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Ladies and gentlemen,

For the eighth time since the World Diamond Council was established in the year 2000, we meet in Plenary Session. Many of us have traveled thousands of kilometers to be here today, and we have done it not for the purpose of conducting any commercial activity, but rather to defend the integrity of our product and our industry. In so doing we provide hope for a better future to millions of people living in the diamond producing areas.

The World Diamond Council is an industry body, but we are privileged today to be hosting some important figures from outside our business. I would be remiss if I did not mention a number of the special guests that we have in our presence.

In particular I would like to welcome Her Excellency Ms. Susan Shabangu, the Minister of Natural Resources of the Republic of South Africa, who will be delivering the keynote address this morning. She is heading a large government delegation from South Africa and, Madam Minister, we are thrilled that you are able to be with us today.

Also joining us in Vicenza is Ambassador Gillian Milovanovic of the United States, the Chair of the Kimberley Process. Madam Ambassador we are honored to have you with us and to enjoy the opportunity of having you address this session.

Another guest at our meeting today, and who also will be speaking to us, is Mr. Tung-Lai Margue, the Head of the Service for Foreign Policy Instruments of the European Commission, which is the body that oversees the Kimberley Process within European Union. He too will be speaking today. Welcome to Italy sir; we are pleased to be able to host you.

A number of other governments are represented in Vicenza by representatives who are KP veterans, with a deep knowledge of our business and a commitment to defending the integrity of our trade. They are Shmuel Mordechai, the Diamond Controller in Israel; Kennedy Hamutenya, Namibia's Diamond Commissioner; and Seth Klaye, the KPSC Coordinator in Ghana. We are pleased that you were able to join us and contribute to this meeting.

I begin my address today with some positive news, and that is that Africa's economies are growing at a rate that is faster than almost any other region in the world. Moreover, four of the five African countries that showed the greatest annual growth in GDP between 2007 and 2011 are home to diamond-rich economies.

I am talking about Angola, whose economy grew by an average rate of 5 percent per annum during this period; Namibia, which saw yearly growth of 6.1 percent; South Africa, whose economy grew on average by 8.3 percent per annum; and Botswana, which saw an average rise of 8.8 percent in GDP each year from 2007 to 2011.

Now don't get me wrong. My intention is not to paint a picture that is deceptively optimistic. Compared to most other regions, conditions in Africa remain tough. The majority of the continent's one billion people live below the poverty line and, out of every 1,000 African children, 118 will die before their fifth birthday. But 20 years ago that figure was 165.

Africa is slowly moving toward the fulfillment of the United Nations Millennium Development Goals, and we in the diamond and jewelry sectors have a part to play.

In the past, economic growth in Africa was directly related to commodity prices. But, more recently, commodities have been only one-third responsible. Other contributing factors have been responsible government policies, and particularly investments in infrastructure, communications and education; foreign corporations that are prepared to invest in people and industries, and not only in raw materials; and, most important, political stability, which has been supported by a sharp reduction in the incidence of civil war.

At the end of the last century, when the conflict diamond trade was at its height, only seven African countries held frequent elections. Today, the civil wars that plagued Angola, Sierra Leone, Liberia and the Democratic Republic of Congo have largely ended, and two out of every three African countries have introduced democratic reforms.

The supportive role that we played in making that connection, linking peace to political progress, and ultimately to economic growth and development, is one in which we take great pride. But let us recognize our limitations. The Kimberley Process, ladies and gentlemen, never guaranteed economic growth.

What it did do was help decimate an evil business that was fueling civil war in Africa, and in so doing played a role in creating the conditions that allowed healthier economies and societies to develop. In such an environment, diamonds could become a positive force – a natural resource which could leverage a society out of poverty and towards prosperity.

How do we define the role of the World Diamond Council in 2012? Are we mainly a defensive instrument, dedicated to preventing conflict diamonds from infiltrating our legitimate business, or are we also a body that seeks to project the potential of the diamond business to improve the lives of ordinary people in the countries and regions in which we are active? I would suggest the latter, and at the same time emphasize that our sense of purpose is shaped by our absolute refusal to compromise when it comes to the rights of our stakeholders to live their lives in dignity and with security.

The World Diamond Council was not established to protect the narrow interests of the diamond and jewelry industries in the evolving campaign against conflict diamonds, although it clearly was in our interest that conflict diamonds be eliminated from the face of this earth.

The World Diamond Council was established to articulate our refusal to allow the product, to which we have dedicated our careers, be used as an agent of suffering and oppression. Under no circumstances, ladies and gentlemen, should the diamond be associated with collective violence against communities.

This industry's commitment was reflected in the agreement that the World Diamond Council has reached with the Civil Society Coalition regarding the incorporation of a statement concerning compliance with international human rights law into the KP's Administrative Decision on Internal Controls. It is unhesitating in its intention, and I quote: "The administration of security measures and the implementation of KPCS internal controls within the diamond industry, applicable to participants, should be consistent with international human rights law."

Together with government and civil society, our industry has concluded a social contract, the goal of which is to provide a foundation upon which diamonds can play a positive societal and economic role.

Ambassador Milovanovic has related to the social contract, and Madam Ambassador if you will permit me to quote you from a recent interview: "Most importantly that whatever [we] all do affects millions of people. Millions of people who are either earning a livelihood or hoping that the diamonds, which either is the wealth in their ground, or is the product that they're polishing, or a piece of jewelry that they're making or selling, is going to bring greater development and greater prosperity."

We meet today in an atmosphere that is substantially different to the one that dominated when we last gathered at a WDC Plenary Meeting, in St. Petersburg in 2010. Then, it would be fair to state, the level of tension was considerably higher, and certainly was influenced by the fact that agreement had still not been reached within the KP over the Marange deposit in Zimbabwe.

There was, at the time, two distinct doctrines within the KP. The end-goals of both were similar if not identical, but the approach to achieving them depended upon the particular prism through which its adherents saw the world. At the one end there were the members from the developed Western markets, who emphasized the critical role of consumer sentiment.

At the other end were members from producing countries, who stressed the necessary role of diamonds in providing sustenance and economic opportunity at the grass roots level. The difference in opinion was honest and legitimate, but the stalemate it caused was most unfortunate.

One agreement and 22 months later the general mood has greatly improved. The United States, the largest of those Western markets, is the KP Chair, and waiting in the wings as the KP Vice Chair, ready to take over the helm in January 2013, is one of the most prominent of those producing countries, South Africa. Both, I can proudly say, are represented at the very highest levels here today, and their presence underscores the commitment of the entire KP community to move the process forward.

Madam Ambassador, it is an honor to be able to host you in “our house,” and demonstrate the commitment of our industry to fulfilling the goals of the Kimberley Process. During your five months in office, we have been struck both by your ability to listen and by your insistence on inclusiveness. They are qualities that always have been key to the success of the Kimberley Process.

In any diverse organization – and the KP is nothing if not diverse – it would be naïve to expect absolute agreement on each and every issue, other than the on the fundamental objectives of our undertaking. But what is necessary is a sense of mutual respect for the others right to see the world differently, and a readiness to assume that your counterpart’s intentions are good and honest. You have demonstrated that Madam Ambassador, and this suggests that significant things will be achieved during your term in office.

Madam Minister, we keenly await your keynote speech this morning. Over the past 12 years, I have been fortunate to have worked together with many of your countrymen, and I have learned from them about the sense of empowerment and self-confidence that is derived by obtaining control over ones natural resources.

As a leader from one of our world’s youngest democracies, you have been privileged not only to have been a witness to, but also a participant in one of the most extraordinary political transformations of modern times. The South African experience has been remarkable not only because of your country’s largely peaceful transition to majority rule, but also because of your government’s commitment to economically empowering once-underprivileged peoples, without relinquishing the tenets of the market economy. Your experience in this respect is invaluable.

This evening, Madam Minister, we will honor another of your countrymen, Nicky Oppenheimer, the Chairman of the De Beers Group. When the initial news of the conflict diamond trade in West Africa began to trickle out in the late 1990s, he was among the first of our industry leaders to sound the alarm, urging that we needed to act, immediately and decisively. To that end he committed the support and resources of De Beers, which I am pleased to say has remained a steadfast supporter of the World Diamond Council and the Kimberley Process ever since. I hope that everyone in the hall today will be able to join us recognizing his massive contribution.

South Africa's ascension to the KP Chair in 2013 will coincide with the 10th anniversary of the launch of the Kimberley Process Certification Scheme. Over the past several months, together with our colleagues in the KP, we have been taking a hard look at the system, what it has achieved, to what degree it remains relevant in the current geo-political environment, and what can be done to strengthen it and make it more efficient.

On balance the KPSC has met most of its objectives, although there exists at this point in time a limited trade in conflict diamonds from the Ivory Coast, which is currently subject to sanctions by the UN Security Council. There also is a flow of diamonds from Venezuela, which is not a KP member.

But what the KPSC has changed over the past decade is not only the volume of conflict diamonds in the pipeline, but also the expectation of what can and needs to be done, both from the perspectives of members of our industry and our consuming public. Human rights is an issue in this respect, and as I stated earlier, we in World Diamond Council will not shy away from the subject of human rights, nor will we accept any situation in which the diamond is an agent of ill-doing.

The agreement concerning exports from Marange enabled the Kimberley Process to take up with renewed enthusiasm the matter of internal reform. It a topic that we are keen to see progress on, and was the key subject of two recent meetings in Washington, D.C., and Brussels.

There are number of reforms that we would like see implemented, among the establishment of a permanent Administrative Support Mechanism, which will ensure continuity and improve the efficiency of KP's working bodies. I am please to say that there has been some real progress in this area, and we hope to see results already at the KP's Intercessional Meeting in the United States in June.

We also would like to see a toughening of the peer review system, a robust enforcement mechanism to improve compliance with KPCS's minimum requirements, and improved information exchange with international law enforcement agencies. These elements clearly would be more easily achievable with a permanent Administrative Support Mechanism.

After a prolonged period of limited action, we are now in a position to make real progress, and to fulfill the commitments that we have made to our respective constituents. Tough decisions need to be made, but we cannot afford to do otherwise.

I am reminded of the analogy of a bird that is able to soar upwards, as long as it flaps and stretches its wings. But if the bird becomes inactive and its wings fall to its side, it will plummet to the ground.

Inaction, ladies and gentlemen, is not an option.

I thank you.