



World Diamond Council

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Address to Kimberley Process Plenary
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Mr Chairman, Participants and Observers of the Kimberley Process,

It is my very great pleasure to be addressing this Plenary Session of the Kimberley Process in India, and my congratulations go to you Mr. Chairman for the fine job that you have done during your term as KP chairman.

India, of course, is a key player in the Kimberley Process, inasmuch as it is home to the industry that processes the majority of polished diamonds reaching the market – by some counts nine out of every 10 diamonds cut. The integrity of our system rests not only in the efficient operation of the responsible authorities in the various countries that are KP members, but also in the paper trail that is created down the line of distribution, as a result of the warranties that should be provided every time a diamond changes hands. This means that members of the industry, a great many of whom are located in India, play an absolutely critical role. The Indian Government's continued commitment to the Kimberley Process, most recently through its KP chairmanship, is most commendable, and we should applaud it for that.

The next country to chair the Kimberley Process is Namibia, which, while predominantly a producer of rough diamonds, also is home to growing cutting industry. It is a nation that derives a very significant proportion of its GDP from the diamond business, and as a result has absolutely vested interest in what we do. I wish it the very best of luck and can assure you that the World Diamond Council will do all that it can to ensure that its tenure is a success.

The Kimberley Process, since its inception and implementation five years ago, is remarkable not only inasmuch as it largely has met almost all of the goals that it set for itself – and most importantly the virtual elimination of the trade in conflict diamonds – but also that it represents one of the very rare instances in history that government, civil society and the business community have come together to tackle a major humanitarian issue.

This three-part alliance has been a fundamental component in the success of the Kimberley Process, for it not only committed the parties who were actually able to deliver the goods, but it ensured that KP would be perceived by the public as an honest and earnest effort to address the scourge of conflict diamonds. Together we showed the world that politicians, NGOs and businesspeople could actually work together toward the achievement of a common goal, and as a result society is all the better for it.

To sustain the delicate balance of this partnership, we have over the years been careful to ensure the participation of all three parties in the various activities of the KP system, including the review trips that have been conducted over the years. This has been a worthwhile exercise for a variety of reasons. Most important of which, it provides a method of checks and balances that enhances the credibility of the entire system.

I mention this because a recent exploratory trip that was undertaken to Venezuela undermined this delicate balance that we have succeeded in maintaining for so long. Without passing judgment on the findings of that delegation, the fact that it was not independently selected and did not include representative of all three alliance members sets a most unfortunate precedent.

Five years after the implementation of the Kimberley Process Certification Scheme, our task is to ensure that conflict diamonds do not again penetrate the legitimate diamond pipeline, but also that we protect, defend and strengthen the system that made the Kimberley Process possible in the first place. I can only hope that instances like the recent trip to Venezuela are not repeated again.

I would like to reiterate a point I have made many times: the Kimberley Process is the diamond industry's primary safeguard. But it's not just a safeguard for the livelihoods of the two million people around the world that work in the diamond industry. Properly and effectively administered, with political will and sufficient resources, it is also a safeguard for those communities that have suffered as a result of rebel and criminal organizations that used revenues from stolen diamonds in western and central Africa to carry out unspeakable atrocities against innocent men, women and children.

No one can fail to be moved by the desperate human tragedy unfolding, as we speak, in Goma. Although diamonds are not involved in this desperate conflict, the pursuit of unguarded and poorly regulated natural resources are undoubtedly a perpetual and irresistible temptation, whether it be gold, diamonds, timber, coltan or oil. It serves as a reminder to all of us, from the extraction, wholesale distribution or consumption of valuable minerals that we have a responsibility to demand that measures are taken to safeguard them from criminal opportunism.

As Edmund Burke once said: "all that is required for evil to prevail is for good men to do nothing". I will make the assumption that all of us here are good men – and women. Therefore, for us to do nothing is to betray millions of innocent and vulnerable people who are crying out for leadership, peace and effective controls that ensure that the valuable natural resources beneath their feet – **their valuable natural resources** – bring not only peace, but the wherewithal to provide sustainable economic and social development that enables them to live in dignity.

The Kimberley Process – and **we are** the Kimberley Process – has made great strides to create a framework that will realize these expectations. However, although diamonds are today one of the most audited and monitored minerals in the world, there remains much to do.

In this respect, we stand four square and unequivocally behind our colleagues in civil society calling upon the Kimberley Process to:

- Take swift action when faced with cases of non-compliance and agree on interim suspension mechanism with clear criteria;

- Require of its participants stronger government oversight of the diamond industry, including spot stock audits of companies;
- Require the cutting and polishing sector to adhere to KP minimum standards;
- Require participants to improve internal controls and increase collaboration and enforcement efforts to combat rough diamond smuggling;

We pledge, as an industry, to continue to demand the highest standards of business integrity from our members. Equally, we will continue to demand the highest standards from governments in implementing the letter and spirit of the Kimberley Process.

That includes the Government of the Bolivarian Republic of Venezuela, who, through solidarity with those who are most affected by the theft and abuse of natural resources, such as diamonds, must surely see the need to take a lead in ensuring peace, prosperity and the opportunity of a leading an independent and dignified life. Most importantly, for those who so crave and deserve it.

The Government of Venezuela has long professed to be the champion of the weak and the oppressed. I can think of no better demonstration of this intent than a full and committed adherence to the Kimberley Process Certification Scheme.

We, the international diamond industry, are ready and willing to stand with Venezuela, other governments and civil society to take this unique process to greater success, through a spirit of determination, cooperation and the belief that, **together**, we are considerably greater than the sum of our parts.

Thank you.