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Kimberley Process relies upon commitment of all participants, says WDC President in address to KP Plenary Meeting

WASHINGTON, D.C.: NOVEMBER 27, 2012 – *Over the past 10 years, the Kimberley Process has proven the effectiveness of international cooperation, said Eli Izhakoff, President of the World Diamond Council, in his address today to the KP Plenary Meeting taking place in Washington, D.C. . But to continue to be able to do so, the organization needs to be able to deliver on what it promises, he said, adding that to be effective all countries need to be equally committed to the process and the decisions that are taken within the forum.*

The following is the full text of Mr. Izhakoff's speech to the 2012 Kimberley Process Plenary Meeting:

Ladies and gentlemen,

It is my honor to be addressing you today, and a privilege once again to visit this great city, which to so many people, both in America and around the world, symbolizes the principles of both national and personal freedom, and the realization of a people's right to self-government and self-fulfillment.

The United States was born when a group of citizens released themselves from the yoke of colonialism, and became the model for what free men can achieve when they are allowed to take control over their own destiny. That sense of personal empowerment in a country rich in natural resources led to the growth of the world's largest economy and most powerful democracy.

In January 1961, then President-Elect John F. Kennedy spoke about the "city on the hill," saying that "the eyes of all people are upon us." And so it has been for generations that people from around the world have looked to what has been achieved in this country, and said to themselves "we can do the same at home."

It was to empower ordinary people in the rough diamond-producing countries of Africa to achieve what was done here in America that the Kimberley Process was created. The

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KP's primary objective was never to restrict business, but rather to enhance the trade in legitimately mined goods. By eliminating the threat posed by conflict diamonds in the pipeline, KP-compliant countries would be able to take full advantage of their diamond resources, and invest in the programs necessary to create economic growth and social development.

And, as a country that undisputedly is the most shining example of a nation that relied on its physical and human assets to achieve economic independence and prosperity, it was fitting that the United States be selected to lead the Kimberley Process.

It is at this juncture I would like to recognize our host, the U.S. State Department, and in particular several of its officers with whom I have been privileged to work, starting with Ambassador Gillian Milovanovic, the Chair of the Kimberley Process.

I do not believe that I would be overstating the fact when I say that she took on a massively complicated and sensitive task when she was appointed KP Chair. The issues on table were challenges enough, but additionally so was the fact that she was the first American to be holding the position. She also was first woman, which in itself is a notable milestone.

I also believe that I will not be overstating things when I say that she has done a tremendous job, and during the past 11 months in office has laid the foundations for what is more inclusive, more attentive and more effective organization.

The Assistant Secretary for Economic and Business Affairs, Jose Fernandez, has been a pillar of strength and a source of great assistance, using his experience, diplomatic acumen and the influence of his office to make the United States' year at helm of the Kimberley Process more effective. Mr. Assistant Secretary, we thank you for your efforts.

I will also like to pay tribute to the State Department official who I have known the longest and with whom I have spent the most face time, and that is Brad Brooks Rubin, whose official title is Special Advisor for Conflict Diamonds in the Bureau of Energy, Economic and Business Affairs at the United States Department of State. Brad has been part of the process for many years, and is as knowledgeable as anyone that I know about the issues at hand. He has played a critical role over the past year, and I trust will continue to do so into the future.

Just two weeks ago I attended, as did a good number of you present today, a diamond conference at Victoria Falls in Zimbabwe. It was a remarkable gathering that, just two years earlier, few would have predicted could have been possible. It brought together members of the Zimbabwe government and mining community, government and

industry leaders from other African countries, the Chair of the Kimberley Process, members of the diplomatic corps in Zimbabwe including from the United States, members of the international diamond industry and trade, and human rights and civil society activists in Zimbabwe.

The presence of the NGOs at the conference was particularly important. Alongside government and industry, civil society has always served as the third pillar of the Kimberley Process, and without which it would not properly stand. Their attendance at that meeting, as well as at others in different parts of the world, contributes significantly to the credibility to the KP.

The conference would never have taken place were it not for the agreement reached at the last Kimberley Process Plenary in Kinshasa, in November 2011, which enabled the start of exports from two KP-compliant mines in the Marange region of Zimbabwe, and detailed a mechanism that would allow for the addition of other mines in the future.

The agreement, which required the approval of all KP members, was arrived at after years of tough negotiations, and illustrated well the basic *raison d'être* of the Kimberley Process, and that is: through international cooperation, the integrity of the rough diamond chain of distribution can be protected, enabling producing countries and their citizens to gain fair benefit from their natural resources.

The U.S. Secretary of State, Hillary Rodham Clinton, has herself underlined the importance of international cooperation in providing solutions to the challenges facing our world, and particularly those confronting Africa. In a speech she that she delivered just this past August in Cape Town, South Africa, she said and I quote: “None of these problems can be solved by any one country acting alone or even by several countries acting together. Each one calls for a global network of partners – governments, businesses, international and regional organizations, academic institutions, civil society groups, even individuals all working in concert. And there cannot be a strong global network unless there are strong African partners.”

Well the Kimberley Process offers all of that, including strong African partners. Over the past 10 years it has proven the effectiveness of international cooperation. But to continue to be able to do so, we need to be able to deliver on what we promise. For the KP to be effective, all countries need to be equally committed to the process and the decisions that are taken within the forum.

For the process to work effectively, the consumer needs to understand that every legitimately traded diamond can be traced to a verifiable KP certificate, by way of the World Diamond Council’s Chain of Warranties. However, if we begin to differentiate between KP certificates, implying that one may be more legitimate than the other, then

we will undermine consumer confidence in general. And if that happens, then the potential of the diamond to serve as an agent for economic and social progress will be damaged – across the board, in all the countries that diamonds are mined and processed.

The goal of ensuring an ethical chain of distribution needs to be fully inclusive, but it does not mean that, in formulating equitable international solutions, we automatically should conform to the lowest common denominator. If that was the case, many of us in this room would have been spared a good number of sleepless nights.

For our part, the World Diamond Council is strongly committed to improving and reforming the Kimberley Process, so that the KP is able to act with greater decisiveness, determination and continuity, and also to expanding the definition of conflict diamonds, so that it incorporates all the instances of armed conflict and armed violence that may be associated with the rough diamond business.

Indeed, when at our Annual Meeting in Vicenza, Italy, in May of this year, Ambassador Milovanovic's first suggested publicly that the definition of conflict diamonds be expanded to include "rough diamonds used to finance, or otherwise are directly related to armed conflict or other situations of violence," we immediately passed a resolution that stated that this was a proposal that would advance the discussion in the KP.

We also agree with the qualification that Ambassador Milovanovic provided during her speech to the diamond conference two weeks ago in Zimbabwe, in which she stated that "additional certification standards beyond the current definition should apply only to armed conflict and/or armed violence that is demonstrably related to rough diamonds and independently verified." As she said, they should not be applicable to "isolated, individual incidents, or to circumstances or situations in which an armed conflict exists but is unrelated to the diamond sector."

The Kimberley Process Ad Hoc Committee on Enforcement, which will deal with issues relating to the enforcement of the Kimberley Process Certification Scheme, is a body whose formation we also strongly support. We believe that it, too, demonstrates the firm commitment of this organization to pursue its objectives, which is to render the diamond pipeline, from mine to market, free of conflict diamonds.

The World Diamond Council is, of course, not a voting member of this body, but rather an observer. However, as one of the primary beneficiaries of the indispensable work done by the KP, we are a most dedicated and active participant.

It was for this reason that we proposed that we take responsibility for the management of permanent Administrative Support Mechanism, or ASM, which will provide logistic,

organizational and communications support to the KP on an ongoing basis. We will do so with the collaboration of four of our members, which include the Gem and Jewelry Export Promotion Council of India, the Israel Diamond Institute, the Antwerp World Diamond Center and the Diamond House of the Government of Ghana.

The management of the ASM will be, in the very best of a KP traditions, an international cooperative effort, joining East with West and North with South. And, as one should expect, it will have a strong African component.

It is a theme that is an integral part of all things related to the KP. The ongoing dialog between the United States and South Africa, in their respective capacities as Chair and Vice Chair of the Kimberley Process, was critical to the success of the Kimberley Process over the past year, and I would like to express the thanks of the World Diamond Council for the critical role played by Ms. Susan Shabangu, South Africa's Minister of Mineral Resources, who was actively involved, giving generously of her time whenever needed.

I am confident that the cooperative spirit which was created during this period will continue into 2013, when South Africa takes over the helm of the KP. Ambassador Welile Nhlapo, the next KP Chair, is an experienced Washington hand, having served for years as his country's chief representative in the United States. I wish him the very best of luck, and we hope to be able to work closely with him and his team over the coming year.

I thought I would conclude my address by quoting President Barak Obama, who in June of this year outlined his U.S. government's strategy for partnering with Sub-Saharan Africa. In his introduction to the document, he expressed a sentiment that I believe parallels closely what we want to achieve with the Kimberley Process, and I quote: "We believe that Africa can be the world's next major economic success story. We will work with our African partners to build strong institutions, to remove constraints to trade and investment, and to expand opportunities for African countries to effectively access each other's markets and global markets, to embrace sound economic governance, and diversify their economies beyond a narrow reliance on natural resources, and—most importantly—create opportunities for Africa's people to prosper."

I thank you for your attention.

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