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**Kimberley Process empowered African diamond-producing nations,
says WDC President at Angola Centenary Diamond Conference**

LUANDA, ANGOLA: JUNE 20, 2013 - One of the overriding consequences of the Kimberley Process has been the empowerment of the African nations and the African people in the diamond business, said Eli Izhakoff, President of the World Diamond Council, in his address today to the Angola Centenary Diamond Conference, in Luanda, Angola.

The following is the full text of his address:

We gather in Luanda today to celebrate the Angolan diamond industry's centenary year, and that by all standards it is a remarkable achievement. We also honor a country that is a living example of the promise of rebirth, and a center that offers the most tangible proof of what the Kimberley Process is able to achieve.

How times have changed.

Thirteen years ago when discussions first began about the system that would become the Kimberley Process Certification Scheme, Angola was one of the prime examples of a country whose diamond resources were being squandered to fund a civil war. Violence raged, and was fueled in part by rebel groups selling rough diamonds that had been obtained under the most terrible human conditions.

The crisis in Africa threatened to unravel the diamond business by associating the most sought-after of gemstones with violence and war. The Kimberley Process sought to avoid such an eventuality by introducing a regulatory system that was reliant on the proper functioning of government-sanctioned offices in both the producing and manufacturing centers.

With the cooperation of government, industry and civil society, the KP supported the reestablishment of control over the access of rough diamonds into the legitimate pipeline, allowing UN sanctions against the stricken countries to be relaxed. This

consequently enabled companies, like our host Endiama, to strive to obtain the full potential of the resources that they have at their disposal.

Let me thank Endiama, its very capable Chairman, Antonio Carlos Sumbula, and the staff of the company for hosting us all in Luanda today and inviting us to be part of their celebration.

One cannot underestimate the extent of their achievement. If you had taken a poll 15 years ago whether this event would have been likely, few would have answered positively.

But through persistence, dedication and consistent support for the Kimberley Process, they have regenerated a viable diamond industry, with a tremendous upside. Some 60 percent of the country's production potential has not been prospected nor systematically examined. This means that Angola and Endiama are most likely to remain growing forces in our business for many years to come.

That is very good news for the Angolan diamond sector, for the international diamond industry, and for the people of Angola.

I prefaced my remarks earlier by noting how times have changed over the past decade and a half.

While the initial meeting of the Kimberley Process took place in the South African town of Kimberley some 13 years ago, which was an event that was recalled and celebrated just a few weeks ago at the KP Intersessional meeting in South Africa, the epicenter of our business was far north of here. Key decisions rarely were made in Africa. There were few indigenous Africans among the principle decision makers.

What the conflict diamond crisis and the consequent Kimberley Process managed to do was focus the attention of our business on the people and the nations from which so many of our rough diamonds are sourced.

For many years, we in the diamond business had spoken of the special responsibility that we have to the consumers of diamond jewelry, who purchase our products not only for their great beauty and value, but for also for their unique capacity to express and symbolize the most important of human emotions - which are love and commitment between two individuals. We were the diamonds' guardians, and with that came a particular sense of commitment.

The conflict diamond crisis and the Kimberley Process led us to realize that we are equally responsible to the people and the countries in which the rough diamonds are

mined. For them, diamonds represent the opportunity for sustainable economic growth and development, and the promise of a better future for the generations to come.

Neither sense of responsibility is mutually exclusive. Both need to be applied in equal and full measure.

The ascendancy of Africa in the collective consciousness of the diamond business was not restricted to the development of defensive systems like the Kimberley Process Certification Scheme. It also was expressed in the greater involvement of African political and business leaders in the life of our industry. One only needs to look around this hall today to appreciate what I mean.

Since the establishment of the Kimberley Process, there has been eleven KP Chairs, of whom five have been African. They include the serving KP Chair, Ambassador Welile Nhlapo of South Africa.

When the Kimberley Process was established, while the largest numbers of rough diamonds were mined in Africa, for the most part they were aggregated, sorted and sold in London, at the Diamond Trading Company's facility on Charthouse Street.

That is no longer the case. The DTC has since set up sorting and marketing facilities in a number of African countries, and it also moved its headquarters to Gaborone in Botswana. In the space of just several years, Southern Africa has become the production, strategic and administrative focus of the rough diamond business.

Simultaneously, vibrant and viable diamond cutting centers have sprung up in a host of African countries that, with the exception of South Africa, previously were exclusively mining centers.

It is early days yet, and diamond cutting and polishing is a business sector that needs to grow organically, but the presence of a growing pool of skilled specialists, technicians and businesspeople in these African countries provides the promise of expanding downstream activities related to diamonds. This means more added value and more sustainable economic opportunities at the grass roots level.

I am not an historian, but over the past years I have had the privilege of participating in and being a witness to history in the making. From my perspective, one of the overriding consequences of the process in which we have been involved is the empowerment of the African nations and the African people in the diamond business.

Writing a poem while in prison in Lisbon in 1960, the future first president of an independent Angola, Dr. Antonio Agostinho Neto, wrote that "we shall return to our beautiful Angolan homeland, our land, our mother."

"To our mines of diamonds, gold, copper, oil, we shall return," Dr. Neto wrote.

Well, although most of them never left the country, the Angolan people are returning to positions of influence and economic independence, as are the peoples of South Africa, Botswana, Namibia, Lesotho, Zimbabwe, the DRC and Sierra Leone. That is the legacy of the Kimberley Process, and it is one of which I am most proud.

This does not mean that the KP's primary charge, which is to protect the integrity of the diamond, has changed in any way. For the people of Africa to obtain full benefit from their natural resources it is imperative that both the diamond and the diamond industry remain devoid of any reputational threat. This is why, both in developed and developing countries there should be strong support for the principle that the diamond should in no way be directly associated with acts of violence.

This is not a political or strategic argument, but rather an ethical position, and it should resonate most clearly in a country like Angola, which knows first-hand the pain and difficulty that are byproducts of conflict.

It has been my honor to be associated with the diamond sector in Angola, as it has to have been associated with the diamond sectors in other parts of Africa, and, if the work that we have done under the umbrellas of the World Diamond Council and the Kimberley Process have in any way gone to improve the lives of ordinary citizens in these countries, the hours, days, months and years of hard work that so many of us have invested will have been well worth it.

The fact that we are all here today - members of governments, industry and civil society - celebrating a milestone in the life of great African mining center, says it all.

I thank you.

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