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DIAMOND  
COUNCIL

**Stephane Fischler, WDC President**

**Opening Speech**

**KP Intersessional 2019**

**Mumbai, India**

Mr. Alok Vardhan Chaturvedi, KP chair,

Mr. Alexander Alexeevich Pshenichnikov, KP vice-chair,

Excellencies,

Ladies and gentlemen:

We gather today in a country whose history not only is linked inexorably to that of the diamond industry, but in so many ways epitomizes the journey that has been taken from colonialism to independence, and from there to a position of economic superpower.

India's transformation over the past 72 years exemplifies what can be achieved when a nation manages to realize the potential of both its natural and human resources. It was this promise that the WDC referred to at the United Nations General Assembly earlier this year, when we spoke about the "why of the Kimberley Process."

At its most fundamental level, the KP's mission is to inject hope in diamond-mining regions, by helping eliminate the violence and destruction with which they sometimes are afflicted. By doing so, we will enable development to take place against a backdrop of peace.

Many countries, after gaining rightful independence from colonial control, managed to extract economic and social opportunity from the natural commodities with which they are blessed. The specific history of each of those nations, their geography and the fabric of their population influenced the degree to which the opportunities were successfully realized. But each of them saw substantial economic development, and an in-depth and prolonged positive impact on their populations.

While inter-connected, the histories of Botswana, Namibia and South Africa are dramatically different. And while we in no way could discount the heroic struggle that took place in the latter two, to bring about majority rule and the introduction of equal civil rights, all three countries were fortunate never to have suffered the type of physical destruction that is typical of civil wars provoked by armed rebellion. The relatively secure environment that existed allowed for orderly development, and a mechanism for economic and social empowerment once majority rule was achieved in Namibia and South Africa. There is still a lot to improve, but their achievements are nonetheless remarkable.

These three southern African countries, together with Russia, Canada and Australia represent around 70% of the volume of world diamond production. They collectively are the nations that have enjoyed the most notable economic and social benefit. In Russia, Alrosa has had an impressive impact, particularly in Yakutia, and in Canada's remote Northwest Territories, the diamond mining sector is a major source of income and development.

Outside of the mining industry, the diamond and diamond-jewelry industries in different centers also contribute much to the local economies and populations.

There is a dramatic disparity between the development level of those countries and the others that suffered the tragedy of civil war. Only today are some slowly realizing the opportunities that their commodities could offer, in helping maintain the peace and allowing for nation building.

With the Kimberley Process we managed to support international peace efforts by helping neutralize rebellions.

But are we preventing the drivers of future rebellions and conflict? We all know what these are: poverty, the absence of personal security, and the lack of opportunity and hope for a better future.

Some of the more seriously afflicted countries have begun considering the reasons for the shortfall in diamond revenues, and consequently the lack of positive impact on mining communities, and more generally on entire populations.

In total, there are between 1 million and 1.5 million artisanal and small-scale miners and dependents on the African continent, and a considerably lower number in South America. These are the people whose lives depend on what we are doing here today.

We must agree that the Kimberley Process should ensure that each government takes responsibility to ensure a chain of provenance, earning the trust of consumers wherever they are, and in so doing produce the revenues that must filter back to the grass roots of the mining communities.

Botswana, Namibia, South Africa, Russia, Canada and Australia have shown the way. But challenges clearly remain and, as we said at the UN, we all have a commitment to care.

In this final year of the KP's three-year review and reform process, we must once again stress the genesis of our organization.

Born from the need to assist the UN in ending civil war in Sierra Leone, Liberia and Angola, the KP came to express a "never again" commitment that the proceeds from diamond sales be used for funding civil war. The Kimberly Process Certification Scheme (KPCS) became a mechanism of conflict prevention.

But the KPCS was never solely about trade and business. Indeed, it primarily was about people.

**I would like to quote the journalist Gary Young who recently wrote an opinion piece entitled “Our glorious past is what we remember. The brutality behind it we’ve forgotten.”**

“It is simply not possible to deliberately ‘forget’ the terrible things you have done and then expect to proceed as though they did not happen, and nobody noticed, just because you have chosen not to remember,” he wrote.

To those who wish to define the KP as purely being a mechanism that protects the free trade of rough diamonds, we would recommend that you talk to the people of Angola, Sierra Leone, Liberia, the Central African Republic and Zimbabwe. Ask them about the destruction and human suffering that hijacked diamonds proceeds have and sometimes continue to cause, and why the commodities sourced in these countries have failed to heal the wounds of the past and built a better future for their people.

The Kimberley Process has today a one-time opportunity to make a difference in those countries where the diamond industry has not yet met its developmental potential. By providing ourselves with the means to prevent grave and systemic violence, and by establishing permanent structures that will be able to channel assistance to all those in need, we can meet the commitment that we made last year in Brussels – that this is not only about review, but also reform.

It is time to care, to seriously care.

The basis for successful review and reform was laid during the past two years, during the chairmanships of Australia and the EU.

What is this basis?

As far as the review is concerned it involves the following:

- A simplified and more consistent core document
- A strengthened peer review mechanism, where the KP will enforce more forcefully and consistently its own standards
- An agreement that the Administrative Support Mechanism (ASM) must evolve into a permanent and better adapted structure
- The realization by the KP that not all participants are equally capable financially to be fully active within the process. This requires the establishment of the so-called Multi-Donor Fund

These are all internal processes – how to make better use of the instruments we ourselves have created, or will create in the future, for the benefit of the members, to generate a more efficient and effective organization.

Let us now consider the reform element.

What do we really mean when we declare together to the outside world that the KP is reforming, and not just reviewing itself?

The industry believes that this must involve expanding the scope of the “conflict diamonds” definition beyond goods that finance armed rebellion. We strongly believe that, by helping eliminate the trade in diamonds directly associated with instances of systemic violence, we can bring about a more responsible and ethical mining sector, thus enabling a fairer distribution of the benefits delivered to millions of people.

We find it difficult to understand why the push for more responsible practices comes from non-producing countries, rather than from the producing countries, and especially those who in theory have the most to gain. Why is that?

Why have none of the countries that are most at risk come forward, asking the KP to help in containing widespread violence, ensuring a higher income and a fairer distribution of revenues?

The KP is uniquely placed to deliver, with the support of regional and international institutions, a more secure and beneficial environment. We have the most extensive pool of expertise available worldwide when it comes to mining, trading, grading, legal frameworks and the development of knowledge.

We must again stress the numbers that very few commodities share.

Of the total volume of estimated world diamond production, only 18% in terms of volume is produced through artisanal mining.

82% by volume is extracted by industrial means, and 95% in terms of in value. And a very large proportion of that industrial production is recovered by companies that are independently audited against best practice standards, reporting on their commitments and impact.

The KP is uniquely placed to support the journey of the other diamond miners, who are struggling to achieve what the larger producers already have. We need to help ensure that all diamond workers and dependents get a fair deal, and that the benefit to countries, through government income, is optimized.

As you all know, for the industry, and here I include our jewelry manufacturing and retailing partners, the provenance of a stone has become as essential as

its weight and value. We need to show the consumer that the chain of value, from the mine to jewelry store, is responsible and ethical.

As mentioned, we are fortunate that most diamonds brought to market can be shown as such. But we are confronted with those 18% of the goods by volume, or 5% by value, where it is more difficult to substantiate such claims.

But there are initiatives aimed at rectifying the situation. Efforts are underway to implement and enforce the Diamond Development Initiative's standards, which are aptly-named MAENDALEO. We are grateful to the European Union for their generosity in providing for the translations of the DDI standards.

De Beers current investment on the ground in Sierra Leone through GemFair, in partnership with the DDI, is both courageous and another mark of the industry's commitment to artisanal diamond communities.

Another initiative to strengthen and communicate best practices in diamond mining has been undertaken by the Diamond Producers Association, which was created by seven of the world's leading diamond companies, operating in Russia, Botswana, South Africa, Namibia, Australia, Canada, Angola and Lesotho, representing some 75% of the total volume of world production.

By expanding the "conflict diamonds" definition, as we proposed together with the Civil Society coalition, and improving the capacity of actors and the means available inside and outside the KP, we would much better support the ASM sector, maintaining its status as a fully-fledged member of the diamond-supply chain, with a good provenance seal.

We were fortunate to have Canada put forward in Brussels last year a draft administrative decision, built on our jointly proposed framework. We are also



very encouraged to see the African Diamond Producers Association joining the discussion with a proposal of its own, which will be shared soon with the KP family.

My dear colleagues, there is no way back. WDC is proposing to start the discussions in earnest, with full consideration, to seek consensus on a fair, objective and inclusive implementation process for this new definition.

This is all about people. It is not the mineral or the commodity that poses a risk. It is people who commit acts of violence and violate local laws. Some are state actors. In particular we are talking about security forces who control access to mining areas and too often derive personal benefits from mining operations.

We need you, the country representatives, to have the courage to look into the eyes of your own people – the men, women and children active and living in the diamond-mining areas. They ask that they be allowed to live, rather than simply survive. They request safety and security for themselves and their families, and to be dignified with a proper wage, so that they may build a better future for themselves and their children, and contribute proudly as citizens.

We need men and women with courage to look into the eyes of their own compatriots and say that your suffering is my suffering. We need people to declare that, as an agent of the state, it is my responsibility to make a difference.

We are relying on each of you, during this final year of the review and reform process, to show the consumers of diamonds that the Kimberley Process can

unite around a program that will ensure better care and protection of your brothers and sisters.

Dear participants, dear KP family, it is in your hands.