



World Diamond Council

Eli Izhakoff, Chairman / 580 Fifth Avenue / New York, NY 10036 / USA

Address to Kimberley Process Plenary
Brussels, 5 November 2007

Mr Chairman, Participants and Observers of the Kimberley Process,

I should like to thank the Chair for this opportunity to address Plenary in this opening session. Although the World Diamond Council is just an Observer in these proceedings, we have been intimately involved in the Kimberley Process right from the outset and have, I believe, played an important role in helping to bring together the three component partners in this Process – participating governments, civil society and the international diamond industry.

We have also been able to place our knowledge and expertise at the disposal of the Process, assisting in the drafting of the Kimberley Process Certification Scheme to ensure effectiveness without undue burden on the normal course of a business vital to the economic interests of many countries and communities. We have been pleased to participate in the Working Groups and to deploy WDC professionals to assist and advise governments and local diamond industries with diamond skills necessary for proper compliance with the KPCS. The WDC and its member organizations have also been active in providing capacity and expertise to countries now at last emerging from the horrors of conflict.

The horrors of conflict and the plight of innocent people, so correctly brought to the world's attention by the NGOs, especially Global Witness and Partnership Africa Canada, were the imperatives - moral, economic and political - that led us all to resolve to crush the trade in conflict diamonds.

In that resolve, we - all of us engaged in the Kimberley Process - have been enormously successful. As the Chair has said, the percentage of rough diamonds classed as 'conflict diamonds' now being traded illegally is less than one percent of the world's production. However, we in the diamond industry have said again and again "even one conflict diamond is one diamond too many" and the position of the international industry is that of zero tolerance.

As with so much in life, it is important that we not only do the right thing but are seen to be doing it. I have said often before at these meetings that it is the credibility of the KP that matters just as much as its effectiveness. I am in agreement with our NGO friends when they point out that the smallest breach of the KP provisions or a failure of compliance by a single participant could bring the Process into disrepute in the court of public opinion.

Of course one problem here or there does not mean that the whole KP Scheme is a failure and it is just foolish and unhelpful to suggest that. But we do need to ensure

that the KP is both as effective and as credible as possible in order to protect the trade in diamonds from organized crime and terrorism and, indeed, from any future role in the funding of conflict.

To that end, I believe it is imperative that all Participants without exception embrace the peer review visits that enable appropriate advice and assistance to be given - where necessary - to ensure proper compliance with the KP provisions and provide that essential credibility that lies at the heart of the KP's effectiveness. Therefore I urge those Participants who have not yet invited a peer review mission to do so and I pledge the WDC's continuing willingness to take part in these visits alongside government and civil society representatives.

While governments and industry can well enough afford the costs of their participation in these vital review visits, it is more difficult for our NGO partners to sustain the level of commitment necessary on the basis of their somewhat more uncertain funding. I would request, Chair, that consideration be given at this Plenary to the provision of some appropriate mechanism for the funding of NGO participation in review visits in line with "providing greater funding and technical assistance in support of KP effectiveness".

I should like also to raise another 'admin' matter. There has been much discussion in the past about a permanent Secretariat for the Kimberley Process. Although there could be significant benefits in setting up such a Secretariat, I fully understand the general reluctance so to do, not least on the grounds of cost. Indeed, given the very splendid way in which the successive Chairs of the KP have discharged their duties, it might seem that a Secretariat is superfluous. Nonetheless, the WDC is of the opinion that a small team of professionals - maybe no more than three people - established with a modest budget could provide a greater degree of continuity and stability to the KP and assist the Chair in the transition from one incumbent to the next. This need may not be apparent when the Chair is held by a Participant with great resources in terms both of finance and trained personnel, but becomes more necessary if other Participants with less capacity and fewer resources are to aspire to the Chair. Again, on the grounds of effectiveness, efficiency, stability and credibility, I would ask Plenary to give this serious consideration.

Chair, we went into the last Plenary in Gaborone with a number of issues before us that seemed perilously close to being 'deal-breakers' as far as the consensus and cohesion of the KP was concerned. Through the skill of the Chair and the determination of Participants not to let the KP founder, resolution of each of the issues was achieved and much applauded by all parties. We must walk the walk, however, not just talk the talk. Whilst much has been done this year - as you set out in your report, Chair - there is one matter that I wish to draw to the attention of Plenary.

In Gaborone the WDC and the NGOs called for appropriate government oversight of the industry's own self-regulation under the provisions of the KP. This, too, is very largely a matter of credibility and it is disappointing that not enough action appears to have been taken. I understand that no government wishes to take on any additional tasks, but it should be possible within existing arrangements to make the occasional, random check - maybe on a risk assessment basis - on compliance by individual companies with the System of Warranties. I may appear rather like a turkey voting for Christmas in reiterating this call, but the WDC believes strongly that the industry needs not just to be compliant but to be seen to be so. Government checks would provide the verification needed for real credibility, something not provided by unscientific and unrepresentative public surveys.

In conclusion, Chair, may I congratulate and thank you and the EC for the most effective way you have conducted the KP over the past year. Much has been done and the reform programme is well under way. We welcome India as it takes on responsibility for the Process and pledge the WDC to continue to work closely with the Chair. The WDC remains ready to provide advice and assistance both to the KP and to participating governments in our common cause against conflict diamonds.

Thank you.

**Eli Izhakoff,
Chairman, World Diamond Council**