



World Diamond Council

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Focusing Effects On Kimberly 'Phase 2

PETER HAIN
FCO Minister of State

It is six months, almost to the day, since I last spoke before the diamond industry, to the World Diamond Congress in Antwerp. I remarked then on how far we had come on the issue of conflict diamonds and on the need to keep up the momentum toward finding solutions.

Six months ago, serious questions remained. Would the creation of the World Diamond Council live up to expectations? Could it succeed in uniting industry behind proposals for greater transparency and accountability in its dealings? Or would the competitive commercial interests of its members prevent it from delivering results? Would the industry really respond to the concerns of civil society in a meaningful way, one that put human issues at the heart of commercial activity?

And for governments, questions too. With so many pressing international issues, did they possess sufficient political will to continue to focus on this one? Or would they argue it away as of limited importance on the international stage? Would they seriously contemplate action on a global scale and, if so, could they really be expected to agree on a common approach?

Progress

Well, I am today, as I was in Antwerp six months ago, here to praise. Thanks to the efforts of everyone here - representatives of industry, civil society or government - we have succeeded in keeping up the momentum. And not only that: during the intervening six months we have travelled a long way together. And we can take pride in a number of key successes.

The creation of the World Diamond Council has proved that the industry considers conflict diamonds to be of the utmost importance and that it is determined to pull together to tackle it head on.

Under the influential chairmanship of Eli Izhakoff, the WDC has wasted no time in providing first-class leadership on this issue, quickly establishing itself as a fully functioning body working toward clear objectives. And you have tackled those objectives with commendable energy and efficiency.

Your work over the past few months - in particular, the framing of technical proposals for the certification of rough diamond exports and imports - bears testament to that. I encourage you to continue to demonstrate that industry is putting its own house in order and that it is committed to identifying and ostracising the parasites who operate on the margins of the legitimate trade and seek to profit from the misery and suffering caused by the trade in conflict diamonds.

For governments, the most significant advance has been the universal acceptance of an international certification scheme for rough diamonds as the best means of removing the blight of conflict diamonds.

The last few months have witnessed a rapid growth in governments' support for such a certification scheme. The key consensus was first achieved within the group of countries involved in the Kimberley Process in Pretoria last September under the leadership of the Southern African producer states - South Africa, Botswana and Namibia.

Then in London in October 36 countries - many of whom had come to the issue for the first time - realised a common interest in protecting the legitimate trade and all joined the Kimberley consensus.

And ultimately, on the 1st of December, the entire membership of the United Nations General Assembly - all 189 countries - accepted the need for an international certification scheme and approved a resolution calling for one to be developed. This was a milestone in our efforts.

Our goal is an ambitious one. Ambitious, but achievable. We are now at a pivotal point in our path toward making an international certification scheme a reality. The next steps won't be easy ones and they will require us all to work together to ensure that we can craft a workable scheme, acceptable to and implementable by all.

Kimberley 'Phase 2'

We must now focus our efforts on the resumption of the Kimberley Process - Kimberley Phase 2, if you like. The General Assembly has given the Kimberley Process a clear mandate that bears repetition here:

'To move ahead with the intergovernmental negotiating process to develop detailed proposals for the envisaged international certification scheme for rough diamonds, in close collaboration with the diamond industry and taking into account the views of relevant elements of civil society'.

And the General Assembly was equally clear on what elements would be required to ensure the success of the international certification scheme. It must:

Be based on national schemes - which themselves need to comply with internationally agreed minimum standards; Secure the widest possible participation; Include

mechanisms to ensure compliance which respect the sovereignty of States, and; It must be transparent.

Above all, the General Assembly was clear that to be workable, the scheme must be simple.

Britain would like to see the Kimberley group be in a position to return to the UN General Assembly later this year with not just a progress report - the minimum requirement of December's resolution - but with a completed proposal for a certification scheme, ready for governments' approval. Your work will naturally feed directly into Kimberley considerations. I do not doubt that it will, in fact, form the basis of the technical discussions due to take place in Windhoek in just a few weeks time.

And we must not forget the strong recommendations that have emerged from the reports of the UN Panel of Experts on Sierra Leone Diamonds and Arms, and of the Monitoring Mission on Angola Sanctions.

These two independent assessments provide Phase 2 of Kimberley with powerful and compelling evidence of the damage done by conflict diamonds. They both cite the creation of an international certification scheme for rough diamonds as a necessity in addressing the problem. And they also call on countries neighbouring Sierra Leone and Angola to waste no time in introducing national rough diamond import and export certification systems, to ensure that they do not become unwitting actors in the illicit movement of conflict diamonds into the legitimate stream.

To meet its mandate, Kimberley will need to get into the operational detail as soon as possible. I strongly recommend that one of the first things it addresses is the need for national schemes and certificates to meet internationally agreed minimum standards. This - relatively simple - requirement will make it easier to design and implement national schemes and to monitor their effectiveness. In the course of this discussion, we will have a lot to learn from those producer countries already operating certification schemes. We should not aim to reinvent the wheel.

Nevertheless this will be a crucial and potentially difficult time for governments. We are about to embark on a formal negotiation. The stakes are therefore higher. A General Assembly resolution, though useful, is one thing: an international treaty is another. Everyone will want to carefully pour over the detail.

Some countries, for example, will fear the introduction of new and unwieldy bureaucratic requirements; some will be wary of the associated costs that might fall to them; and some will question the level of external interference that a certification scheme might herald. Many of these fears will be without foundation. Some may be excuses. But, real or perceived, they will all need to be addressed before we can expect countries to be ready to sign on the dotted line.

So my message for industry is this: the progress you are making on crafting proposals

for an internationally recognised certification scheme is invaluable. But they must have buy-in from governments. So we all need to approach Phase 2 of the Kimberley Process with a constructive and flexible attitude in order to arrive at a mutually acceptable point where we have a credible, workable and efficient scheme.

Britain's Commitment

And let me say right now that Britain is committed to that objective, and to achieving it in the shortest time possible. And we are ready to support the Kimberley Process in whatever way possible to achieve such an early outcome.

Diamonds can and should mean prosperity for Africa. And the vast majority of them do. South Africa, Botswana and Namibia are shining examples of the benefits that well-structured and legitimate diamond industries can bring. But the legitimate trade stands to suffer great damage due to the scourge of conflict diamonds which, though only accounting for an estimated 4 per cent - a tiny fraction - of global trade, have the potential to taint the entire industry.

Britain, which itself has considerable commercial and economic interests in the diamond industry, is not prepared to let that happen. We are not prepared to allow this parasitical illicit trade to continue unchallenged, nor for it to jeopardise the livelihoods of the tens of thousands, in Africa and elsewhere, who depend on the health of the diamond industry for their survival.

And we are committed to breaking the link between diamonds and war. It is unacceptable that brutal wars are being funded from the profits of this illegal trade. And it is unacceptable that higher up the chain, rogue traders and middlemen are cashing in too on this disgusting trade.

And let me again repeat my praise for all here today and those others who over the last year or so have come together, to work together, to tackle this issue. We have assembled a strong and diverse community - industry, civil society and governments - all sharing a common goal. It is as strong and committed an alliance as I have experienced. And I have no doubt that it will succeed: that soon we will be able to give a guarantee that the common bond that we share - the legitimate diamond trade - is untainted by conflict.