



# World Diamond Council

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## **World Diamond Council concludes Annual Meeting in Sicily, reaffirms commitment to end conflict diamond trade**

CATANIA, SICILY, February 7, 2006 - The World Diamond Council has concluded its fourth Annual Meeting in Catania, Sicily. More than 100 representatives of the international diamond and jewelry industries, governments, international organizations and NGOs reaffirmed their commitment to prevent the infiltration of conflict diamonds into the legitimate diamond trade.

The Annual Meeting of the World Diamond Congress was hosted in Sicily by Dr. Gaetano Cavalieri, the president of CIBJO, the World Jewellery Confederation, and by the Government of the Province of Catania, which also sponsored event.

In his report to the annual meeting, World Diamond Council President Eli Izhakoff outlined the involvement of the World Diamond Council in the Kimberley Process Monitoring System, and called on industry leaders to redouble efforts ensure compliance with the voluntary system of warranties for polished diamonds and jewelry containing diamonds.

Izhakoff also emphasized the importance of informing the general public about the industry's efforts, so as to dispel a distorted image that sometimes is created by the popular media. "The industry will soon be challenged by the fallout from a major Hollywood production [The Blood Diamond], starring Leonardo DiCaprio and tackling the issue of what most probably will be referred to in the media as 'blood diamonds.' Instead of running for cover, I would suggest that we take a positive, proactive approach. The fact that we all are gathered here today is positive proof that the gemstone and jewelry industry is not prepared to allow conflict diamonds to sully our reputation. Our actions over the past several years demonstrate clearly that we have nothing to be ashamed about. Indeed, the work that has been done by the World Diamond Council should be used as an example by others in the business

community as to how an industry can unite in order to better society in general. We clearly are not part of the problem, but rather we are part of the solution,” he said.

On the second day of the meeting, Izhakoff and Kago G. Moshashane, the chairman of the Kimberley Process and the deputy permanent secretary of Botswana’s Ministry of Minerals, Energy and Water Resources, produced a joint letter that is being sent to Edward Zwick, the producer of *The Blood Diamond*, requesting that the movie provide accurate and up to date information about the conflict diamond trade in Sierra Leone, which is the country in which it is set. (See accompanying press release.)

In their letter, Izhakoff and Moshashane noted that the period in which the movie is set predates the implementation of the Kimberley Process Certification Scheme, and, thus, without clearly mentioning this fact, the movie could present a distorted picture of reality to the general public.

In his keynote address to the meeting, Moshashane said the joint efforts of government, civil society and the diamond and jewelry industries in tackling the conflict diamond issue helped bring about a reduction in the incidence of civil war in the affected areas. “As it happens, during the three years since the Kimberley Process diamond certification system began to operate, there has been a very substantial down-scaling in those conflicts which were thought to be fuelled partly by the sale of stolen diamonds. Much as our own organizations would like to claim full credit for this, there were, no doubt, other contributory factors at work. But there is no doubt in my mind that the relative speed with which the Kimberley Process Certification Scheme was implemented, the swift implementation by the WDC of industry codes of conduct, and the strength of the international consensus that was achieved, all contributed to the retreat of the men of violence,” he stated.

During the meeting, a special committee was created with the aim of introducing programs to increase awareness in the diamond and jewelry industries about the chain of warranties that diamonds are conflict free. One of these programs will involve the establishment of World Diamond Council booths at jewelry trade fairs worldwide.

A three-year review of the Kimberley Process Certification Scheme is about to get underway, the program of which was outlined by Abdul Omar, a senior policy advisor at Canada’s Department of Foreign Affairs and International Trade. Izhakoff stressed the industry’s commitment to compliance, and noted that this will be part of the wide-ranging review.

In his speech to the conference, Shmuel Schnitzer, the president of the World Federation of Diamond Bourses, reaffirmed the commitment of all diamond

bourse members to uphold the requirements of the Kimberley Process. “Our commitment derives primarily from our full recognition that the diamond industry, which is so proud of the purity of our product, must not and can not be involved in any shape or form with violence or the financing, even indirect, of conflicts that distort and contradict the untainted nature of the diamond,” he stated.

Jeffrey Fischer, the president of the International Diamond Manufacturers Association, stressed the efficiency of the Kimberley Process Certification Scheme. The system of the Kimberley Certificated accompanying, international shipments of rough diamond is operating reasonably smoothly and according to design, so that there is actually very little to report about it,” he stated. “While it is not without flaw, it continues to improve constantly, with circumstances constantly changing, and with nations such as Liberia and Cote D’Ivoire barred from exporting rough, as they have been determined to be non-compliant to the KP Certification system. The importance of compliance—and the penalties of non-compliance—are becoming clear over time.”

In a letter sent to the chairman of the Ad Hoc Working Group on the Review of the Kimberley Process Certification Scheme, the Alrosa Investment Group suggested that the Kimberley Process be formally institutionalized, thereby strengthening its legal standing.

“As the representative of those who are most closely concerned with the extraction, manufacturing and sale of diamonds on the ground, the WDC will continue to provide expert and technical assistance to the various KPCS functionaries, and guidance to the industry on the details of the KPCS and the system of warranties,” Izhakoff said, addressing the meeting. “We should not only do the right thing, but we also should be seen to be doing the right thing. In the current political and business environment it is essential that we are successful in projecting an image of a socially-conscious industry that considers good business and ethical business to be one and the same thing.”

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