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Cooperative power

Matthew Morrell of London-based Direct Source Gems has been working with a cooperative in DR Congo to bring fully traceable, responsibly mined diamonds to market. Ruth Faulkner finds out more



The term ‘artisanal mining’ is used and misused,” explains Matthew Morrell, a graduate gemmologist and founder of boutique gemstone and diamond merchant Direct Source Gems.

According to Morrell, artisanal mining – that is mining using hand tools and traditional techniques – accounts for more than 80% of coloured gemstone production worldwide, but only 20% of diamond production. “Those engaged in it are surprisingly skilled and knowledgeable,” he says. “This knowledge is shared orally and they [artisanal miners] operate in parts of the world where land rights are customary, and outsiders are treated with caution.”

As such, the importance of artisanal miners must not be underplayed. They are, after all, experts in locating, identifying and extracting gemstones and diamonds. As Morrell explains: “They may lack formal education – but that doesn’t mean they aren’t efficient or good at business.”

Another consideration to note, when it comes to artisanal miners, is that they generally have a stake in the area in which they mine. It is where they live and, often, where they farm. “They have every reason, therefore,

to care about the local environment, or at the very least to understand it and its importance,” adds Morrell.

However, because of the nature of the way they work, artisanal miners can lack direct access to international markets, relying on intermediaries to help deliver their goods to market.

“The lack of international market access is advanced as one reason miners get caught in ‘poverty traps,’” says Morrell. “It is the justification for expensive donor and development NGO-led interventions, which deliver mixed results. Yet, artisanal mining – if harnessed the right way, and as part of a diversified livelihood strategy – promises broad-based development, without destabilising external interventions.”

With sustainability and ethics increasingly high on consumers’ agendas, people are looking to buy ‘ethically sourced’ or artisanal goods, and diamonds and gemstones are no exception to this. For Morrell, the challenge, as a boutique diamond and gemstone merchant, is how to meet this demand and provide trade customers and, in turn, consumers with a robust alternative to large-scaled, factory-worked diamonds.

The answer for Direct Source Gems

(Above) Artisanal miners in DC Congo; (below) the diamonds are cut by hand in three custom cuts

came via a pre-existing relationship that Morrell had with Pieter Bombeke, a third-generation veteran Antwerp diamond cutter. “We were first introduced when I was studying for my Graduate Gemmologist qualification in Antwerp, at HRD in 2007,” says Morrell. “I then passed through his workshop in 2019, a few months after a long trip to east Africa scouting for coloured gemstone cooperatives to help connect directly to the international market, providing assurance of origin and assurance around mining operations.

“Pieter was intrigued, and asked me if I would like to be involved with a project to connect a diamond-mining cooperative to the international market via Antwerp. The challenge I had confronted in east Africa was finding cooperatives willing to do what was required. So I jumped at the chance, as I could see the possibilities and the level of commitment in the



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Matthew Morrell Direct Source Gems

◀ group – led by the Congolese head of the cooperative, Emile Ekonda-Elasha.”

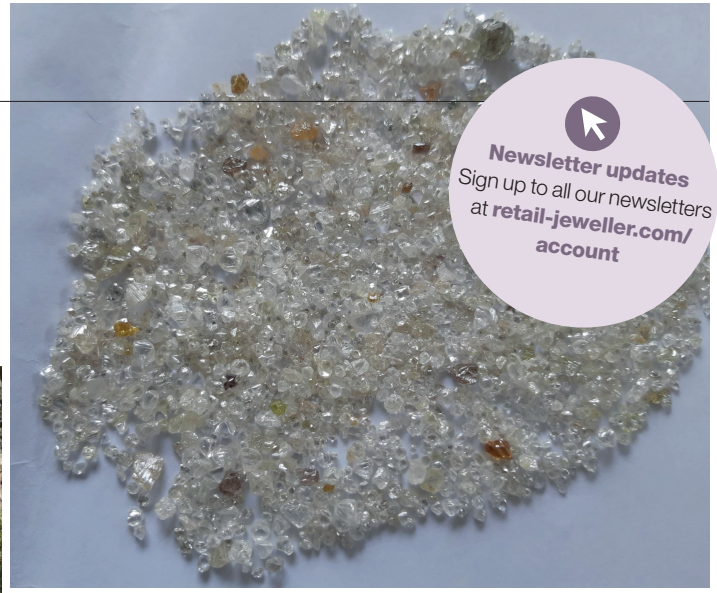
The cooperative in question is called PAMBI and is based in the Democratic Republic of Congo (DRC), in a small village called Coomiap, which is located around 80 miles from Kananga, the provincial capital of Kasai Central, in the district of Luebo – an area long-renowned as a reliable source of high quality rough diamonds.

While PAMBI is financially independent and has been since it was formalised in 2018, it is one of six cooperatives receiving targeted support for infrastructure to implement blockchain technology from AWDC as part of its OrigemA pilot project. OrigemA is a collaboration between AWDC together with the DRC’s ministry of mining and its subdivisions SAEMAPE and CEEC, NGO DDI@RESOLVE, as well as tech company Everledger. The OrigemA pilot project aims to set up a fully transparent, digitally enabled mine-to-market programme for Artisanal and Small-Scale Mining (ASM) cooperatives in the DRC.

At this point, the six cooperatives are in various stages of development. According to Karen Rentmeesters, senior communications manager at AWDC, the purpose of the OrigemA pilot is to develop a blueprint that focuses on transparency, sustainability and fair trade, which over time can be scaled up, within the DRC but also in other countries. Through the pilot, PAMBI is given full access to the Antwerp diamond market.

Morrell explains more. “The Diamond Development Initiative (DDI), working alongside the DRC government, chose our cooperative as one of six with which to pilot DDI’s Maendeleo Diamond Standards (MDS) for diamonds mined safely in conflict-free zones with consenting communities.

“The cooperative easily passed the baseline assessment and is compliant with the MDS. It is the most advanced of



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(Above) Mining at the PAMBI cooperative; (top) the mined diamonds are cut and polished in Antwerp

the six now under the umbrella of AWDC’s OrigemA project. Much to the delight of its president, it’s now being promoted as a model for best practice nationwide in DRC.”

And with the DRC such a big player when it comes to the production of artisanal mined diamonds, this is no mean feat. “The DRC is the largest producer of artisanal mined diamonds in the world, accounting for nearly 70% of global ASM production, which in turn constitutes an estimated 15% to 20% of the total diamond production in the world,” says Rentmeesters.

While production from the PAMBI cooperative at Coomiap remains erratic, and the volume unpredictable, Morrell says the quality of the diamonds is generally high at F VS or better and available in sizes of 0.20ct up to 2ct polished. “There are also three custom cuts – modified rounds with the theme ‘beyond brilliant,’” he says. “Diamonds are cut by hand, incidentally, in an artisanal workshop in Antwerp’s diamond district.”

The aim, Morrell says, isn’t to compete with large-scale-mined, factory-worked diamonds, but to market a product that offers an alternative, complete with a compelling narrative. “The hope is to see this segment grow as more cooperatives adopt a similar model, increasing supply while putting more

money directly in the pockets of communities at source,” he adds.

At PAMBI, a 10% premium is returned to the cooperative, and health and safety protocols are in place. In addition, the villagers – including miners and their families – have access to basic healthcare, first aid and education for the children.

The next step in the journey, for those buyers who require an added layer of transparency, will be blockchain traceability, the basic infrastructure for which, in the form of satellite communications and solar panels, has recently been installed at the location by DDI, courtesy of the OrigemA project. Morrell says they hope to be using blockchain technology by next year.

As the UK distributor for goods tracked from this single cooperative (PAMBI), Direct Source Gems operates a secure, closed chain of custody from the mining location via the workshop to the retailer. And for those in the trade focused on provenance and ethical supply chains, who might be interested in purchasing such goods, Morrell’s message is simple. “If you want to support a project that wants to prove well managed artisanal diamond mining is a force for good, driving sustainable development and better outcomes for communities, then this could be the answer for you.” ●