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Diamonds hold promise for a better future for Africa, WDC President tells Russia-Africa Summit in Sochi



WDC President Stephane Fischler (second from right) addressing the Russia-Africa Summit in Sochi on October 23, 2019, during the session on “Russian-African Collaboration in the Diamond Industry.”

NEW YORK: OCTOBER 24, 2019 – Diamond-producing countries on the African continent received about \$8.1 billion, or 9.5 percent of the \$85.9 billion worth of revenues generated by diamond jewelry in 2018, and some still may consider that an insufficient share, said World Diamond Council (WDC) President Stephane Fischler, speaking at the Russia-Africa Summit in Sochi, Russia, on October 23, 2019. But what is indisputable, he stressed, is the economic potential of the diamond resource, whose value increases by about a factor of five as it travels from the mine to the countertop of the retail jeweler.

Mr. Fischler was a featured participant in a session at the summit organized in cooperation with ALROSA, entitled “Russian-African Collaboration in the Diamond Industry.” Moderated

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by Iris Van der Veken, Executive Director of the Responsible Jewellery Council (RJC), speakers included a number of industry leaders as well as several government ministers, including Yury Trutnev, Deputy Prime Minister of the Russian Federation; Diamantino Pedro Azevedo, Minister of Mineral Resources and Petroleum of the Republic of Angola; Tom Alweendo, Minister of Mines and Energy of the Republic of Namibia; Dmitry Kobylkin, Minister of Natural Resources and Environment of the Russian Federation; Winston Chitando, Minister of Mines and Mining Development of the Republic of Zimbabwe; and Alexei Moiseev, Deputy Finance Minister of the Russian Federation. Among the diamond industry participants were Sergey Ivanov, CEO of ALROSA, and Jean-Marc Lieberherr, CEO of the Diamond Producers Association.

“Diamond deposits hold the promise of a better future for all African producing countries, and more specifically for the communities living in the areas where they are located. To realize this promise, those mining the product need to receive fair value for their labor and capital investment, and an appropriate proportion of the revenues generated must be used to create sustainable economic and social opportunities at the grass-roots level,” Mr. Fischler said.

But, added the WDC President, for the long-term developmental potential of the product to be realized, the diamond must continue to be an aspirational purchase for consumers. “Because they can live without diamonds, they will only buy them if they want to,” Mr. Fischler said, noting that there are 10 million Africans whose income depends on continuing demand for diamond jewelry in consuming countries. “Reputation, therefore, is a key element, and defending that reputation is of paramount importance. If the integrity of the diamond is undermined, so is the economic potential of the product.”

Looking ahead to the 2019 Kimberley Process Plenary Meeting, which will be taking place in New Delhi, India, November 18-22, Mr. Fischler stressed the importance of progress being made in strengthening the scope of the Kimberley Process Certification Scheme (KPCS), as part the three-year review and reform cycle that will be ending in several weeks’ time. “More specifically, we are talking about amending the definition of ‘conflict diamonds’ so that it better enables us to provide an assurance that the trade in rough diamonds cannot fund the types of systemic violence being seen in certain diamond-mining areas today,” he said.

The WDC is currently in the process of rolling out its new System of Warranties (SoW), which Mr. Fischler noted “has a scope that goes significantly beyond that of the Kimberley Process.”

The new SoW statement, which members of industry are required to include on all invoices and memo documents, includes a commitment by the companies that they adhere to the WDC Guidelines. These now expressly reference international conventions relating to human and labor rights, anti-corruption and anti-money laundering (AML), the WDC President pointed out. Furthermore, a special task force, headed by Peter Karachiev from ALROSA, is developing a toolkit that will assist industry members abide by the new protocol.

“Our goal is not to go it alone,” said Mr Fischler, who publicly called upon Mr. Alweendo, the Namibian Mining and Energy Minister, in his dual role as Chair of the African Diamond Producers’ Association (ADPA), to formalize and strengthen the relationship between the

African producers and the WDC. “In the 19 years since its establishment, the KP has proven to be a remarkably effective mechanism, and a forum in which all participants and stakeholders in the diamond value chain can be equally heard, irrespective of their size. This dialog is absolutely essential, for the KP’s role is not to be a sanctions-imposing body, but rather the operator of a system that prevents violence and supports conflict resolution. In so doing, it will facilitate capacity-building in the mining areas, while maintaining and growing consumer confidence in diamonds.”

“By being able to tell a compelling story about the economic and social benefits provided by diamonds in the countries where they are sourced, the value of the jewelry product will be enhanced,” he said. “Not only should we be protecting the integrity of our product, but we also should be releasing its full economic potential and differentiating it from other products that have no measurable social value or impact.”

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About the World Diamond Council

The World Diamond Council (WDC) is an industry organization focused on preventing conflict diamonds from entering the global supply chain and on preserving the value attached to natural diamonds. Formed in 2000, it is the only organization where the diamond trade is represented in full, from producer to retailer, and includes the most influential commercial businesses, not-for-profit organizations, and individual companies in the industry today. The WDC is the voice of the international diamond industry in a tripartite collaboration with governments and civil society known as the Kimberley Process (KP). The KP secures and manages monitoring processes that have virtually eliminated the trade in conflict diamonds to ensure that the world’s supply of diamonds is from sources free of conflict. Visit www.worlddiamondcouncil.org to learn more.