



**Edward Asscher
WDC President**

**Address to the African Diamond Producers' Association
(ADPA)**

20 May 2023

Your Excellencies, Ladies and Gentlemen,

At the outset, allow me to thank you for the opportunity of addressing today's gathering.

I would like to compliment the government of Zimbabwe with the work they have done to revive the ADPA.

Zimbabwe as the Chair of the Kimberley Process this year is having a very difficult and responsible task. The ongoing success of the KP in 2023 and the reputation of the whole diamond industry is now in the hands of the Chair.

In almost every aspect, we are members of the same industry, and like in most industries everyone sees and understands events and developments from his or her own business or political perspective. We strive to understand the others' points of view and appreciate the roles they play.

The producers always had a strong voice in our business, but it was understood to reflect a predominantly business interest. That has not disappeared, but when ADPA deliberates we understand that its focus is considerably broader than just the bottom line, and it incorporates the concerns, challenges and expectations of the millions of stakeholders that it represents in its own countries.

We need to consider all those interests as an industry as well, because in the diamond business today, it is impossible to disconnect the downstream of our pipeline from upstream.

Consumers demand a product that is ethically robust, as do the citizens of producing countries. That means that not only should the diamonds we sell not be associated with civil conflict or violations of human dignity and restricting the right to work in safe and secure environments. Nor can they be associated with not earning a fair wage, gross corruption and financial misdeeds and the proceeds of those diamonds should be used to build stronger economies and societies, and a more sustainable environment.

The World Diamond Council sits at the junction where the upstream of our business flows into the downstream. From this special vantage point, we must be acutely aware of what concerns and interests players and stakeholders in the producing areas, just as we must be aware of the issues that motivate diamond consumers.

Both ends of the distribution chain are essential to one another. But I can appreciate the antagonism that some feel in the producing world where the memories of colonialism and exploitation are still fresh. But you all do realize that the standards are set by consumers in affluent markets, who demand that their ethical demands are met, before they are ready to buy our products.

Be that as it may, we cannot escape the fact that it is consumer confidence that underpins the value of our product, and without it those natural resources with which you are blessed will never reach their full potential.

The Kimberley Process Certification Scheme was developed as mechanism that ultimately would protect the lives of innocent people living within or in close proximity to diamond-producing areas beset by conflict. At the same time, the KPCS was meant to support consumer

confidence, encouraging consumers that the diamonds they buy are not tainted by the tragedy of civil war.

In 2002, shortly before the launch of the KPCS, the World Diamond Council launched the System of Warranties, which requires that a warranty statement be added to an invoice or consignment document, every time a rough or polished diamond, changes hands, from the mine to the jeweler. With a statement verifying that the diamonds involved are KP-compliant, the System of Warranties was designed to extend the effectiveness of the certification scheme.

As you are aware, the WDC has long felt that despite the KPCS's spectacular success in meeting the initial goal of reducing the incidence in the market of diamonds associated with civil conflict, the narrow boundaries of its conflict diamonds definition meant that it was less able to deal with gross acts of violence and suppression in the mining regions not related to civil war. These are issues that concern today's consumers, and thus hold the potential of disrupting our industry.

There have been successes, like the Frame 7 declaration, but these are not sufficient to expand the scope of the KPCS as we believe is necessary.

Now that we are in the review cycle of the KP we are happy that WDC has been asked to lead the discussion on the expansion of the definition. But we cannot do so alone. As we pointed out that all value of diamonds depends on the consumer confidence, we need to protect the image of rough diamonds as well as producing countries. With that ADPA and WDC should work hand in hand on the expansion of the definition. We need to step over our shadow of conflicting history and move forward to protect our mutual interests.

WDC, which like ADPA hold observer status in the KP, has not yet been able to affect change in the KP Core Document, but we were able to advance our objectives by revising the System of Warranties. In 2021 we launched an upgraded version, which now includes a warranty statement that declares that a diamond is KP-compliant, and that it also has been handled in accordance with essential human and labor rights, and in respect of anti-corruption and anti-money laundering principles.

The KPCS and SoW are the first two levels in what is becoming a multi-layered system meant to meet consumer demand for the integrity of the diamond distribution chain. On the upper layers are elements like the independently audited Code of Practices of the Responsible Jewellery Council, as well as proprietary systems developed by private corporations, some of which also are independently audited.

All promote a transparent chain of distribution, where due diligence is done to ensure that the diamonds are being handled responsibly, ethically and sustainably. These are not necessarily traceable systems, according to which can definitively track a stone all the way from the mine to the finger.

But research in that respect is taking in place, including within the Kimberley Process, and more specifically the Working Group of Diamond Experts that the WDC chairs. There, studies are being conducted by teams of leading scientists to identify physical characteristics that will match any stone – be it rough, polished or set in jewelry – to the exact location where it was extracted from the ground.

With the probable sharpening of the rules around Russian diamonds this research might very well work in favor of the African producers. To continue this research financial support of producing countries is needed.

This is the last ADPA conference that I will be addressing as WDC President, as will be ending my terms of office in May. It has a privilege to be able to able to work with all of you. I trust that you will extend the same courtesy to our incoming president, the very talented and capable Ferial Zerouki.

I firmly believe that, working together, we will be to do able things that neither of could manage on our own.

Many thanks for this opportunity to address you and I wish you all the best

Thank you.