leoneans.

In this regard, I am acutely aware that there are some Sierra Leoneans employed as mine workers under conditions of severe exploitation by unscrupulous diamond licence holders or by "supporters" of diamond licence holders. This is a situation which does not enhance the advancement of such mine workers. It does not hold out any prospects for their benefiting from the diamond industry in which they devote a good part of their youthful years engaging in drudgery.

Government's aim is to ameliorate such a situation and encourage diamond mine workers to embark on measures which will be beneficial to them and which will ensure that they too realize reasonable returns from the diamond industry, or in the alternative revert to other profitable income generating activities. In this regard, I have put the following measures in place:

a. The Minister of Trade and Industry is to assist in organizing willing diamond mine workers into cooperatives which will be assisted with logistics and inputs from donor organizations. USAID, for instance, has offered to make some contributions towards the success of such cooperative ventures. The Ministry of Mineral Resources will also assist in providing the necessary technical and other assistance for the success of these cooperatives, and arrangements are being put in place to facilitate the allocation of mining plots to cooperative groups to enable them to embark on legitimate and transparent mining activities. The members of such cooperatives would also be trained in determining the value of diamonds and in the best marketing practices. I urge mine workers in Kono, especially youth groups, to take advantage of the opportunities to earn themselves a decent living.

b. As an incentive to encourage residents in Kono to adopt farming as an alternative to diamond mining for meaningful and assured employment, Government is prepared to provide adequate support, through the Ministry of Agriculture, Forestry and Food Security and other appropriate agencies and donors, to those who choose to go into farming and related activities. It is a fact that a vast area of the land in Kono is fertile agricultural land. I urge that, instead of concentrating too much on diamond mining, the people of Kono, particularly the youth group, turn to agriculture where the rewards are more predictable and often even higher.

Putting all of the foregoing measures in place requires the adoption of a reciprocal sense of responsibility on the part of the miners, local communities and local authorities.

You will recall that during my last visit to Kono, I warned all persons to desist from mining in prohibited areas. I gave that warning mindful of the safety of the people involved in such operations and the protection of the areas affected. My conferring with the Minister of Mineral resources resulted in the cancellation of 28 licenses held by persons engaged in mining areas considered unsuitable. I have been informed that the ban, initially complied with has recently been flouted and that mining activities in these areas have been intensified. The veracity of this information is being ascertained and if this is the case the law enforcement agencies of the State have been urged to take prompt action to rid those areas of such unpatriotic individuals and bring the operations firmly to an end.

I have also received information that diamonds are being mined in new areas in the country for which licences have not been issued. Such areas include Kamakwei, parts of Pujehun, Zimmi and Sumbuya. I warn here that diamond mining anywhere in Sierra Leone without the possession of the appropriate permit is an offence punishable by law. This therefore serves as another notice that any person who engages in mining diamonds anywhere in Sierra Leone without a valid mining licence is committing an offence under the Mines and Minerals Act 1994 and is liable to prosecution. The Police have been instructed to ensure that such illicit miners are tracked down and brought to account.

It has been observed that some holders of artisanal licences have more extensive operations than allowed by law. Some small scale miners also carry out highly intensive mechanized mining that would require the taking out of mining leases as stipulated by law. They thus circumvent provisions for having a responsible environmental management plan as required by law for companies with mining leases. It has also been observed during a recent UN special flight along the River Sewa that artisanal miners are illegally encroaching extensively on areas for which companies have exploration and prospecting leases. I warn that such illegal

mining operations should cease forthwith as the full force of the law would be applied against any person caught committing such offences.

My Government is aware that some of the reasons why reputable Diamond Companies ceased operations in Sierra Leone even before the war were the poor regulation of the industry by the Government and the near-nationalisation of the large scale mining industry. Undue Government interference deprived the companies of the ability to manage their operations and apply best practices. With the resultant drop in new capital investments that would extend mine life and ensure continued profitability, the mines were operated poorly for a while and then closed down. My Government now wishes to attract to the industry reputable companies that have demonstrated good business ethics.

Government will accord all reputable companies the full protection they desire to enhance their operations and maximize the returns on their investments. We shall adhere to acceptable standards in the industry and shall also ensure relative consistency of major policies and security of tenure for properly held leases.

We have established a high level committee to monitor the operations of the diamond industry. Recourse can be had to this Committee by any investor who has any grievance against the Government or any person whose conduct may adversely affect the operations of the investor. Government will pay heed to advice from that Committee in such matters.

I am sure we are all pleased to note the improved prospects for the return of peace to Liberia. This is an encouraging development which I cherish and hope will be sustained. It would eventually result in the reactivation of the Mano River Union. Concerted efforts will again be exerted by the member states of the Union to put in place and enforce common laws which will curb the instances of diamond smuggling. It is indeed a development which will enhance and promote peace and security in the member states of our Union and in the process sustainable development in our respective countries.

Let me remind all here today that the involvement of the Governments of the United Kingdom and the United States of America, in our current efforts to clean up the diamond industry is not accidental. It is another hallmark in a long history of healthy relations between the two countries and Sierra Leone marked by notable acts of goodwill and support towards our people on the part of these two great nations.

In the case of the United Kingdom, we have throughout our crisis and in particular since independence, benefitted immensely from their economic, military, technical and humanitarian assistance. All of us here are familiar with the robust, spontaneous and decisive manner in which the United Kingdom responded when our survival as a wholesome democratic State was recently threatened.

Even before the establishment of formal diplomatic relations between our two countries, the United States realized our need for assistance after Independence and deployed a significant number of Peace Corps Volunteers who played vital roles in the development and operation of our post independent public and private institutions in the areas of education, agriculture and community development among others. The extent of the diplomatic and financial support by the United States to our country at all times and particularly during the time of our crisis cannot be measured. We have benefitted from the contribution by the U.S. Government of over 25% of the running cost of UNAMSIL in Sierra Leone

which has helped us to achieve and secure peace. The US is now very active in providing the means for us to sustain the peace and quickly move into meaningful development.

Our profound thanks are therefore extended to these two great nations. We also extend our gratitude to the United Nations, and our other donors, not only for the assistance they are currently providing us with in the area of security but also in our efforts to move from relief to development.

Finally, let me re-emphasize that I am holding all public office holders accountable for their actions. There are no untouchables. Abuse of power, and betrayal of the public trust will not be tolerated. I want our citizens and people from around the world to look upon our officials with respect. But respect is not freely given - it must be earned. I want all of us who are holders of the public trust to be true to that responsibility. Those who dishonour our public institutions will not hold their positions much longer.