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## **Our mission is to ensure diamonds meet their development potential, says WDC President at KP meeting in South Africa**

KIMBERLEY, SOUTH AFRICA: JUNE 4, 2013 – The primary responsibility of the Kimberley Process is to protect and enhance the wellbeing of ordinary citizens in the diamond producing countries, and to do that there is a need to defend the reputation of the diamond and the diamond industry among jewelry consumers, said Eli Izhakoff, President of the World Diamond Council, in his address today to the Intersessional Meeting of the Kimberley Process, in Kimberley South Africa.

### **The following is the full text of his address:**

The Honorable Susan Shabangu, Minister of Mineral Resources of the Republic of South Africa; Ambassador Welile Nhlapo, Chair of Kimberley Process; the Honorable Dr. Obert Mpofu, Minister of Mining and Mining Development of the Republic of Zimbabwe; excellences, delegates, observers, ladies and gentlemen,

There are few, if any, locations on the face of this earth that have greater significance for our business than the town of Kimberley. For more than 130 years it was known primarily as the site of the massive diamond rush, which effectively launched the modern diamond industry. But for the past 13 years it has also been synonymous with the process that was created to protect the integrity of our product, and of the men and women who make up our trading community.

For those of us who have been involved in the Kimberley Process since the year 2000, there is a sense of poetic closure today, particularly because we also are marking the 10th anniversary of the start of the Kimberley Process Certification Scheme.

There are those who say we have come full circle, but I personally do not see that as an accurate characterization. To come full circle implies that you have returned to the point from which you started, and that certainly is not the case. Our industry has traveled a long distance between 2000 and 2013, and the journey has caused us to experience massive change, both in the way we operate and in the ways we regard ourselves and our mission.

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The South African government hosted that critical first meeting in July 2000 that led to the establishment of the Kimberley Process forum, and it hosts us once again today. Over the past three years I have had the privilege of working closely with the South African Minister of Mineral Resources, Ms. Susan Shabangu, and time and time again have been captivated by her keen sense of direction and leadership. On behalf of the World Diamond Council, let me thank you for your commitment and generosity, and your wisdom in appointing the 2013 KP Chair, Ambassador Welile Nhlapo.

The selection of an individual with so impressive a set of credentials, including the South Africa's official representative in the United States and a senior advisor to President Zuma, is indicative of the light in which this country regards the diamond industry and the Kimberley Process. We are most fortunate to benefit from his diplomatic skill and experience, which was well evidenced just this past month in the deliberate but decisive way he decided to temporarily suspend the Central African Republic from the Kimberley Process Certification Scheme.

As many of you know, this is the last Intersessional that I will be attending as WDC President; so for me personally this already important meeting has taken on an extra degree of significance.

My intention today is not to dwell on past. However, I would be remiss if I did not take a few moments to pay tribute to the men and women that have helped make the past 13 years so memorable and satisfying a period of my career. They are numerous in number, and if I tried to mention them all by name there inevitably would be those who I inadvertently leave out. So to avoid embarrassment I will mention but the names of the select club of individuals who have headed this proud enterprise. I refer of course the KP Chairs, who it has been my pleasure to get to know and work with over the past 10 years:

- Abbey Chikane, of the Republic of South Africa
- Tim Martin, of Canada
- Viatcheslav Shtyrov, of the Russian Federation
- Kago Moshashane, of the Republic of Botswana
- Ambassador Karel Kovanda, of the European Union
- Rahul Khullar of India
- Bernhard Esau, of Namibia
- Boaz Hirsch, of the State of Israel

- Mathieu Yamba, of the Democratic Republic of Congo
- Ambassador Gillian Milovanovic, of the United States
- and, Ambassador Welile Nhlapo, of the Republic of South Africa, our host at today's event,.

The KP Chairs have represented countries that together reflect the full spectrum of the diamond pipeline – rough diamond producers, cutting and trading centers, and jewelry manufacturers, jewelry retailers and jewelry consumers. Each, in his or her own way developed an appreciation of how important an economic and social force our industry can be.

All of these dedicated public servants have been supported by staffs of individuals, who collectively put in thousands of hours of work behind the scenes. I thank you. Without you all, none of this would have been possible.

One of the challenges faced by the respective KP Chairs and their staffs was that they have had to recreate an administrative mechanism at the start of each year, when they assume office. It was a shortcoming that we discussed at great length when debating possible reforms of the Kimberley Process.

Less than a month ago, on May 6 in Tel Aviv, Ambassador Nhlapo and I signed an agreement which led to the creation of a permanent Administrative Support Mechanism.

The ASM will alleviate the strain upon the incoming KP Chair, by providing an ongoing civil service to help operate the Kimberley Process. It will function under the auspices of the World Diamond Council, and will be operated by four of our members.

Like a civil service, the ASM will not be responsible for making policy. That will remain the charge of the KP Chair and the KP Plenary. The ASM will be responsible for supporting the administering of policy.

The involvement of the World Diamond Council in the establishment of the Administrative Support Mechanism is yet another example of the remarkable coalition that formed as part of the Kimberley Process.

At this juncture allow me to pay special tribute to my colleagues in the World Diamond Council, who together have shown the true face of the diamond and jewelry industry over the past 13 years. They include the board members, both past and present, as well as office holders.

This ongoing support, I am confident, will continue when Avi Paz assumes the presidency at the beginning of next month. With his experience as president of the Israel Diamond Exchange and the World Federation of Diamond Bourses, and with his intimate knowledge of the WDC and Kimberley Process, I am sure he will continue our proud tradition.

Political scientists will tell you that government and business are not automatic partners. They may have common interests, but the natural inclination of business is to have less government, less regulation and lower taxes.

Well, we broke the mold in this respect. In the campaign to eradicate the trade in conflict diamonds we invited government to involve itself in our industry, we encouraged the creation of regulatory systems, and, as demonstrated by the recent ASM agreement, we were prepared to take on additional expense in order to do all this.

The third member of the coalition is civil society, and I am pleased to note that its commitment to the Kimberley Process remains strong. The NGOs, which are an integral part of the process, always have been and will remain a critical factor in the KP's maintaining its integrity as a moral force.

There are a great many reasons why the Kimberley Process may not have succeeded in its mission. The various partners come to the table with very different mind-sets, and even within our different camps there are frequently differences of opinion. And no wonder. We come from 80 countries around the world, north and south of the equator, from the both the developed and developing world.

But we have succeeded in our mission because, while we often do not agree on the details, we are united when it comes to the mission. And it is that unity in purpose that will continue to be required as we move forward.

And what is our mission? It is broader today than it once was, and that is not because our objectives have changed, but rather because, whereas in the beginning our goal was to deal with an immediate crisis, today we have a clearer appreciation of what we are capable of when we act with unified determination.

Our mission is to ensure that diamond resources are able to fulfill their potential as generators of positive economic and social and development, by ensuring that they are not associated with systematic acts of violence and oppression. Our primary responsibility is to protect and enhance the wellbeing of ordinary citizens in the diamond producing countries, and to do that we need to defend the reputation of the diamond and also the diamond industry among jewelry consumers.

Kimberley Process compliance is not a business strategy; it is a way of life. We do not adhere to the tenets of the KP to obtain a commercial advantage. We do so because it is the right thing to do. We do not dismiss the profit motive; after all, it is a prerequisite for survival in our industry. But we believe that profit should not be made at the expense of others, irrespective of where they are located – geographically or along the chain of distribution.

So, as we find ourselves in Kimberley once again, we would do well to consider the words of one of the world's greatest leaders, Nelson Mandela: "There is nothing like returning to a place that remains unchanged to find the ways in which you yourself have altered."

I thank you all.

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