



**EDWARD ASSCHER
WDC PRESIDENT**

**ADDRESS TO CLOSING SESSION
OF 2021 KP INTERSESSIONAL
June 25, 2021**

Dear honorable Chair, dear honorable Vice-Chair, your Excellencies, dear Colleagues, Ladies and Gentlemen.

Let me start by complimenting our hosts, the Russian Federation, for a job well done. Despite some WiFi challenges, it was a technical success and the IT, the translations and links provided during the many working sessions all worked smoothly.

Thank you to those that worked tirelessly to make this happen apparently effortlessly for all of us.

At the opening of this Intersessional I said: **We must not be left behind.**

But, as we end this week of meetings, I fear that many will be left behind, because the world has changed – not this week for sure, but over the last couple of years. And the demands and expectations of consumers of our product all over the world are changing, and faster than ever.

As I stressed earlier, the prevailing subjects that are today on the agenda of the international community, as well as that of the diamond industry, are: human rights, environmental protection and social justice. They are certainly being discussed and advanced outside of the Kimberley Process **and WE must not be left behind.**

It might well be that the considerations of consumers are far beyond the field of perception of producing countries, polishing centers and governments. But what happens if producers do not listen to the market? They become obsolete.

In the not-too-distant future, there will be a difference between rough diamonds that can be guaranteed to have fulfilled the consumers' demands and expectations, and other diamonds. Responsibly sourced diamonds will be more in demand. They will obtain better prices in the marketplace, and buyers at jewelry stores will demand proof that they are indeed responsibly sourced before purchasing them as polished.

The Kimberley Process has the ability to create a level playing field. If it meets these consumer expectations, then **all** natural diamonds from **all** participating countries will be represented.

But there is clearly resistance, and I believe it is because some of us see the Kimberley Process Certification Scheme as an **enabler** of trade, whilst others see it as a **restrictor** of trade.

But if the KP loses relevance, all will lose. This is because the KP will neither be a **restrictor**, nor an **enabler**. It will lose relevance, and then it will be each to their own.

So, who then will be left behind?

Some producing countries will face less demand for their goods. Can you imagine having a wonderful, beautiful diamond, but it is difficult to sell because prospective buyers will not have been assured that the stone has done good on its way from the mine to the market?

Small and medium-sized enterprises will experience difficulties selling natural diamonds, because they do not belong to the elite group of polishers that can guarantee that the diamonds they source and polish are responsibly sourced. That will create an unlevel playing field in the polishing centers, and threaten the livelihoods of thousands who own, are employed or service SMEs.

It is sad and potentially tragic that our warnings are not heard, and sometimes even stifled. This has happened time and time again and the progress we made in 2019 is being **erased**.

We repeatedly hear “let’s discuss the issue during the KP’s next review round,” or “let’s not include human rights since that is not what the KP was established for,” or “let’s use only UN-accepted language,” or “let’s divide trade issues and non-trade issues.” The most recent addition to this list is that “we do not have the mandate.”

This is not a matter that affects the trade exclusively. This is an issue that impacts all countries with economies that rely on natural diamonds We **have** used UN language and we **do** have the mandate

So here is my question: **Why?** Think about this: Why all the pushback? I encourage you all to really think about this.

The World Diamond Council consists of all sectors of the diamond industry: rough, polishing and retail. We are much better positioned than governments to understand and research consumers’ desire and demand.

The other day I pointed out that **consumer desire is the only value driver for diamonds.**

And it is to ensure that consumer desire is maintained that we are here as representatives of the diamond industry. We are here to protect consumer confidence, which is the basis for all demand for natural diamonds.

And, because economic viability is a precondition in any business environment, we are also here to protect the producing countries and the thousands of small and medium sized participants in the diamond pipeline.

We do this out of ethical principle, and also because it makes simple business sense.

The World Diamond Council does not wish to leave anyone behind. But the WDC **must**, and I repeat **must** satisfy the consumers' demands.

I trust that this truth will sink in before the Plenary later this year. There are only two choices: (1) we genuinely work together to reform the KP, addressing consumer expectations, or (2) we leave many of our friends here at the KP behind in a much smaller and concentrated diamond industry, where there are two value chains – one with consumer demand and one without.

Given the traceability initiatives that are already underway, time is of the essence.

Reforming the KP means that we do not leave anyone behind.

Thank you