



2008 Kimberley Process Communiqué

The Sixth Annual meeting of the Kimberley Process was held during 3-6 November 2008 at New Delhi, India. 42 Participants of the Kimberley Process Certification Scheme (KPCS) attended the Plenary meeting. The World Diamond Council delegation and Civil Society also attended the Plenary as Observers. Non-Participating Governments comprising of Mexico, Burkina Faso and Panama desirous of joining KPCS as Participants were also present.

2. The Plenary welcomed Mexico as a participant to the KPCS in 2008. The total number of participants in the KP now stands at 49 representing 75 countries (including 27 members of the European Union represented by the European Commission). The Plenary noted that the Participation Committee (PC) has established contact with countries (Algeria, Bahrain, Burkina Faso, Cameroon, Cape Verde, Egypt, Gabon, Kuwait, Mali, Philippines, Qatar and Swaziland) that have expressed an interest in joining the KP.

3. The Plenary ratified the recommendation of the PC for resumption of trade in rough diamonds by the Republic of Congo. Republic of Congo was re-admitted into KPCS during the 2007 Plenary in Brussels.

4. The Plenary acknowledged the successful visit of the KP Chair's team to the Bolivarian Republic of Venezuela and noted that the visit had helped establish communication channels resulting in a better understanding of the challenges being experienced by the Bolivarian Republic of Venezuela in the diamond mining sector.

5. The Plenary took note that the Bolivarian Republic of Venezuela has voluntarily taken the decision to separate from the KPCS for a period of two years and therefore no longer exports and imports rough diamonds. All other rights remain unaffected in particular the right to participate in KP meetings and working groups. The Bolivarian Republic of Venezuela will report on diamond production during this period. The Plenary noted that the resumption of rough diamond trade by the Bolivarian Republic of Venezuela will be subject to a KPCS Review Mission. The KP Chair and the Working Groups will continue to engage with the Bolivarian Republic of Venezuela and assist and support it in developing a plan of action to implement minimum standards of KPCS and fully re-integrate in the KPCS.

6. In pursuance of Recommendation 47 of the 2006 KP Review adopted by the Gaborone Plenary, the Plenary adopted Guidelines for the PC in recommending interim measures on serious non-compliance with KPCS minimum requirements. The document lists out the guiding principles for determination of serious non-compliance and an indicative list of escalating measures – targeted statistical analysis, enhanced monitoring and additional verification measures, mobilization of technical assistance and suspension and resumption of export and import operations.

7. The Plenary welcomed India as the incoming Chair of the PC for 2009.

8. The Plenary reviewed progress under the Brussels Initiative on diamonds from Côte d'Ivoire, and took note of actions taken by the Working Group on Monitoring (WGM). The Plenary took note of the findings of the joint UN-KP field mission of April 2008 and committed to continue collaboration with the United Nations. The Plenary resolved to pursue the monitoring of diamond activity in Cote d'Ivoire and the dialogue with Ivorian authorities regarding preparations for a certification scheme. The Plenary welcomed plans by Cote d'Ivoire to re-establish Government control over diamond mining and trade. The Plenary noted the need to further strengthen internal controls in neighbouring countries and to engage with non-KP Participants in West Africa with a view to containing the illicit flow of diamonds.

9. The Plenary acknowledged the progress made by Ghana in 2008 to strengthen its internal controls. The WGM reviewed risk-based monitoring arrangements for Ghana's exports in light of progress achieved and agreed that implementation of Ghana's action plan would greatly contribute to the effectiveness of the KP.

10. The Plenary noted with concern the continuing challenges to KP implementation in Zimbabwe and recommended further monitoring of developments and concerted actions in that respect.

11. The Plenary expressed satisfaction that Annual Reports for 2007 have been received from all Participants and noted the plan to ensure systematic follow-up to review visit recommendations under the annual reporting process. The WGM informed about upcoming review visits to the European Community, Democratic Republic of Congo, Angola, Namibia, Bangladesh, New Zealand and Turkey, and announced invitations extended by Belarus, Sierra Leone, Ukraine and the United States.

12. The Plenary took note of the discussions initiated by the WGM on cooperation on implementation and enforcement, and encouraged further work on this issue with a view to developing KP guidance on strengthening

cooperation in KP on issues such as fake certificates, handling of suspicious shipments and infringements.

13. The Plenary welcomed Democratic Republic of Congo as a member of WGM

14. The Working Group on Statistics (WGS) reported that in 2007 the KPCS monitored US\$38.7 billion in rough diamond exports representing more than 470 million carats. Participants issued more than 57,000 KP Certificates to accompany rough diamond consignments traded.

15. In pursuance of the administrative decision adopted at the Brussels Plenary sub annual data for rough diamond trade and production for 2004 to 2007 was released for the first time and posted on the KPCS statistical website. The Plenary noted that all Participants have submitted their statistics for 2007.

16. WGS, Canada and India collaborated in organising a workshop in Mumbai, India in March 2008 on statistics, valuation and internal controls.

17. WGS presented a report of the investigative team on the reported trade between 2004 -2006 in rough diamonds, between Turkey (at the time, a non participant) and several KP Participants. The study concluded that there was no evidence that KP Participants had engaged in rough diamond trade with Turkey before it joined the KPCS in 2007. The Plenary took note of the recommendation of the report that Participants ensure that trade in rough diamonds is accurately classified both on KP certificates and in the national customs data.

18. The Plenary noted that Canada will demit the Chair of WGS with effect from 1.1.2009 and appreciated the leadership provided to the Working Group by Canada.

19. The Plenary welcomed USA as the next WGS Chair.

20. The Plenary endorsed the proposals of the Committee on Rules and Procedures for Administrative Decisions (AD) on Rules and Criteria for selecting candidates for Vice-Chair of the KP and for Rules and Procedures for Re-Admission of a Former Participant to KP. The Plenary also adopted Guiding Principles on Participation of the Guests of the KP Chair in the Kimberley Process.

21. The Plenary welcomed the People's Republic of China as a member of the Committee on Rules and Procedures.

22. The Working Group of Diamond Experts (WGDE) reported to the Plenary the progress on the foot printing exercise that was commissioned in the Moscow

Declaration (2005) in respect of the West-African diamond producing participants. Production footprints have been prepared for Cote d' Ivoire, the Marange diamond field in Zimbabwe and Togo. In collaboration with the United States Geological Survey (USGS) and the Working Group of Statistics (WGS), a complete footprint is being finalised for Ghana. At the same time, statistical protocols have been developed to allow comparison of the export footprints with the established production footprint of the participants.

23. The WGDE has strengthened its understanding of the valuation methodologies implemented by KPCS participants. This information has been collected in a comprehensive data matrix for follow-up. The WGDE is also preparing a comprehensive update of the Explanatory Notes to the HS Classification and Coding System, in order to present this update, when finalized, to the HS Committee of the World Customs Organisation (WCO). The Plenary welcomed the WGDE's efforts in this regard.

24. The WGDE reported progress on improving the quality of KPCS data (TG 14) by increased IT linkage between participants. A feasibility study of the WGDE in collaboration with the WGM could be initiated between India and EC.

25. The Working Group on Artisanal and Alluvial Production (WGAAP) analysed the progress achieved under the action plan by the artisanal alluvial producing countries. It published the consolidated matrix of its inventories on a CD ROM and recommended that the inventories be updated every six months.

26. The Plenary noted that WGAAP has continued to follow up on the effective implementation of the Moscow Declaration on internal controls over alluvial diamond production. The Working Group stressed upon the need for regional cooperation in order to prevent the illegal trade in rough diamonds. The WGAAP approved the Memorandum of Understanding with the Diamond Development Initiative (DDI) and supported the conclusions of the Egmont Study on artisanal diamond mining as a basis for further effective implementation of the recommendations of the Moscow Declaration.

27. The Plenary acknowledges that the diamond sector is an important catalyst for achieving Poverty Reduction (PRS) and meeting the requirements of the Millennium Development Goals (MDGs) in producing countries. In that regard, member countries, the industry and civil society are encouraged to provide support and technical assistance to producing countries to develop appropriate policies and programmes so that the diamond sector continues to development of the producing countries.

28. The Coordinator for Technical Assistance reported that Governments, the industry and civil society continued efforts in 2008 to strengthen Kimberley

Process implementation through technical assistance. Belgian experts from the Royal Institute for International Relations presented the results of a research study on artisanal small-scale mining.

29. USAID reported on a three-year project in the Central African Republic and Guinea to strengthen property rights to bring alluvial diamonds into formal export channels. The European Commission and the US Geological Survey are conducting field work in Ghana to help produce accurate diamond production assessments.

30. The People's Republic of China will host a two week Kimberley Process training workshop in November 2008 for improving administration of internal controls and regulatory systems in KPCS for African countries. De Beers continues to offer training in diamond valuation to government diamond officials in African countries.

31. The Plenary welcomed the initiative by India of undertaking security audit of the KPCS website in order to secure it from vulnerabilities.

32. The efforts of India to strengthen Kimberley Process in 2008 as KP Chair were appreciated by the Plenary.

33. Israel was selected as the KP Vice Chair for 2009. Israel will succeed Namibia as the Chair of KP from 1st January 2010.

34. Namibia will take over as Chair of the Kimberley Process from 1st January 2009.

New Delhi
6 November 2008.