



# World Diamond Council

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## **WORLD DIAMOND COUNCIL DEVELOPING CONTROL SYSTEM AND LEGISLATION TO STAMP OUT CONFLICT DIAMOND**

NEW YORK, NY: October 2, 2000 – The World Diamond Council is making significant progress toward developing a system of controls to eliminate conflict diamonds by tracking stones from extraction through processing and creating model legislation to enforce the procedures, Eli Izhakoff, chairman of the WDC, said today.

"The World Diamond Council is committed to ending all trafficking in conflict diamonds," Izhakoff said. "Even though these stones make up only a tiny percentage of the world trade, producers, processors, retailers and all others involved in our industry are committed and moving swiftly to achieve their complete elimination. The industry is already working with the international community to put such measures in place.

"This is a global problem that requires a global solution. At this stage, unilateral action, such as the legislation currently under consideration by the U.S. Congress, will have a dramatic negative effect on democracy in Southern Africa, particularly in countries such as South Africa, Namibia and Botswana. We are fully in agreement with the goals expressed by the members of

Congress who have introduced these measures, but we advocate a worldwide system that will be founded on validation of diamond origin in the mining countries," Izhakoff said.

On another front, the WDC is calling on all governments to join it in taking immediate action to stop the transshipment of rough diamonds through exporting countries whose stones are of suspicious origin. These nations include Liberia, Togo, Zimbabwe, Ivory Coast and Burkina Faso. "Members of the World Diamond Council have ceased doing business with these countries," Izhakoff said. "All importing countries must do the same to shut down these operations immediately."

Formed in Antwerp in July, the Council was created to develop and implement quickly a plan to curtail trade in conflict diamonds, which are traded by rebel forces in some parts of Africa to fuel violent civil conflict. One tenet of the plan is to minimize the impact on stable African democracies, such as South Africa, Botswana and Namibia, whose economies rely on legitimate diamond exports.

The Council held its organizational meeting in Tel Aviv on Sept. 7 and is moving forward on a number of fronts in close cooperation with governments, financial institutions, and international and civil society organizations, such as the United Nations and ministerial meetings that have taken place in recent months.

Izhakoff said that among the Council's highest priorities is development of a uniform international system for sealing, authenticating and tracking rough diamonds as they leave their countries of origin and as they enter processing centers around the world. Work on this effort is well underway and the Council's recommendations will be presented to a meeting of government ministers from around the world in London at the end of October.

Under the plan, participating countries that import rough diamonds would bar entry to any stones without proper seals and certificates of origin bearing the weight, valuation, and shipment number unique to each shipment. Customs authorities in countries importing processed diamonds, such as the United States, would then grant entry only to stones from countries with these controls in place.

"This system will ensure that diamonds shipped in this manner are conflict free," Izhakoff said. "We will make it impossible for smugglers and other illegitimate traders to find a market for their stones in the industry."

To establish the legal framework to carry out this plan, the World Diamond Council also is working on model legislation for participating countries. The measure, which it plans to have ready in 90 days, will be designed to ensure compliance with treaties and international agreements, such as WTO regulations. It also will establish criminal penalties for violations of its provisions.

Members of the World Diamond Council come from 13 countries on five continents and represent all facets of the industry.