

FINAL COMMUNIQUE

KIMBERLEY PROCESS PLENARY MEETING **SUN CITY, SOUTH AFRICA, 29-31 OCTOBER 2003**

The Participants in the Kimberley Process Certification Scheme for rough diamonds (KPCS) met in Sun City, Northwest Province, South Africa from 29 to 31 October 2003, to discuss the effectiveness of the implementation of the KPCS. International implementation of the KPCS started on 1 January 2003. In recognition of the difficulties that were experienced by some countries during the early months of 2003 to meet the minimum requirements for implementation, the Plenary understood that, in terms of paragraph 20 of the KPCS document, a review of the Certification Scheme should take place not later than 31 July 2006.

The Chair welcomed the addition of three further countries to the list of KPCS Participants, namely Brazil, Romania and Togo. A total of forty-five (45) states and one Regional Economic Integration Organisation (the European Community) are now participating in the KPCS. A further twenty (20) Applicant states have declared their intention to participate in the KPCS and are currently in the process of putting into place the necessary arrangements to meet the requirements of the KPCS. The World Diamond Council, representing industry, and representatives of civil society attended the Plenary as Observers. All parties expressed their gratitude to South Africa, the outgoing Chair, for hosting the meeting and for the warm hospitality extended to them during their deliberations.

The Chair stressed the need to continue to strengthen the KPCS, in order to ensure that the momentum that has been built up thus far is not lost. South Africa was pleased to have been entrusted with the task of bringing together governments, business and civil society in a unique forum and the Chair thanked all parties for the constructive cooperation and support given by them during this process.

Participants amended the Rules of Procedure of the KPCS to promote continuity by providing for the Vice Chair of the KPCS, on completion of twelve months in office, to become the Chair in the following year. The Plenary selected Canada as the Chair of the KPCS for 2004. The Russian Federation was selected as the Vice Chair for 2004 and will therefore become the Chair for 2005. Canada accepted the Chair for a one-year period beginning on 1 January 2004, after the term of South Africa ends on 31 December 2003. Canada pledged to continue to build on the remarkable achievements of the Kimberley Process under the leadership of South Africa. Canada declared its intention to work in co-operation with the Russian Federation, as the new Vice Chair of the KPCS.

The Plenary considered a report by the Review Mission that was mandated to visit the Central African Republic from 8 to 15 June 2003, in order to assess the effectiveness of KPCS control measures. The Review Mission reported that they were satisfied with the

Central African Republic's ability and capacity to implement the KPCS, while encouraging the further strengthening of internal monitoring and controls. The Plenary expressed its appreciation to the relevant authorities of the Central African Republic for the excellent co-operation and assistance provided to the members of the Review Mission, as well as to the members of the Review Mission themselves for the constructive and professional manner in which they conducted their task. The Plenary noted that the success of the Review Mission bears testimony to the significant progress that has been made with the international implementation of the KPCS.

Several administrative and implementation issues were discussed by various KPCS Working Groups. A major breakthrough was achieved when the Plenary accepted a recommendation by the Working Group on Monitoring for the establishment of a peer review mechanism to guarantee that the provisions of the KPCS are effectively implemented by all Participants. The agreement establishes a comprehensive framework for monitoring implementation of the Scheme, based on a combination of reporting and the use of 'review visits' and 'review missions' to Participants. The framework includes a clear requirement for all Participants to report on an annual basis on their implementation of the Scheme, on the basis of a uniform questionnaire also agreed by Plenary. The framework also provides for the establishment of a system of review visits to Participants to assess implementation of the Scheme. While these visits will take place on a voluntary basis, the Plenary agreed that it would be 'desirable for the largest number of Participants possible to volunteer to receive a review visit' by 2006. The Democratic Republic of Congo and the Republic of Congo indicated their desire to hold bilateral discussions on statistics and, in principle, to host review visits during the coming year. Other Participants have also volunteered to host review visits. The use of review missions in cases where there are credible indications of significant non-compliance by a Participant with the KPCS will continue. Implementation of the decision will begin immediately under the responsibility of the Chair of the Kimberley Process, assisted by the Working Group on Monitoring.

Over the last six months, the reporting of statistics required in terms of the KPCS was initiated and is now ongoing. The Plenary endorsed recommendations prepared by the Working Group on Statistics to address issues relating to failure to provide statistical data and to deal with deficiencies in the quality of the data submitted. The Working Group has developed a draft action plan that will provide guidelines for statistical activities until the next regular Plenary. Under this plan, the Working Group will collaborate closely to address operational, conceptual and analytical issues that arise and will move forward towards preparing the KPCS statistical database required to support the implementation of the KPCS.

The Working Group of Diamond Experts and Technical Issues met in order to solve remaining implementation issues and discuss how the expertise of the Working Group can be made to benefit the efficiency of the KPCS, for instance by providing technical assistance to Participants. Revised Terms of Reference and several refinements on technical guidelines were adopted by the Plenary. A document on the valuation of sample

shipments, submitted by Australia with contributions from Canada, was discussed in the Working Group and distributed to the Plenary for further study.

The Working Group of Diamond Experts and Technical Issues and the Working Group on Statistics met jointly to discuss ambiguities in the HS harmonised coding system and the consequences of classification divergences on the implementation of the KPCS and the accuracy of statistical reporting. Both Working Groups requested and received a strong mandate from the Plenary to approach the World Customs Organization and suggest possible solutions to classification uncertainties.

The decisions taken by the Plenary will be considered to have been formally adopted once they have been translated into the official languages of the Plenary (English, French, Portuguese, Spanish and Russian), in accordance with Rule 26 of the KPCS Rules of Procedure, and made available to all Participants.

The Plenary considered a presentation by the Peoples' Republic of China on the development of an internal internet-based management system which is being used exclusively to facilitate the implementation of the KPCS.

The Plenary thanked the outgoing Chair for providing effective leadership to the KPCS. Participants and Observers undertook to continue to strive to achieve and maintain full and effective implementation of the KPCS, the results of which are critical to the success and credibility of the Certification Scheme.