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PRESS RELEASE

CONTACT

communications@worlddiamondcouncil.org

+972 52 280 2322

WDC focuses on strengthening scope of Kimberley Process during 2019 Annual General Meeting in Antwerp

- WDC reiterates call for Kimberley Process to amend the ‘conflict diamond’ definition at KP Plenary Meeting in New Delhi, to better reflect contemporary challenges within the supply chain.
- WDC planning release of toolkit to support implementation of new System of Warranties, which goes beyond scope of Kimberley Process Certification Scheme.
- WDC President calls on industry to be vigilant when purchasing rough diamonds from CAR, always determining that they are KP-compliant.



The WDC’s Board of Directors meeting at the start of the 2019 Annual General Meeting in Antwerp, Belgium, on October 2, 2019.

NEW YORK: OCTOBER 8, 2019 – Members of the World Diamond Council (WDC) assembled in Antwerp, Belgium, on October 2 and 3, 2019, for the organization’s Annual General Meeting (AGM). The proceedings were dominated by discussions about the pending

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conclusion of the Kimberley Process' review and reform process, and the related call by WDC and others that it includes a strengthening of the scope of the Kimberley Process Certification Scheme (KPCS).

The AGM was hosted in Belgium by the Antwerp World Diamond Centre (AWDC), which also organized an industry dinner at the Antwerp Diamond Bourse on October 3 to celebrate the WDC.

Speaking to the gathering, WDC President Stephane Fischler, expressed the organization's determination that, when the KP Plenary meets in New Delhi, India, November 18-22, progress be made in strengthening the definition of "conflict diamonds," so that it better addresses the types of systemic violence being seen in certain diamond-mining areas today. Additionally, he stated, the KP will also need to discuss how the new definition will be implemented and verified.



WDC President Stephane Fischler (center) addressing the Board of Directors in Antwerp on October 2. He is flanked (from left) by Ronnie VanderLinden, WDC Treasurer; Edward Asscher, WDC Vice President; Marie-Chantal Kaninda, outgoing WDC Executive Director; and Udi Sheintal, WDC Secretary.

Several amendments to the conflict diamonds definition are currently being considered by the KP, including a proposal tabled by Canada, which had been formulated together with WDC and the Civil Society Coalition, and others by Botswana and Russia.

"We are still far from a final agreement, but I believe that there is now a general awareness that a new and strengthened scope will indeed be of

benefit to the KP and all its stakeholders," Mr. Fischler said in his report to the AGM. "These are extremely complex negotiations, where the North-South divide is apparent, and where different historical contexts must be acknowledged, for they shape perceptions and understandings."

The WDC President stressed that, with the strengthened scope, it is critical the role of the KPCS remains relevant. The KPCS should not be regarded as a sanctions mechanism, he said, but rather as a system that prevents instances of violence and conflict, and in so doing facilitates capacity building in the mining areas, as well as protecting consumer confidence in the diamond.

A key element in the WDC's program to support the integrity of the diamond value chain is its updated System of Warranties (SOW), whose scope extends beyond that of the KPCS, covering both the rough and polished diamond trade, and directly referencing international conventions on human and labor rights, anti-corruption and anti-money laundering (AML).

Delegates to the AGM discussed a toolkit that currently is being developed to assist members of the industry in their implementation.

“We are all aware of the pressures upon us to be more transparent, particularly concerning the provenance of our products and the due diligence mechanisms being applied to ensure their integrity,” Mr. Fischler said in his report. “The new WDC System of Warranties will certainly contribute, and we are looking forward to providing the industry the tools necessary for using the mechanism throughout the whole supply chain. Its impact on small and medium businesses specifically could be profound.”



Peter Karakchiev (left) and Mark van Bockstael, the current of former chairs of the KP’s Working Group of Diamond Experts (WDGE).

Looking at other elements of the KP’s review and reform program, Mr. Fischler said that “there have definitely been successes chalked up.” These include WDC’s proposal to establish a permanent secretariat to better support the work of KP. It was formally accepted, and the new body is currently being planned by a sub-committee headed by Peter Karakchiev, a WDC board member. It will replace the Administrative Support Mechanism that today is being run by the AWDC with the support of other WDC members. WDC has made a commitment to co-finance the Permanent Secretariat.

Mr. Fischler also reported that the WDC has contributed to the discussion about the creation of a Multi-Donor Fund that will be established to finance the participation in the KP forum of countries with limited capacity, as well as members of the Civil Society Coalition, and supports an improved Peer-Review Mechanism.



Marie-Chantal Kaninda, addressing the 2019 AGM in Antwerp on October 2019.

The AGM discussed the ongoing situation in the Central African Republic (CAR), which is the only

country today from which the KP has ruled that conflict diamonds are being traded. In 2015, after an absence, the CAR was readmitted into the KPCS within a special operational framework that was created to ensure the strict traceability of goods, which only can be sourced from especially approved “green”



2019 AGM participants in a group photo during the concluding industry dinner on October 3, 2019.

mining zones. As part of the process, the KP set up a Monitoring Team that is currently chaired by the United States, and includes representatives from relevant working groups, civil society and the WDC.

During the AGM, notification was received from the CAR government that it was planning an overhaul of its alluvial diamond mining sector, which will include the introduction of a regime based on OECD due diligence principles. Responding to the announcement, Mr. Fischler said that the WDC would encourage such a program, but he stressed that all members and companies from the industry must still remain on the alert and conduct their own due diligence to ensure that any CAR-sourced rough diamonds they purchase are KP-compliant. He also called on the countries neighboring the CAR and those that are home to trading centers to practice enhanced vigilance, to prevent conflict diamonds from accessing their territories.

Mr. Fischler noted the contribution to two WDC officers, Peter Karakchiev and Mark van Bockstael, the current and former chairs of the KP’s Working Group of Diamond Experts, who successfully petitioned the World Customs Organization to introduce a new international six-digit code into its HS system, which relating specifically to “synthetic diamond, unworked or simply sawn or roughly shaped.” Until now, rough man-made diamonds have been grouped together with all other synthetic stones.

During his speech to the industry dinner that closed out 2019 AGM, Mr. Fischler paid special tribute to Marie-Chantal Kaninda, WDC’s outgoing Executive Director. “[T]hrough her personality, history and understanding, she has instilled within us a sensibility and broader perception of our industry that will remain long after her departure. We wish her the very best of luck,” he said.

Concluding his address to the guests at the gala dinner, Mr. Fischler pointed out that 95 percent of rough diamonds in terms of value are mined by a handful of larger, industrialized companies, which over the years have delivered transformative change in the countries

where they operate. The remaining 5 percent are produced by artisanal miners. These are considered to be at higher risk, and thus command most of the attention of the KP and the WDC.

“We are an industry that understands that when we are talking about 5 percent of total value, we are not simply referring to dollars and cents,” Mr. Fischler said. “We are referring to diamonds whose derived revenue might potentially make a massive impact on the lives of people in the countries where they are sourced.”

“This is the industry of which I have been a part of for more than 40 years, and a community of women and men of whom I am incredibly proud,” he said.

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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.