

AMERICAN PUBLIC UNIVERSITY SYSTEM
AMERICAN MILITARY UNIVERSITY

**IMPLICATIONS OF ZIMBABWE'S DEPARTURE FROM THE KIMBERLEY
PROCESS ON TERRORIST FINANCING**

INTL504 A001 Winter 2010
Dr. Jonathan S. Lockwood

BY

STEFANIE HOFFMAN

April 22, 2010

“We can sell diamonds our own way.”

– Zimbabwe President Robert Mugabe

OVERVIEW

As counterterrorism agencies close in on sources of terrorist funding, organizations such as al Qaeda and Hezbollah are taking advantage of alternative sources of funding. High-value commodities, such as diamonds, are increasingly used because they are easy to transport, conceal, and maintain their value over time (Hesterman, 2005). Terrorist groups seek out these items in countries with unstable governments, where regulation and investigation of criminal activities takes a backseat to greed and corruption.

Although Zimbabwe produces less than 1 percent of the world's diamond supply, their current political and economic condition fits into the mold that terrorist groups find ideal for carrying out their financing operations. The country is a member of the Kimberley Process, an international organization whose goal is to stem the flow of conflict diamonds (precious stones used to finance rebel or terrorist movements against legitimate governments). However, Zimbabwe President Robert Mugabe, who has blamed the country's problems on a plot hatched

by the West to overthrow him, has threatened to quit the Kimberley Process. Although this would threaten the government's failing economy, as it is difficult, if not impossible, to find legitimate buyers who will purchase rough diamonds without a Kimberley Process certificate, it would then open up the market to terrorists and other criminals who are seeking a way to raise funds or move or store assets without leaving a paper trail.

This paper uses the Lockwood Analytical Method for Prediction (LAMP) to explore the effects that Zimbabwe's departure from the Kimberley Process would have on the funding operations of al Qaeda and Hezbollah. It also examines the role of the Kimberley Process itself. First, however, a selection of available literature on these topics will be reviewed to provide the reader with a sampling of the current state of knowledge on the situation.

LITERATURE REVIEW

Although there are few studies specifically tying together Zimbabwe, the Kimberley Process, and terrorist financing, examining available literature on each of these separate topics provides some background on the situation. The presence of al Qaeda and Hezbollah in West Africa's diamond trade has been well documented, as has the debate over the Kimberley Process' effectiveness and credibility. These studies do not offer much in the way of predictive analysis, but they lay the groundwork for such a study, and therefore should be examined closely.

In *Blood from Stones: The Secret Financial Network of Terror*, former Washington Post reporter Douglas Farah investigates al Qaeda's purchase of conflict diamonds in West Africa between the 1990s and just prior to Sept. 11, 2001. During this time period, they worked with the

Revolutionary United Front (RUF), a Sierra Leonean rebel group, and Liberia's corrupt president Charles Taylor to secure diamonds. Farah (2004) describes the situation as follows:

Both sides [al Qaeda and the RUF] would benefit enormously from the budding relationship. ... The rebels used the cash from al Qaeda to buy the weapons. The stones gave al Qaeda a fail-safe way to hide its assets outside banks and other financial institutions. Belgian investigators later traced \$20 million through a single account they believe was used by al Qaeda to purchase diamonds. (p. 51-52)

He also suggests that tracking these alternative funding sources might be a case of too little too late. "Before 9/11, neither Treasury nor the FBI had financial groups dedicated to studying or tracking terrorist assets. After 9/11, most of al Qaeda's resources were already beyond reach, in the form of diamonds, tanzanite, gold, or other commodities." (p. 185)

Although Farah is able to provide first-hand insight into al Qaeda's presence in the diamond trade, he does not discuss the extent to which diamonds play a role in their overall funding scheme, or the likelihood of the group expanding their network outside of West Africa.

A report from Global Witness, a London-based nongovernmental organization, takes a slightly stronger stance in their 2003 report *For a Few Dollars More: How al-Qaeda Moved into the Diamond Trade*. They suggest that Hezbollah's involvement in the rough diamond trade throughout the 1980s and 1990s, which has been widely acknowledged, though untouched by any type of law enforcement, has provided a precedent for al Qaeda to follow:

Hizbullah's past and current links with, and involvement in, the African diamond trade is well known. This failure to act has ensured that the entrenched illicit diamond trading networks in Africa have been able to flourish, creating the blueprint for al Qaeda's subsequent infiltration of the diamond trade. (p. 27)

An even larger problem than the lack of state or national action against Hezbollah is the diamond industry, which they say tends to take on a “see no evil mentality, which allow[s] the illicit trade in diamonds to flourish” (p. 72). They also suggest that additional steps need to be taken in order for the Kimberley Process to be effective.

This report very meticulously tracks al Qaeda and Hezbollah’s involvement in the West African diamond trade, going so far as to include phone and court transcripts from trials involving terror suspects, and copies of their personal notebooks detailing what were found to be illicit diamond transactions. However, these extras are sometimes distracting from the main point of the report. Additionally, while this report provides a solid overview of terrorists’ dealings in the diamond industry to date, it does not suggest what their future involvement might entail.

A U.S. General Accounting Office (GAO) report released in 2002 takes on the diamond industry and the Kimberley Process. In *International Trade: Critical Issues Remain in Deterring Conflict Diamond Trade*, the lack of a paper trail in diamond transactions is discussed, and states that “... U.S. and international diamond firms do not trade information freely and business may be conducted on the basis of a handshake, with limited documentation” (GAO, 2002, p. 12). In addition to this, they cite the voluntary nature of the Kimberley Process as a roadblock to becoming a completely effective regulatory mechanism.

The report provides a chart detailing rough diamond exports from African countries, but does not elaborate any further in terms of addressing diamond-related issues in individual countries.

Nikos Passas and Kimberley Jones (2006) provide some counterpoints to the assumption in the above literature that terrorists are involved in the African diamond trade in their article “Commodities and Terrorist Financing: Focus on Diamonds.” For example:

- “Reports suggest that [al Qaeda] operatives purchased rough diamonds in Sierra Leone at a premium of 15-20 percent. One has to wonder why AQ would have been willing to lose 15-20 percent of their funds *before* 9/11 when they could have moved or converted this money in alternative ways” (p. 18).
- “Hezbollah's direct involvement in the Sierra Leone diamond industry is often described as widely accepted, yet there is a paucity of information and details about what exactly transpires” (p. 28).

These are important points to consider since the diamond trade is not the only source of alternative funding for terrorist groups, and it is difficult to track just how much comes from diamonds.

Counter-arguments such as these were taken into account during the pair-wise comparison procedure in Step 7, and helped the writer avoid bias by reminding her that the arguments that don't support a hypothesis are just as important as those that do.

Overall, the above reports are noticeably lacking in predictive analysis combining the political and economic situation in Zimbabwe, the Kimberley Process' current state of questionable credibility and effectiveness, and al Qaeda and Hezbollah's financing operations. If this problem is to be completely understood and eventually overcome, researchers need to look to the future in order to anticipate terrorists' continued involvement in the diamond trade.

RESEARCH DESIGN

As mentioned above, the Lockwood Analytical Method for Prediction (LAMP) is used to carry out this study. It is a 12-step process that involves defining a problem, identifying “actors” bearing on the situation, and the possible courses of actions they could take. These actors and

actions are then placed in a matrix where the most likely alternate future is determined through a pair-wise comparison procedure. The possibility of one alternate future transposing into another is also considered, rounding out the method so that the reader is well aware of not only the possibilities, but also the ways a change in one actor's decision can affect the others.

As detailed in Lockwood & Lockwood (1993, p. 27-28) the steps of LAMP are as follows:

1. Determine the future for which you are trying to predict the most likely future.
2. Specify the national "actors" involved.
3. Perform an in-depth study of how each national actor perceives the issue in question.
4. Specify all possible courses of action for each actor.
5. Determine the major scenarios within which you will compare the alternate futures.
6. Calculate the total number of permutations of possible "alternate futures" for each scenario.
7. Perform a "pair-wise comparison" of all alternate futures to determine their relative probability.
8. Rank the alternate futures for each scenario from highest relative probability to the lowest based on the number of "votes" received.
9. Assuming that each future occurs, analyze each alternate future in terms of its consequences for the issue in question.
10. Determine the "focal events" that must occur in our present in order to bring about a given alternate future.
11. Develop indicators for the focal events.

12. State the potential of a given alternate future to “transpose” into another alternate future.

An advantage of this method is that by taking into account each actor’s perceptions of the situation, the analyst avoids the analytical fallacy of mirror imaging. It also has a few important distinctions, as compared to other methods such as analysis of competing hypotheses (ACH) or the Delphi method. For example, ACH also involves using a matrix, where the analyst compares all possible hypotheses about a specific topic to the “evidence” that supports or disproves it: The most likely hypothesis is the one with the most consistent evidence. However, the ACH method stops there, whereas LAMP requires the researcher to go a step further to identify focal events and indicators which could be used by policymakers to determine the likelihood of a projected scenario occurring based on current events. Since Zimbabwe’s relationship with the Kimberley Process is likely to change sooner than later, these additional elements are critical to a policymaker who is expected to make a quick decision and needs to be informed about all the possibilities.

On the other hand, the Delphi method would require a panel of experts to survey. In order to develop a credible study, the author would prefer to interview panelists of a caliber that she cannot easily access. Additionally, the time required to select, contact, and meet with the panelists would not have fit within the time frame of this study.

Despite LAMP’s strengths, it is also important to acknowledge its weaknesses. Due to the combination of actors, each with their own free will, it is difficult to identify every possible course of action that they could take. If one were to take into account all of the outside forces that have bearing on one actor’s decision, the number of alternate futures would explode, making

the pair-wise comparison procedure very cumbersome, which might cause the analyst to lose sight of the original question. Additionally, although this procedure stresses taking into account the perceptions of the actor (not the analyst) and carrying out the analysis from each actor's point of view, it is impossible to know exactly what they are thinking, so much of the analysis is based on what the analyst can find from available sources in the time period provided.

The remaining sections of the paper are used to carry out the above steps of the LAMP method. Steps 9-12 will focus on data derived from each scenario's three most likely alternate futures.

1. DETERMINE THE PREDICTIVE ISSUE

Specific: What are the implications of Zimbabwe's departure from the Kimberley Process on the financing of terrorist groups such as al Qaeda and Hezbollah?

General: Should commodities, such as diamonds, be regulated more strictly as terrorist groups increasingly use small, relatively untraceable items to raise, move, and store funds?

2. SPECIFY THE ACTORS BEARING ON THE PROBLEM

The LAMP methodology requires a relatively narrowly defined topic in order to keep the analysis manageable. In this study, the focus is on how Zimbabwe's departure from the **Kimberley Process** affects the financing operations of **al Qaeda** and **Hezbollah**. As such, the current organizational and financial structure of these terrorist groups will be examined, as will the strengths and weaknesses of the Kimberley Process itself.

Again, in order to keep a narrow focus, the perceptions of other actors such as the larger diamond industry; other terrorists groups, such as FARC, who also have connections in West

Africa; and other member states of the Kimberley Process, both in Africa and worldwide, although important in a larger context, will be left out of this study.

3. CONDUCT AN IN-DEPTH STUDY OF THE PERCEPTIONS AND INTENTIONS OF EACH ACTOR

An important step in the LAMP analysis is for the researcher to put themselves in each actor's shoes in order to get an accurate idea of how they would perceive and react to the situation in question. In this section, an in-depth study of al Qaeda, Hezbollah, and the Kimberley Process will be undertaken in order to gauge how each would react to Zimbabwe's departure from the Kimberley Process. A short overview of Zimbabwe will also be included to bring the reader up to date on the country's current political and economic situation.

Al Qaeda

Since the September 11, 2001 attacks on the United States, counterterrorism agencies have been trying to track down al Qaeda's leader Osama bin Laden and his associates, partly by following financial transactions that are suspected to be tied to the group. However, the organization's structure of self-sufficient underground cells makes it difficult to carry out this task. Additionally, the diverse sources that al Qaeda uses to fund its operations complicate the situation further: The "... import-export business is a major source of funds for al Qaeda or its associates. Gems and diamonds are far from prevalent among them; rather, the goods and other kinds of trade that can be used are innumerable" (Passas & Jones, 2006, p. 18).

Unlike Hezbollah, which uses diamonds to make money, al Qaeda uses diamonds to store money ("Hezbollah and the West African Diamond Trade," 2004). "While not providing huge financial returns, al Qaeda's early business ventures in the diamond trade were successful enough to contribute to making the cells financially self sufficient" (Global Witness, 2003, p. 36).

Although their presence in the precious gems trade can be traced back to the 1990s, when the Taliban fought for control of the emerald fields in Panjsher Valley, Afghanistan, a more recent effort was put forth in early 2001 when al Qaeda was “moving more aggressively into the diamond trade with the clear intent of putting their assets beyond the reach of international investigators” (Farah, 2003, para. 14). This was obviously a preemptive move to prepare for the September 11 attacks. It was a successful move too, as “The initial hunt for al Qaeda funds focused almost exclusively on trying to freeze the few assets that remained in Western banks and were traceable to terrorist funding” (Farah, 2003, para. 22). While agencies were scouring bank records, al Qaeda funds were already stored in easily transportable, concealable, and relatively undetectable diamonds.

As the illicit diamond trade in West Africa gains more attention, the terrorist group will soon have to decide its next move. “For years, al-Qaeda has been particularly attracted to operating in under-regulated jurisdictions, places with limited bank supervision, no anti-money laundering laws, ineffective law enforcement institutions, and a culture of no-questions-asked bank secrecy” (“Terrorist Financing,” 2002, p. 14). Although it has been suggested that al Qaeda will “capitalize on social instability and latent extremism” in northern and eastern Africa (Isaacson, 2008, p. 8), Zimbabwe’s aging president, who in the past has “made it clear indeed that he identified strongly with Saddam [Hussein]” and believes the United States is planning an attack against his country (Johnson, 2004, p. 171), may be willing to provide al Qaeda with a safe haven and access to the country’s diamond fields.

Hezbollah

Hezbollah stands on slightly firmer ground than al Qaeda. The group receives financial and military aid from Iran and Syria (Stone, et al., 2001), as well as “a significant amount of

support from Shi'ite Muslim *diasporas* of West and Central Africa [and] pockets in Latin America” (Farah, 2006, para. 1). Their base is in Lebanon, but like al Qaeda, they operate out of a global network of cells in Africa, North and South America, Asia, and Europe (GAO, 2003).

Hezbollah has been involved with the diamond trade since the 1980s, with West Africa considered their “most critical area of operation outside of the Middle East” (“Hezbollah’s Global Reach,” 2009, p. 2). While their diamond dealings are generally considered an open secret, they have remained relatively untouched by law enforcement or counterterrorism authorities. The way the African diamond trading process works has contributed to keeping their transactions under cover: “It is a point of honor among diamond buyers to ask no questions about the provenance of the stones they buy. ... Hezbollah and Israeli buyers work side by side, competing and cooperating” (Farah, 2004, p. 33). Another reason is:

Few diamond traders work directly for Hezbollah. But many, if not most of the Lebanese community that now controls the diamond trade, valued at several hundred million dollars a year, are Shi'ite Muslims who contribute to Hezbollah either out of conviction or fear. (Farah, 2004, p. 2).

The latter part of that statement sums up much of Hezbollah’s public ‘fundraising’ strategy. Intimidation is used to coerce Lebanese merchants working outside of the country to contribute; the threat of “You had better support or cause or we’ll visit your people back home” (“Hezbollah and the West African Diamond Trade,” 2004, p. 2) is often used to elicit donations from those who do not necessarily support the group but want to keep their families safe.

In addition to the diamond trade, Hezbollah has been attributed to a cigarette smuggling ring in North Carolina, which suggests that they have taken advantage of a number of commodities to supplement their other fundraising efforts. The group involved in the cigarette

smuggling case “watched videos of Hezbollah attacks against Israeli targets, listened to sermons by Hezbollah imams, and collected money for the movement” (Farah, 2004, p. 164).

With Hezbollah so deeply involved in the diamond trade with little consequence, it stands that they might be willing to test the waters in Zimbabwe, where they could tap into an additional diamond market while continuing to stay out of trouble. However, with the state and public funding that the group receives, becoming involved in Zimbabwe may not be worth the (seemingly small) risk and low returns – at least until one of their funding sources runs out or becomes too risky to maintain.

Kimberley Process

The Kimberley Process was established in 2002 to eliminate conflict diamonds from the marketplace (Farah, 2004). The initiative “is open to all countries that are willing and able to meet its requirements” (“Kimberley Process Background,” n.d., para. 3) and requires rough diamond importers to “provide Customs with an authentic Kimberley Process certificate issued and validated by the exporting government” (Wright, 2004, p. 700). Although it has been successful in bringing the amount of conflict diamonds circulating in the marketplace down to a fraction of 1 percent, from a high of about 15 percent in the 1990s, questions have been raised about the Kimberley Process’ credibility and effectiveness, while also highlighting problems within the greater diamond industry.

To reiterate, the Kimberley Process only deals with rough diamonds. Those that are cut and polished are not included, likely because “such an undertaking might prove beyond the capability of most governments” (Wright, 2004, p. 707). This leaves a large part of the diamond industry very vulnerable, although this industry, according to Global Witness (2003), “has failed to denounce publicly a single member of their trade who has dealt in conflict diamonds, [which]

is a damning indictment of their professed commitment to increase the transparency and accountability” (p. 62). In addition to this, a number of other weaknesses in the process have been cited. They are presented here briefly, as a full discussion of the Kimberley Process’ strengths and weaknesses are better suited to another paper:

- The Kimberley Process does not expressly prohibit selling diamonds to terrorists as long as the proper paperwork from a participating member is present (Passas & Jones, 2006).
- Internet sales and postal shipments have made it difficult to track the flow of rough diamonds; fraudulent Kimberley Process certificates have also made an appearance in the marketplace (“General Assembly,” 2009, Background section, para. 8).
- “... there are few sanctions for non-compliance, no way of suspending or disciplining those who behave badly, and no international body to judge and enforce implementation” (Wright, 2004, p. 703).

The aspect of the scheme’s voluntary participation has also drawn a lot of criticism. The process relies on its participants to “... amend or enact appropriate laws or regulations to implement and enforce the Certification Scheme” and to identify and update other participants on “areas of rebel mining activity” within their country (“Kimberley Process Certification Scheme,” 2002, pp. 7, 13). This leaves it to the discretion of the individual participating governments to uphold the standards of the process; if enough participants are from nations that are too poor, corrupt, or otherwise engaged to make implementation of the Kimberley Process a priority, the trade in conflict diamonds could revert back to its previous levels:

... many foreign governments are unwilling to work with what they see as an interventionist superpower. As a final complication, the need to address a spreading terrorist network in Africa must attract attention ahead of other more prevalent crises such as AIDS, hunger, and poverty. (Isaacson, 2008, p. 9).

When it does come to addressing problems as a regulatory body, the Kimberley Process has seemed willing to cut corners. Venezuela, for example, “was encouraged to withdraw as a member so other countries could avoid dealing with its off-the-books stones” (Watson, 2010, p. 22). Additionally, at a December 2009 UN General Assembly meeting, several concerns were raised about the Kimberley Process’ handling of Zimbabwe’s noncompliance. A representative from Canada said there were “credible reports that elements within the Zimbabwean Government were trying to work around” the process (“General Assembly,” 2009, Introduction of Draft Resolution section, para. 10). Others expressed concern that omitting all references to Zimbabwe and the human rights abuses, illicit trade, and smuggling occurring in the Marange diamond area in UN resolution A/64/L.26 *The Role of Diamonds in Fueling Conflict* would “damage the image of the Kimberley Process, making its future work difficult” (“General Assembly,” 2009, Explanations of Vote section, para. 4). Despite these problems, an earlier Kimberley Process review visit to Zimbabwe stated that “... the overall structure of the implementation of the KP Certification Scheme appears to be working in a satisfactory manner in Zimbabwe, and, in general, meets the minimum requirements of the KPCS” (“KP Review Visit,” 2007, p. 2).

Discrepancies such as these suggest that additional steps need to be taken if the Kimberley Process wants to remain a long-lasting and credible mechanism for stopping the flow of conflict diamonds. Some reports have suggested making the process more transparent (GAO, 2002; Passas & Jones, 2006), while others say it needs to be expanded to include identifying and

closing secret bank accounts of corrupt government officials who are facilitating the conflict diamond trade (Ablorh-Odjija, 2003, p. 41). One critic even suggested that the Kimberley Process' efforts, even if they are improved, could be futile: "If [terrorists] have successfully moved rough diamonds surreptitiously without detection prior to the Kimberley Process initiative, they probably will continue" (Ross, 2007, p. 19).

Zimbabwe

Zimbabwe has deteriorated under Robert Mugabe's presidency. His 2000 land reform project, which replaced white long-time farm owners with inexperienced black owners, combined with a drought, led to food shortages and the eventual collapse of the country's economy ("Robert Gabriel Mugabe, 2008, p. 3). His anti-West sentiment and theory that Americans are enemies planning to overthrow him only make Zimbabwe a more attractive location for terrorists who prey on weak government and rule of law.

Zimbabwe's diamond trade, although small, is an important factor in the country's economy: "Suspension of Zimbabwe's diamond sales wouldn't have much impact on the global supply, but could threaten one of the country's few sources of hard currency" (Childress & Mutsaka, 2009, p. A6). The Marange diamond field has received a lot of press due to alleged human rights abuses in that area. It has also been cited for illicit trade and smuggling activities, which has raised red flags to other Kimberley Process members. However, Kimberley Process officials have tried to play this down, saying suspension would only make these problems worse (Esau, 2009). Meanwhile, the representative of Zimbabwe said at the previously discussed UN General Assembly meeting that the attention the country has been receiving for its noncompliance is "'charade' by countries deeming themselves to be guarantors of the Process," further claiming that "Zimbabwe [is] a victim" ("General Assembly," 2009, para. 15).

In “Tracking Terror Through Africa” (2004), R.W. Johnson says Zimbabwe is attractive to al Qaeda in particular because it is one of the few African countries with modern communications and banking facilities, and is close in proximity to Nairobi, Durban, and Cape Town – centers already linked to bin Laden (p. 165); additionally, “Mugabe has no scruple in deploying terror tactics against his own people and is desperate for friends and money” (p. 172).

4. SPECIFY COURSES OF ACTION FOR EACH ACTOR

Increase involvement in diamond trade (II): Al Qaeda and Hezbollah continue their involvement in the diamond trade, expanding into Zimbabwe to take advantage of the lack of regulation in conflict diamonds. The Kimberley Process, on the other hand, would take additional steps to enforce controls on conflict diamonds.

Decrease involvement in diamond trade (DI): Al Qaeda and Hezbollah scale back their involvement in the diamond trade, perhaps moving onto other commodities; they do not expand into Zimbabwe. The Kimberley Process becomes less involved in enforcing their regulations, leaving it up to individual members to establish a conflict diamond policy.

Remain at status quo (SQ): Al Qaeda and Hezbollah remain involved in the diamond trade, but only at the current level and locations. The Kimberley Process does not make any changes to its regulation and enforcement strategies.

5. DETERMINE THE MAJOR SCENARIOS

Scenario 1: Zimbabwe leaves the Kimberley Process

Scenario 2: Zimbabwe becomes fully compliant with the Kimberley Process

Scenario 3: Zimbabwe remains a member of the Kimberley Process in its current noncompliant state

6. CALCULATE THE NUMBER OF ALTERNATIVE FUTURES

$X^y = Z$, where:

X = number of courses of action available to each actor

Y = number of actors

Z = number of alternative futures

$3^3 = 27$ alternative futures (see Table 1 on following page)

Table 1

Alternative futures for the Kimberley Process, al Qaeda, and Hezbollah

Future #	Kimberley Process	Al Qaeda	Hezbollah
1	SQ	SQ	SQ
2	SQ	SQ	II
3	SQ	II	SQ
4	SQ	II	II
5	II	SQ	SQ
6	II	SQ	II
7	II	II	SQ
8	II	II	II
9	SQ	SQ	DI
10	SQ	DI	SQ
11	SQ	DI	DI
12	DI	SQ	SQ
13	DI	SQ	DI
14	DI	DI	SQ
15	DI	DI	DI
16	II	DI	DI
17	II	DI	II
18	II	II	DI
19	DI	II	II
20	DI	II	DI
21	DI	DI	II
22	SQ	DI	II
23	SQ	II	DI
24	DI	II	SQ
25	DI	SQ	II
26	II	DI	SQ
27	II	SQ	DI

SQ = Maintain status quo

II = Increase involvement in diamond trade

DI = Decrease involvement in diamond trade

7. DO A PAIR-WISE COMPARISON OF ALTERNATE FUTURES

Using the formula:

$x = (n-1) + (n-2) + \dots + (n-n)$, where:

n = total number of alternate futures

x = total number of pair-wise comparisons to be made

It is determined that a total of 351 votes will be conducted for each scenario (see Tables 2-4 on following pages).

Table 2

Scenario 1: Zimbabwe leaves the Kimberley Process

Future #	Kimberley Process	Al Qaeda	Hezbollah	Votes
1	SQ	SQ	SQ	11
2	SQ	SQ	II	15
3	SQ	II	SQ	19
4	SQ	II	II	23
5	II	SQ	SQ	18
6	II	SQ	II	21
7	II	II	SQ	25
8	II	II	II	26
9	SQ	SQ	DI	9
10	SQ	DI	SQ	7
11	SQ	DI	DI	2
12	DI	SQ	SQ	9
13	DI	SQ	DI	4
14	DI	DI	SQ	1
15	DI	DI	DI	0
16	II	DI	DI	5
17	II	DI	II	20
18	II	II	DI	24
19	DI	II	II	22
20	DI	II	DI	6
21	DI	DI	II	3
22	SQ	DI	II	10
23	SQ	II	DI	17
24	DI	II	SQ	16
25	DI	SQ	II	13
26	II	DI	SQ	11
27	II	SQ	DI	14

Total votes: 351

SQ = Maintain status quo
 II = Increase involvement in diamond trade
 DI = Decrease involvement in diamond trade

Table 3

Scenario 2: Zimbabwe becomes fully compliant with the Kimberley Process

Future #	Kimberley Process	Al Qaeda	Hezbollah	Votes
1	SQ	SQ	SQ	22
2	SQ	SQ	II	14
3	SQ	II	SQ	26
4	SQ	II	II	23
5	II	SQ	SQ	13
6	II	SQ	II	3
7	II	II	SQ	18
8	II	II	II	7
9	SQ	SQ	DI	19
10	SQ	DI	SQ	17
11	SQ	DI	DI	11
12	DI	SQ	SQ	20
13	DI	SQ	DI	14
14	DI	DI	SQ	9
15	DI	DI	DI	6
16	II	DI	DI	2
17	II	DI	II	0
18	II	II	DI	13
19	DI	II	II	16
20	DI	II	DI	21
21	DI	DI	II	3
22	SQ	DI	II	5
23	SQ	II	DI	25
24	DI	II	SQ	24
25	DI	SQ	II	9
26	II	DI	SQ	3
27	II	SQ	DI	8

Total votes: 351

SQ = Maintain status quo
 II = Increase involvement in diamond trade
 DI = Decrease involvement in diamond trade

Table 4

Scenario 3: Zimbabwe maintains current relationship with the Kimberley Process

Future #	Kimberley Process	Al Qaeda	Hezbollah	Votes
1	SQ	SQ	SQ	23
2	SQ	SQ	II	13
3	SQ	II	SQ	26
4	SQ	II	II	21
5	II	SQ	SQ	18
6	II	SQ	II	9
7	II	II	SQ	24
8	II	II	II	15
9	SQ	SQ	DI	20
10	SQ	DI	SQ	17
11	SQ	DI	DI	11
12	DI	SQ	SQ	12
13	DI	SQ	DI	8
14	DI	DI	SQ	3
15	DI	DI	DI	1
16	II	DI	DI	7
17	II	DI	II	2
18	II	II	DI	22
19	DI	II	II	7
20	DI	II	DI	13
21	DI	DI	II	0
22	SQ	DI	II	5
23	SQ	II	DI	25
24	DI	II	SQ	19
25	DI	SQ	II	4
26	II	DI	SQ	10
27	II	SQ	DI	16

Total votes: 351

SQ = Maintain status quo
 II = Increase involvement in diamond trade
 DI = Decrease involvement in diamond trade

8. RANK ALTERNATIVE FUTURES IN EACH SCENARIO BY NUMBER OF VOTES RECEIVED

Table 5

Scenario 1, ranked by votes: Zimbabwe leaves Kimberley Process

Future #	Kimberley Process	Al Qaeda	Hezbollah	Votes
8	II	II	II	26
7	II	II	SQ	25
18	II	II	DI	24
4	SQ	II	II	23
19	DI	II	II	22
6	II	SQ	II	21
17	II	DI	II	20
3	SQ	II	SQ	19
5	II	SQ	SQ	18
23	SQ	II	DI	17
24	DI	II	SQ	16
2	SQ	SQ	II	15
27	II	SQ	DI	14
25	DI	SQ	II	13
1	SQ	SQ	SQ	11
26	II	DI	SQ	11
22	SQ	DI	II	10
9	SQ	SQ	DI	9
12	DI	SQ	SQ	9
10	SQ	DI	SQ	7
20	DI	II	DI	6
16	II	DI	DI	5
13	DI	SQ	DI	4
21	DI	DI	II	3
11	SQ	DI	DI	2
14	DI	DI	SQ	1
15	DI	DI	DI	0

Total votes: 351

SQ = Maintain status quo
 II = Increase involvement in diamond trade
 DI = Decrease involvement in diamond trade

Table 6

Scenario 2, ranked by votes: Zimbabwe becomes fully compliant with Kimberley Process

Future #	Kimberley Process	Al Qaeda	Hezbollah	Votes
3	SQ	II	SQ	26
23	SQ	II	DI	25
24	DI	II	SQ	24
4	SQ	II	II	23
1	SQ	SQ	SQ	22
20	DI	II	DI	21
12	DI	SQ	SQ	20
9	SQ	SQ	DI	19
7	II	II	SQ	18
10	SQ	DI	SQ	17
19	DI	II	II	16
2	SQ	SQ	II	14
13	DI	SQ	DI	14
5	II	SQ	SQ	13
18	II	II	DI	13
11	SQ	DI	DI	11
14	DI	DI	SQ	9
25	DI	SQ	II	9
27	II	SQ	DI	8
8	II	II	II	7
15	DI	DI	DI	6
22	SQ	DI	II	5
6	II	SQ	II	3
21	DI	DI	II	3
26	II	DI	SQ	3
16	II	DI	DI	2
17	II	DI	II	0

Total votes: 351

SQ = Maintain status quo
 II = Increase involvement in diamond trade
 DI = Decrease involvement in diamond trade

Table 7

Scenario 3, ranked by votes: Zimbabwe maintains current relationship with Kimberley Process

Future #	Kimberley Process	Al Qaeda	Hezbollah	Votes
3	SQ	II	SQ	26
23	SQ	II	DI	25
7	II	II	SQ	24
1	SQ	SQ	SQ	23
18	II	II	DI	22
4	SQ	II	II	21
9	SQ	SQ	DI	20
24	DI	II	SQ	19
5	II	SQ	SQ	18
10	SQ	DI	SQ	17
27	II	SQ	DI	16
8	II	II	II	15
2	SQ	SQ	II	13
20	DI	II	DI	13
12	DI	SQ	SQ	12
11	SQ	DI	DI	11
26	II	DI	SQ	10
6	II	SQ	II	9
13	DI	SQ	DI	8
16	II	DI	DI	7
19	DI	II	II	7
22	SQ	DI	II	5
25	DI	SQ	II	4
14	DI	DI	SQ	3
17	II	DI	II	2
15	DI	DI	DI	1
21	DI	DI	II	0

Total votes: 351

SQ = Maintain status quo
 II = Increase involvement in diamond trade
 DI = Decrease involvement in diamond trade

9. ANALYZE CONSEQUENCES OF THE TOP ALTERNATE FUTURES

Scenario 1: Zimbabwe leaves Kimberley Process

Future # 8: The Kimberley Process, al Qaeda, and Hezbollah each increase their respective involvement in the diamond trade. (26 votes)

Zimbabwe leaving the Kimberley Process is a significant catalyst for the above groups. Perhaps this would be the wake up call that the Kimberley Process needs, as they realize that other members, especially poor countries looking to make more money in any way possible, might see fit to follow Mugabe's example and abandon the process as well. If enough members do this, the process will lose even more credibility, causing “a total breakdown [which] could lead to an explosion of the illicit diamond trade and [a] huge increase in related misery” (Watson, 2010, p. 22). In this case, increasing their involvement by dealing with non-compliant members like Zimbabwe more quickly and effectively (Harrowell, 2009) or taking steps “towards the designing and setting up of credible and independent monitoring mechanisms” (Global Witness, 2003, p. 9), is the best way to show that they are still dedicated to stopping the flow of conflict diamonds in the marketplace.

At the same time however, al Qaeda and Hezbollah may capitalize on this weak moment before the Kimberley Process can take action, as “Transnational criminal and global terrorist organizations are more likely to affiliate with the continuing criminal enterprise” (Hesterman, 2005, p. 7). Although Mugabe may have gained what he sees as a personal victory in overcoming a regulatory body, his country is still weak. With the violence, and illicit smuggling and trade in the Marange diamond area, these terrorist groups may be able to slip in relatively unnoticed, especially if they are able to recruit Marange miners who can facilitate this involvement.

Mugabe himself might even be willing to work with these groups if the price is right. It will be difficult to find legitimate buyers who are willing to purchase rough diamonds without a Kimberley Process certificate; with “Zimbabwe in desperate need of the foreign exchange that diamonds provide” (Childress, 2009, p. A17), Mugabe, who shares an anti-West sentiment with al Qaeda and Hezbollah, may even see the involvement of these groups as a way to strengthen his position, although it would be in the best interest of all involved to keep this association under wraps.

Future #7: The Kimberley Process and al Qaeda each increase their respective involvement in the diamond trade, while Hezbollah remains at status quo. (25 votes)

Future #18: The Kimberley Process and al Qaeda each increase their respective involvement in the diamond trade, while Hezbollah decreases its involvement. (24 votes)

As seen in these two alternate futures, Hezbollah is the only actor likely to change its course in this first scenario. This is because the group has other, more legitimate sources of funding as compared to al Qaeda. Between their long-standing ties to the Lebanese diamond trade; contributions from Iran, estimated at \$1 billion annually; *huquq al-Shar'iyah* and *khums*, religious taxes amounting to one-fifth of one's annual income; donations from Lebanon and citizens living overseas; and business investments (Passas & Jones, 2006, p. 27), Hezbollah might not be willing to take the risk of expanding its financial operations into an unstable country whose relatively small diamond trade may only provide a small return.

Scenario 2: Zimbabwe becomes fully compliant with Kimberley Process

Future #3: Al Qaeda increases its involvement in the diamond trade, while the Kimberley Process and Hezbollah remain at status quo. (26 votes)

Future # 23: The Kimberley Process remains at status quo; al Qaeda increases its involvement in the diamond trade; and Hezbollah decreases its involvement. (25 votes)

Future # 24: The Kimberley Process decreases its involvement in the diamond trade; al Qaeda increases its involvement; and Hezbollah remains at status quo. (24 votes)

In this scenario, al Qaeda is the only actor likely to take the same course of action in each of the top three alternate futures. While it is risky for the group to expand into Zimbabwe when the country is taking steps to improve its compliance with conflict diamond regulations, it might not be enough to stop them. As discussed earlier, al Qaeda is composed of self-sufficient underground cells. Since these cells are located around the world and do not have as high of a profile as Hezbollah, it is quite possible that there are al Qaeda operatives already working within the Zimbabwe diamond trade. In addition, the group “uses its global network of businesses and charities as a cover for moving funds” (“Terrorist Financing,” 2002, p. 7). If Zimbabwe is going to become a legitimate member of the Kimberley Process, al Qaeda can use one of its 'legitimate' businesses to purchase the diamonds.

Meanwhile, the Kimberley Process and Hezbollah are likely to either decrease their involvement in the diamond trade, or remain at status quo. The Kimberley Process will consider Zimbabwe's compliance as evidence that their system is working and that no changes need to be made. Considering that several member countries gave them grief for leaving any mention of Zimbabwe out of the UN resolution discussed earlier, Kimberley Process officials might see this as evidence that leaving countries unpunished for noncompliance and letting them sort things out on their own is an effective way to deal with problem countries. This could lead to even looser Kimberley Process regulations, and a slight decrease in their involvement in the diamond trade. However, before claiming victory, officials should pinpoint what caused Mugabe's change of

heart. For example, if receiving money from terrorist organizations on the side makes it easier for Mugabe to comply publicly with the process, and therefore continue trade with legitimate buyers (and keep Kimberley Process officials off his back), then the problem isn't so much solved as it is displaced.

As discussed in the first scenario, Hezbollah errs on the side of caution since they have more abundant funding sources, and therefore may not see becoming involved in Zimbabwe's diamond trade as worth the risk. That outcome is even more likely in this scenario since Zimbabwe's compliance means Kimberley Process certificates will be issued with their diamond exports, creating a paper trail (although still fallible, due to errors and lack of transparency in the greater diamond industry) which could be traced back to them in future terrorism investigations.

Scenario 3: Zimbabwe maintains current relationship with Kimberley Process

Future #3: Al Qaeda increases its involvement in the diamond trade, while the Kimberley Process and Hezbollah remain at status quo. (26 votes)

Future # 23: The Kimberley Process remains at status quo; al Qaeda increases its involvement in the diamond trade; and Hezbollah decreases its involvement. (25 votes)

Future #7: The Kimberley Process and al Qaeda each increase their respective involvement in the diamond trade, while Hezbollah remains at status quo. (24 votes)

Again, in this scenario al Qaeda is the only consistent actor within each of the three top alternate futures. This is partly because:

... al Qaeda has already shown its willingness and ability to take advantage of weak states, corrupt institutions, existing criminal networks, as well as the lack of transparency and the insularity of the trade in precious commodities, particularly diamonds, to fund its terrorist operations. (Global Witness, 2003, p. 72).

If Zimbabwe continues to remain a member of the Kimberley Process, despite the country's noncompliance, it will show how weak the process is, which will assure al Qaeda that they are not likely to be caught if they become involved in Zimbabwe's diamond trade.

The Kimberley Process and Hezbollah are once again on the same page, either remaining at status quo or decreasing their involvement in the Zimbabwe diamond trade. The Kimberley Process has consistently turned a blind eye to the problems in Zimbabwe, for example leaving concerns about the situation in the Marange diamond area out of a UN resolution, or insisting that the country met the minimum requirements during a review visit, despite evidence to the contrary from other Kimberley Process participants. If Zimbabwe remains in its current stance, it is unlikely that the Kimberley Process will do anything to change its involvement in the country since they do not see anything wrong in the first place; even if they do, they could treat the situation the same as they did with Venezuela and encourage Zimbabwe to leave the process voluntarily, thereby ending the Kimberley Process' involvement with the country.

Although many reports say that Hezbollah set “a clear precedent for the use of diamonds by al Qaeda,” (Global Witness, 2003, p. 20), it appears that al Qaeda will be on its own in Zimbabwe. As stated before, Hezbollah's steady financial situation and the lack of significant financial gain that would result from involvement with Zimbabwe's diamond trade is enough to keep them out of this situation for the time being.

10. DETERMINE FOCAL EVENTS FOR ALTERNATE FUTURES

Scenario 1: Zimbabwe leaves Kimberley Process

Future # 8: The Kimberley Process, al Qaeda, and Hezbollah each increase their respective involvement in the diamond trade. (26 votes)

Focal events:

- Zimbabwe discontinues association with the Kimberley Process.
- The Kimberley Process takes steps to enforce regulations in non-compliant countries and develop credible monitoring mechanisms.
- Al Qaeda and Hezbollah take advantage of Zimbabwe's weak government and lack of regulation to use the diamond trade to move and store assets or make a profit.

Future #7: The Kimberley Process and al Qaeda each increase their respective involvement in the diamond trade, while Hezbollah remains at status quo. (25 votes)

Focal events:

- Zimbabwe discontinues association with the Kimberley Process.
- The Kimberley Process takes steps to enforce regulations in non-compliant countries and develop credible monitoring mechanisms.
- Al Qaeda takes advantage of Zimbabwe's weak government and lack of regulation to use the diamond trade to move and store its assets.
- Hezbollah continues its current funding activities but does not become involved in the Zimbabwe diamond trade.

Future #18: The Kimberley Process and al Qaeda each increase their respective involvement in the diamond trade, while Hezbollah decreases its involvement. (24 votes)

Focal events:

- Zimbabwe discontinues association with the Kimberley Process.
- The Kimberley Process takes steps to enforce regulations in non-compliant countries and develop credible monitoring mechanisms.

- Al Qaeda takes advantage of Zimbabwe's weak government and lack of regulation to use the diamond trade to move and store its assets.
- Hezbollah does not become involved in the Zimbabwe diamond trade, and scales back its involvement in the diamond trade in general.

Scenario 2: Zimbabwe becomes fully compliant with Kimberley Process

Future #3: Al Qaeda increases its involvement in the diamond trade, while the Kimberley Process and Hezbollah remain at status quo. (26 votes)

Focal events:

- Zimbabwe takes steps to meet at least the minimum requirements outlined in the Kimberley Process.
- Al Qaeda takes advantage of Zimbabwe's weak government to use the diamond trade to move and store its assets.
- The Kimberley Process maintains its current level of regulation and enforcement.
- Hezbollah continues its current funding activities but does not become involved in the Zimbabwe diamond trade.

Future # 23: The Kimberley Process remains at status quo; al Qaeda increases its involvement in the diamond trade; and Hezbollah decreases its involvement. (25 votes)

Focal events:

- Zimbabwe takes steps to meet at least the minimum requirements outlined in the Kimberley Process.
- The Kimberley Process maintains its current level of regulation and enforcement.
- Al Qaeda takes advantage of Zimbabwe's weak government to use the diamond trade to move and store its assets.

- Hezbollah does not become involved in the Zimbabwe diamond trade, and scales back its involvement in the diamond trade in general.

Future # 24: The Kimberley Process decreases its involvement in the diamond trade; al Qaeda increases its involvement; and Hezbollah remains at status quo. (24 votes)

Focal events:

- Zimbabwe takes steps to meet at least the minimum requirements outlined in the Kimberley Process.
- The Kimberley Process places less emphasis on regulating and enforcing its minimum requirements.
- Al Qaeda takes advantage of Zimbabwe's weak government to use the diamond trade to move and store its assets.
- Hezbollah continues its current funding activities but does not become involved in the Zimbabwe diamond trade.

Scenario 3: Zimbabwe maintains current relationship with Kimberley Process

Future #3: Al Qaeda increases its involvement in the diamond trade, while the Kimberley Process and Hezbollah remain at status quo. (26 votes)

Focal events:

- Zimbabwe does not take any steps to improve its standing in the Kimberley Process; Mugabe continues to make threats about leaving, but does not follow through.
- Al Qaeda takes advantage of Zimbabwe's weak government and lack of regulation to use the diamond trade to move and store its assets.
- The Kimberley Process maintains its current level of regulation and enforcement.

- Hezbollah continues its current funding activities but does not become involved in the Zimbabwe diamond trade.

Future # 23: The Kimberley Process remains at status quo; al Qaeda increases its involvement in the diamond trade; and Hezbollah decreases its involvement. (25 votes)

Focal events:

- Zimbabwe does not take any steps to improve its standing in the Kimberley Process; Mugabe continues to make threats about leaving, but does not follow through.
- The Kimberley Process maintains its current level of regulation and enforcement.
- Al Qaeda takes advantage of Zimbabwe's weak government and lack of regulation to use the diamond trade to move and store its assets.
- Hezbollah does not become involved in the Zimbabwe diamond trade, and scales back its involvement in the diamond trade in general.

Future #7: The Kimberley Process and al Qaeda each increase their respective involvement in the diamond trade, while Hezbollah remains at status quo. (24 votes)

Focal events:

- Zimbabwe does not take any steps to improve its standing in the Kimberley Process; Mugabe continues to make threats about leaving, but does not follow through.
- The Kimberley Process takes steps to enforce regulations in non-compliant countries and develop credible monitoring mechanisms.
- Al Qaeda takes advantage of Zimbabwe's weak government and lack of regulation to use the diamond trade to move and store its assets.

- Hezbollah continues its current funding activities but does not become involved in the Zimbabwe diamond trade.

11. DEVELOP INDICATORS FOR EACH FOCAL EVENT

Zimbabwe takes steps to meet at least the minimum requirements outlined in the Kimberley Process.

Key Indicators:

- Mugabe stops making threats to quit the Kimberley Process, and shares information about rebel mining activities and other problem areas with other members.
- The violence and illicit trade and smuggling occurring in the Marange diamond area is brought under control.

Zimbabwe discontinues association with the Kimberley Process.

Key Indicators:

- Mugabe's anti-West sentiment gets the best of him, and he follows through on his threats to quit the Kimberley Process.
- Zimbabwe's economy suffers, the situation in the Marange diamond field worsens, and an increasing amount of conflict diamonds (although still small considering Zimbabwe's overall diamond production) find their way back into the marketplace.

The Kimberley Process takes steps to enforce regulations in non-compliant countries and develop credible monitoring mechanisms.

Key Indicators:

- Kimberley Process officials make another review visit to Zimbabwe, acknowledging areas of noncompliance.

- New guidelines are established for handling noncompliance, whether it involves working closely with members to bring them back into good standing, or ejecting them from the process entirely if no effort is made to achieve the minimum requirements.

The Kimberley Process places less emphasis on regulating and enforcing their minimum requirements.

Key Indicators:

- The 'voluntary' aspect of the Kimberley Process becomes more prevalent, review visits are discontinued, and members are left to devise their own rules and regulations for handling conflict diamonds.
- The Kimberley Process becomes more of a loose affiliation of member states, rather than a regulatory body seeking to stop the flow of conflict diamonds.

Al Qaeda takes advantage of Zimbabwe's weak government and lack of regulation to use the diamond trade to move and store its assets.

Key Indicators:

- Focus is shifted from West African diamond sources to those in Zimbabwe.
- Al Qaeda operatives, via individual underground cells or under the cover of a legitimate business or charity, infiltrate Zimbabwean diamond mines, especially those in the Marange area, which is already mired in illicit trade and smuggling activities.

Hezbollah does not become involved in the Zimbabwe diamond trade and scales back its involvement in the diamond trade in general.

Key Indicators:

- Hezbollah relies more on its state and government-sponsored funding, distancing itself from the diamond trade as counter-terrorism investigators close in on that source.

- New sources of funding through other commodities are explored.

12. ASSESS THE POTENTIAL FOR TRANSPOSITION BETWEEN ALTERNATE FUTURES

Scenario 1: Zimbabwe leaves Kimberley Process.

In this scenario, alternate future #8 (all actors increase involvement in Zimbabwe diamond trade) has the potential to transpose into alternate future #5 or #16 [Kimberley Process increases involvement; al Qaeda and Hezbollah remain at status quo (#5) or decrease involvement (#16)]. Since “U.S. law enforcement agencies – specifically the FBI, which leads terrorist financing investigations and operations – do not systematically collect and analyze data on terrorists' use of alternative financing mechanisms” (GAO, 2003, p. 24), it is possible the information these agencies have is grossly out of date, and that al Qaeda and Hezbollah have already moved on to another source of financing, leaving Zimbabwe of little or no interest to them.

Scenario 2: Zimbabwe becomes fully compliant with Kimberley Process.

Alternate future #3 (al Qaeda increases involvement; the Kimberley Process and Hezbollah remain at status quo) could transpose into alternate future #1 (all actors remain at status quo) if al Qaeda finds, or has already found, another, more lucrative source of funding. Since diamonds aren't al Qaeda's only source of funding, and the industry is slowly gaining more attention in the news and by government agencies, the group and its respective cells and cover businesses may find it beneficial to lay low for the time being and continue 'business as usual' in terms of funding. As stated in several reports, once terrorists know that their activities in one area are being watched, they will switch to another commodity or industry (see Arena, 2006; GAO, 2003; Global Witness, 2003; and Hesterman, 2005).

Scenario 3: Zimbabwe maintains current relationship with Kimberley Process.

Again, in this scenario alternate future #3 (al Qaeda increases involvement; the Kimberley Process and Hezbollah remain at status quo) could transpose into alternate future #1 (all actors remain at status quo). If Mugabe continues to make threats about leaving the Kimberley Process, and does so often enough at highly visible venues or events, both Zimbabwe's diamond trade and the Kimberley Process itself will come under more scrutiny, perhaps bringing about a call to action from other human rights or regulatory groups not included as actors in this study. If the Kimberley Process is improved, or reformed completely, the lack of transparency and regulation that terrorists find ideal when seeking a safe haven will be eliminated, making Zimbabwe a poor choice for their funding operations.

CONCLUSION

Using the LAMP method, several alternate futures were developed based on Zimbabwe's relationship with the Kimberley Process. The analysis indicates that al Qaeda is likely to become involved in the country's diamond trade, regardless of whether that relationship changes. Unlike Hezbollah, al Qaeda does not have a steady, government-sponsored source of funding, and its members, who operate in self-sufficient underground cells, may see fit to take advantage of Zimbabwe's weak government and lack of regulation to exploit their rough diamond trade as a way of moving and storing assets. This brings up another distinction between al Qaeda and Hezbollah: the former is involved in the diamond trade to move or store money, while the latter is involved to make money. Al Qaeda's members are "... working for reward from Allah, not for financial gain" (Global Witness, 2003, p. 14).

While Hezbollah may not be as likely to become involved in Zimbabwe due to their steady sources of funding, they are the ones who set the precedent for al Qaeda, based on their success in profiting off of the West African diamond trade since the 1980s (Arena, 2006). Even if they do not expand into Zimbabwe, the damage is already done: “[al Qaeda and Hezbollah] use areas such as West Africa to finance their activities, correctly betting that Western intelligence services do not have the capacity, resources, or interest to track their activities there” (Farah & Shultz, 2004, p. A19). These groups have profited off of the diamond trade at some point, whether monetarily or as a way of keeping their financing off the books, and it is not likely these transactions will be traced back to them.

This study also explored some weaknesses in the Kimberley Process, which are likely to be exploited by terrorist or criminal groups in some form if it keeps up with its spotty regulation and willingness to turn a blind eye to non-compliant countries. Although the Kimberley Process “is the first time that a serious attempt has been made by the international community to address the problem of the illegal exploitation of natural resources (Wright, 2004, p. 702), some questions have been raised about its credibility and effectiveness. The top alternate futures in each scenario show the Kimberley Process tending toward the status quo in terms of its involvement in the diamond trade. Although the initiative was never designed to be an intrusive regulatory mechanism, it should take a more structured approach to ensure that member countries have the tools they need to stem the flow of conflict diamonds. Only after those steps are taken should countries be left to self-regulate and continue their membership on a voluntary basis.

High-value commodities are very lucrative to terrorist groups seeking to earn or store money outside of traditional venues. Diamonds are easy to transport, conceal, and are generally untraceable:

Efficient law enforcement in this area is hampered by the lack of internationally recognized procedures for certifying batches of primary precious metals-bearing raw materials and a lack of well-established methods of identifying the origin of both precious metals and gemstones. (Perelygin, Selin, & Ivanov, 2008, p. v).

The Kimberley Process attempts to prevent rough diamonds from getting into the hands of terrorists or criminal groups seeking to undermine legitimate governments. Although this is a good start, it is apparent that the process won't be completely effective until all members are brought into compliance.

The same can be said for other commodities that terrorists are using to fund their operations. Now that it is known that terrorists' funds won't be in plain sight in banks or other central locations, counterterrorism agencies need to switch their focus to these alternative funding sources, and find ways to introduce regulations that allow trade in these commodities to move freely, but also acknowledge that they can be used in untraditional ways to finance terrorist operations. Terrorism is a worldwide concern, and taking steps to protect everyday commodities from becoming a mechanism to fund terrorist operations is something that today's leaders need to think about, because "When regulators fail to regulate, the systems they were designed to protect collapse (Watson, 2010, p. 22).

References

- Ablorh-Odjidja, E. (2003). Conflict Diamonds: The Kimberley Process for Corruption. *New African*, 421, 40-41.
- Arena, M. (2006). Hizballah's Global Criminal Operations. *Global Crime*, 7(3/4), 454-470.
- Childress, A. (2009, November 6). Zimbabwe will Retain Approval on Diamonds. *The Wall Street Journal*, p. A17.
- Childress, A. & Mutsaka, F. (2009, September 14). Zimbabwe's Diamond Production Draws Scrutiny. *The Wall Street Journal*, p. A6.
- Esau, B. (2009, March). *Public Statement on the Situation in the Marange Diamond Fields, Zimbabwe*, [Press Release]. Namibia: Ministry of Mines and Energy.
- Farah, D. (2003). *The Role of Conflict Diamonds in Failed States in the Terrorist Financial Structure*. Watson Institute: Brown University.
- Farah, D. (2004). *Blood from Stones: The Secret Financial Network of Terror*. New York: Broadway Books.
- Farah, D. (2006, August 4). *Hezbollah's External Support Network in West Africa and Latin America*. Retrieved March 13, 2010 from International Assessment and Strategy Center's website: http://www.strategycenter.net/research/pubID.118/pub_detail.asp
- Farah, D. & Shultz, R. (2004, July 14). Al Qaeda's Growing Sanctuary. *The Washington Post*, p. A19.
- General Assembly Reaffirms Strong Support for Kimberley Process Certification Scheme Aimed at Ensuring Diamonds 'Conflict Free.' (2009, December 29). *US Fed News Service, Including US State News*.
- Global Witness. (2003). *For a Few Dollars More: How al-Qaeda Moved into the Diamond Trade*. London: Global Witness.

- Harrowell, E. (2009, July 31). *Global Witness Backs Calls for Halt to Zimbabwe Diamond Trade*, [Press Release]. London: Global Witness Ltd.
- Hesterman, J. L. (2005). *Transnational Crime and the Criminal-Terrorist Nexus: Synergies and Corporate Trends*. Maxwell Air Force Base, Alabama: Air University Press.
- Hezbollah and the West African Diamond Trade. (2004). *Middle East Intelligence Bulletin*, 6 (6/7), 6-8.
- Hezbollah's Global Reach. (2009). *Transnational Threats Update*, 7(4), 1-5.
- Isaacson, M. (2008). Igniting Instability: Al Qaeda's Inroads into Africa. *Harvard International Review*, 29(4), 8-9.
- Johnson, R.W. (2004). Tracking Terror Through Africa. *The National Interest*, 75, 161-172.
- Kimberley Process Background. (n.d.) Retrieved March 30, 2010 from the Kimberley Process website: http://www.kimberleyprocess.com/background/index_en.html
- Kimberley Process Certification Scheme. (2002). Retrieved March 30, 2010 from the Kimberley Process website: <http://www.kimberleyprocess.com>
- Lockwood, S. & Lockwood, K. (1993). *The Lockwood Analytical Method for Prediction (LAMP)*. American Military University: MBS.
- Passas, N., & Jones, K. (2006). Commodities and Terrorist Financing: Focus on Diamonds. *European Journal on Criminal Policy and Research*, 12, 1-33.
- Perelygin, A., Selin, A., & Ivanov, V. (2008). *Metal Fingerprint: Countering Illicit Trade in Precious Metals and Gemstones*. East West Institute.
- Robert Gabriel Mugabe. (2008). *Background Information Summaries*, 4. International Security & Counterterrorism Reference Center.
- Ross, K. (2007). *Diamond and Jewelry Industry Crime*. FBI Law Enforcement Bulletin.

Stone, P., Warner, M.B., Faler, B., Murray, M., Fenoglio, G., Hegland, C., et al. (2001, October). Far-flung Fanaticism. *National Journal*, 33(43), 3338-3345.

Summary of the Report of the KP Review Visit to Zimbabwe. (2007) Kimberley Process. (2007). Retrieved March 31, 2010 from the Kimberley Process website: http://www.kimberleyprocess.com/documents/review_visits_en.html

Terrorist Financing. (2002). Council on Foreign Relations. (Task Force Report No. 40).

U.S. General Accounting Office. (2002). *International Trade: Critical Issues Remain in Deterring Conflict Diamond Trade*. (GAO-02-678).

U.S. General Accounting Office. (2003). *Terrorist Financing: U.S. Agencies Should Systematically Assess Terrorists' Use of Alternative Financing Mechanisms*. (GAO-04-163).

Watson, T. (2010, February 15). Diamond Vetting System in Ruins. *Canadian Business*, p. 22.

Wright, C. (2004). Tackling Conflict Diamonds: The Kimberley Process Certification Scheme. *International Peacekeeping*, 11(4), 697-708.