

## ***Truly Ethically Mined Diamonds From Africa Are Available Now!***

A [www.fairjewelry.org](http://www.fairjewelry.org) Interview With Lisa Tassi and Michael Dreyfus of DIAMAID by Marc Choyt

The Swiss company has a radical business model that implements multiple fair trade principals bringing us the most responsibly sourced diamonds from Africa in the industry. The company has been set up not to make profits for any individual, but rather to fund NGO projects in Africa through Diamond sales.

Many people do not want to buy African diamonds because the Kimberly Process has so many holes in it. Yet we may be reluctant to purchase only Canadian or Russian because legitimate African diamonds are a critical part of many economies. By supporting [DIAMAID](http://www.fairjewelry.org), we support a positive trend in Africa toward responsible and ethical mining.

At the JCK Show, I sat down with Lisa Tassi and Michael Dreyfus to discuss DIAMAID, a foundation based in Geneva with a revolutionary product and business model. Follow up questions were done via email.

The DIAMAID Foundation's mission is twofold:

- 1.) - To participate in the healthy development of diamond-rich countries through the funding of education and health related projects for the populations most in need in the producing countries (members of the Kimberley Process), associating the ultimate symbol of wealth - *diamonds*, with social responsibility.
- 2.) - To develop ethical supply chain mechanisms within the diamond industry with the goal to improve living standards of workers in mines and in their communities.

While just about all businesses is created to generate profit, DIAMAID's objective, as a diamond source for the trade, is to give back to diamond producing populations. Trading business entities are legally bound to give back a minimum of thirty percent of their profits generated by diamond sales to the foundation, which will fund programs for the populations most in need.

***MC: The greatest challenges in producing Fair Trade diamonds, it seems, has been on the supply side. How do you assure that the diamonds are being produced under fair trade protocol?***

**Diamaid:** The foundation has defined criteria which have to be fulfilled for a producer to comply with the DIAMAID requirements. Participating mine owners sign a charter agreeing to the principals voluntarily. The supplier then has to go through a thorough assessment of each criteria for each specific mine. Third step is an audit, from either the foundation or a third party, as to whether the assessment is correct and the criteria fulfilled.

**MC:** *What are your Fair Trade criteria?*

**Diamaid:** We have set a broad set of criteria beyond compliance with national legislation and developed a human rights approach in respect of: non discriminatory treatment, child labor, forced labor, health and safety, working conditions, collective bargaining and disciplinary practices. On top of this, we add another important criterion that is relation to security forces since it's an area where many abuses occur.

**MC:** *What about environmental restoration at mining sites? Are there any protocols?*

**Diamaid:** As of today our scope does not cover environmental concerns but we will look into how integrating them in the future. On another fold, we will assess feasibility and relevance in funding a program to reduce and heal detrimental environmental impact on health.

**MC:** *I would like to ask you about the issue of using the word, "Fair Trade." I believe that Transfair, the organization that holds the Fair Trade labeling brand, holds that what you are doing is technically not "Fair Trade" as they define for two reasons. First, the money is not going back to the people in the mine directly. It is going back to Africa. Second, the process does not lead to ownership by the miners of the mine. I am wondering if you are, in your efforts to be "fair trade," diluting the "fair trade" brand. Or, are you using a definition from another competing Fair Trade certification organization?*

**Diamaid:** You are right. We are actually not claiming Fair Trade Diamond but Ethical Diamonds. The fair trade definition is very precise and by no mean do we want to dilute it. Another key difference is that the consumer is not the one paying the cost difference. Our approach is different, it combines fair trade standards, human rights requirements and business voluntary principles to improve and promote best practices and continuous progress within the "regular" diamond industry.

**MC:** *How do you assure that no conflict diamonds are leaking into the supply chain in the mines?*

**Diamaid:** Well, this is a great challenge facing the industry, which is why we are only working with actors committing to respect the DIAMAID principles, meeting our transparency requirements and submitting themselves to the auditing and monitoring procedures. We do the maximum to track DIAMAID diamonds along the whole supply chain in order to have the highest guarantee of the respect of our ethical standards.

**MC:** *Why would these mines want to be fair trade?*

**Diamaid:** Raise of awareness made by several NGOs encouraged suppliers to be more transparent on their practice. It is a way for them to say I am in the diamond business—but I have mines that are "clean". I believe producers also start to value more the business

interest of having workers with better working and living conditions. Finally, the rise of awareness among consumers created a demand for diamonds which are not involved in human atrocities.

**MC:** *So you bypass countries that do not have a mine that can meet your criteria? For example, do you have anything going on in Sierra Leon?*

**Diamaid:** We are not working in Sierra Leon as of today. We will absolutely not take diamonds from mines which do not meet our criteria. At the same time, we are developing ways to improve working conditions and standards for countries facing the greatest challenges, where the population really needs revenue generated through diamonds for their survival and development. In that respect, we will tackle Sierra Leone when the opportunity for standard compliance rises.

**MC:** *Is the supplier given extra money from you to meet these criteria?*

**Diamaid:** No, not at all. The suppliers we work with are committed to social improvements. It is their side of engagement and responsibility to promote and support the values carried by our initiative....

**MC:** *How are the diamonds certified and priced to the trade?*

**Diamaid:** Diamonds are GIA or HRD certified. They also come with a DIAMAID certificate which guarantees that the ethical criteria are being fulfilled. The pricing is based on RAP.

**MC:** *Where is the cutting taking place?*

**Diamaid:** We are developing DIAMAID cutting workshops in South Africa and in Switzerland. We apply the same level of standards to those centers.

**MC:** *You mentioned that there are two components to your model.*

**Diamaid:** The foundation identifies and works with suppliers willing or engaged in promoting greater human dignity, once certified, diamonds are put on the market through the trading companies accredited by DIAMAID which give back at least 30% of their profit to the foundation. The trading entities have as their main goal to fund humanitarian programs through the DIAMAID foundation and not to make maximum profit for their shareholders. The bigger the trading, the bigger the funding will go back to the foundation.

**MC:** *You mentioned Patagonia. They do 10% of gross profit or 1% of total sales, which ever is higher. You are doing 30% of total profit, but what percent of total sales?*

**Diamaid:** 5% of total sales, or whichever is higher

***MC: Who are the stake holders of the stake holders is the president of the foundation?***

**Diamaid:** The President of the foundation, Christophe Gauthier, is the main share holder of the existing company. He is the one who came up with the concept and who has funded the start up. The DIAMAID initiative is rooted in the ethical leadership of our president.

The initial idea is the foundation, for it to happen concretely there had to be trading units which only sell DIAMAID diamonds. They have been established for the foundation to raise the biggest amount of funds as possible. The trading piece has to be seen as an operating mechanism. Usually it is the opposite: you have a business entity and you set up a foundation to do good. We are a foundation first. The trading entities were develop as the operating way of our funding. In order to prevent any kind of abuse, the “giving back” from the trading company to the foundation is legally binding and therefore does not rely on a philanthropic choice. This is a huge difference with the usual business model. Some business people do think we are a bit crazy!

***MC: Tell me about your president.***

**Diamaid:** Our president has been in the gem stone business since he was fourteen and has been deeply shocked by the impressive gap between living conditions of miners and the cash value of the gem trade. At some point he said, this is enough inequity. This is a sector where you can actually do good. At the same, he has been consistently engaged, on a personal level, in several charity activities and decided to combine his knowledge of a sector and its actors with a personal commitment to greater social justice. He has been able to mobilize and engage the diamond sector to join the project and to make this concept happen and exist.

***MC: How can I be assured that the profit is not being kept low by simply having salaries of employees high? Is there going to be any public disclosure or full transparency of how the income is distributed within the company?***

**Diamaid:** We have on the same logic as Patagonia. That is a % of gross sales or profit, whichever is the highest. The foundation will be very demanding in terms of revenue transparency from the company as well as financial auditing will be conduct by an independent body.

***MC: There are huge issues in appropriate development. How are you assuring that the money is getting to the right place?***

**Diamaid:** We are doing all we can to assure everything is transparent, accountable and clean... We fund NGOs which have demonstrated reliability in terms of programs and finances and which meet our own standards to fund projects.

*MC: Are you going to disclose which organizations you give to and the amount of funds that are given?*

**Diamaid:** Absolutely. There will be full transparency on these aspects. The foundation will yearly communicate on how the money is spent.

*MC: In your business plan, do you intend, also, to sell your diamonds directly to the retail customer, or are you strictly offering the diamonds to the trade?*

**Diamaid:** DIAMAID diamonds will be available to everyone. We have many different prospects. The purchasing of diamonds is open to all.

*MC: How are you going to separate your retail diamond business from your trade diamond business? For example, if I post a link to this interview from my website, and my customer decides to bypass me and go directly to you, are you going to just offer him trade price?*

**Diamaid:** No, trade prices will be available for professionals only and will not appear on the website.

*MC: How do people get your diamonds now?*

**Diamaid:** It is possible to order directly from us in Europe. We can supply a broad variety of diamonds. It doesn't matter what the amount of the order is. The trading is meant to generate funds for the foundation's programs and it will!

Contact Diam-Aid directly at: [info@diamaidfoundation.com](mailto:info@diamaidfoundation.com), for info on purchase of DIAMAID diamonds: [ltassi\\_diamaid@voila.fr](mailto:ltassi_diamaid@voila.fr)

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