



**Edward Asscher
WDC President**

Opening Address to KP Plenary – Gaborone, Botswana

1 November 2022

Your Excellency, the President of Botswana Dr. Mokgweetsi Eric Keabetswe Masisi;

Your Excellency, the Minister of Minerals and Energy of Botswana, Lefoko Maxwell Moagi;

Your Excellency, the Minister of Mines and Mining Development Minister, Winston Chitando;

Chair of the Kimberley Process, our dear friend Mr. Jacob Thamaga;

Dr. Michel Yoboue, Coordinator of the Civil Society Coalition,

Your Honorable Excellencies, Dear colleagues, Ladies and Gentlemen;

All protocol observed.

It is my great honor to be addressing this Plenary as World Diamond Council President.

My thanks to our hosts, the government of Botswana and the Chair of the Kimberley Process. Few could have predicted the challenges the Chair faced this year, nor can we underestimate the experience, expertise and diplomatic skills that were required to ensure that we are able to meet today.

In two months from now, we will mark 20 years since the launch of the Kimberley Process Certification Scheme at the start of 2003.

On balance, it is fair to state that the KPCS has been a remarkable success. Civil wars came to an end and producing countries were able to enjoy the fruits of their minerals.

But 20 years later, however, the environment in which we all work has changed. Consumers demand more specific information about the circumstances under which their diamonds were sourced and polished. The KPCS today offers incomplete solutions, for the current definition of “conflict diamonds” is ineffective in preventing all instances of systemic violence.

Despite the justified pride about what the KP has achieved, it would be doing ourselves and the KPCS’s legacy a disservice if we dismissed all such criticism as cynical or undeserved, especially now that consumers can choose synthetic diamonds as an alternative. While it’s true that KP could do better in communicating the importance of its ongoing mission to the outside stakeholders, we also must accept that it is not meeting the concerns of the current generation of jewelry consumers, who demand more and need to be convinced that natural diamonds deserve their confidence. And it is all about consumer confidence. It’s that which decides the wellbeing and future of our natural product.

About one month ago, our team from the WDC joined a meeting assembled by the KP Chair in Dubai, together with the heads of the KP Working Groups and civil society Observers, to draft an Administrative Decision that outlines the purpose and structure of new Ad Hoc Committee for the upcoming Review and Reform cycle starting in 2023.

At the top of its agenda, as it has been the case for years already, is the definition of “conflict diamonds” in the KP Core Document.

As this Plenary is well aware, the WDC and the companies it represents around the world are among those who feel strongly that the KPCS is severely hamstrung by the narrow definition that has been applied, unchanged, since the certification program was launched 20 years ago. The world is markedly different today, as are the challenges and threats that confront us, but the definition has remained the same – it’s no longer acceptable.

We have fallen short when we attempted to do so, most recently in New Delhi in 2019.

We were unable to reach consensus in the previous Review and Reform cycle about how it may be possible to reference violations of human rights in the conflict diamonds definition. But in the past two years the centrality of human rights has been formally recognized by the KP Plenary.

In Moscow in 2021, Frame 7 was ratified in a declaration defining the key requirements for responsibly sourcing rough diamonds in our supply chain. It specifically cites the protection of human rights and labor rights, along with community building, the protection of the environment, anti-money laundering, anti-corruption and differentiating between natural diamonds and synthetics.

Frame 7 was an important step in the right direction. It also fell in step with the WDC's revised System of Warranties, which was launched in 2021. But we now need to close that circle, and that means finally amending the conflict diamonds definition.

Here, let me add two remarks:

First, the industry is not sitting idly by, waiting for change. Propriety systems have been developed by mining companies, and protocols have been developed and are applied by certain large jewelry retail chains and brands. This is in addition to WDC's revised System of Warranties as well as the auditing of the Responsible Jewellery Council. Together these initiatives are necessary for the whole industry due to the narrow scope of the KP. Furthermore, the industry is diligently working on future systems for responsible sourcing, with cutting-edge technologies being able to verify from where rough diamonds are sourced. A great deal of research still must be done but in a few years' time these new systems will also surpass the KPCS.

Second, if we consider the reasons why KP has failed thus far to revise the "conflict diamonds" definition, multiple countries and multiple governments are seeking assurances that the change will not be used to address other issues than the type of rough diamond production for which the KP was developed.

Allow me to stress that **failure is not an option**. The upcoming Review and Reform cycle must succeed or KP will risk becoming irrelevant – some think it already is, and that's why industry has taken matters into our own hands with a multi-layered approach that builds on the KP in order to ensure consumer confidence.

The definition is a not the only issue that should be addressed during the upcoming Review and Reform cycle. In keeping with our commitment to **leave no one behind**, WDC is advocating measures to ensure that KP is an equal opportunity organization, mindful that all states do not come to the table with same capacities. We need to avoid at all costs the situation by which a handful of nations effectively govern the affairs of others, because the latter group lacks the financial and other means to do so. We thus will be tabling a proposal that governments be able to co-chair the KP, in order to widen the choice of countries willing and capable of taking on this leading role.

I would like to comment on the Working Group of Diamond Experts. It has been chaired by the WDC since the inception of the KP. I believe we have done so in a most professional and impartial way, avoiding all political issues and sticking strictly to the brief of "Diamond Experts."

The WDC has been extremely gratified by the show of support from the other members of the WGDE; with only the WDC being nominated for the position of WGDE Chair from 2023 to 2026. The nomination was unanimously endorsed by the WGDE at its meeting on May 10.

This year the WGDE has prioritized addressing long-vexing issues like the sizes of diamonds that need KPCS certification; how to treat potentially diamantiferous exploration and geological samples and the age-old problem of differentiating a rough diamond from a polished diamond, particularly since technology has outpaced both the KP and the World Customs Organization (WCO) in this respect.

The WGDE sub-groups are also vital to the KP. The WGDE Diamond Experts Team has been monitoring all the CAR exports and the Scientific Sub-Group is exploring ways to “fingerprint” the origin of diamonds. Both teams have grown substantially this year and include a number of international experts.

As we have stressed many times before, we need to be aware of the challenge posed by lab-grown diamonds, which is a legitimate but different product. Nonetheless, let us not forget that natural diamonds, if managed responsibly, can lift entire communities out of poverty, and provide them the promise of a better future. Our host country today is a shining example of that. Lab-grown diamonds have no ethical end-benefit for society. They primarily serve the financial interests of those who produce them and have no regard for the interest of the millions in the natural diamond sector.

Over the 20 years that the KPCS has been applied, the KP has developed a battery of support services and functions. The ASM, or Administrative Support Mechanism, provided by industry and in particular the Belgian diamond trade center, with support and contribution of the diamond trading centers of Israel and India, has been an important contributor to the KP’s daily work.

Still, because the KP has operated to date without the support of a Permanent Secretariat, we have worked below our theoretical capacity. A permanent Secretariat can better combine and use the collective know-how of the KP and thus more effectively service governments and the industry.

For the tripartite Technical Expert Team, or TET, which is dedicated to the establishment of a Permanent Secretariat, the coming week promises to be a particularly important one.

For years, the TET has worked hard to arrive at a recommendation to the Plenary for a host country for the Permanent Secretariat. Many meetings and discussions have taken place, and each of the countries that offered their candidacy was given ample opportunity to make its case. Gradually, the number of prospective candidates went from five to two and then to one.

Through our diligent chairmanship of this important committee over the last 4 years, the WDC has transparently followed due process and is proud to have reached a unanimous recommendation.

The KP continues to face major challenges. A permanent and reinforced secretariat should contribute to a positive dynamic within the organization and ensure that we as a KP are able to cope with these challenges ahead.

The international diamond industry and consumers around the world are therefore counting on all of you to contribute to a positive outcome this week.

Voices questioning the relevance of the KPCS were clearly heard earlier this year, both at the KP meetings and outside, as it became apparent that the KP is not, nor was it likely to play any constructive role in resolving the war in Ukraine. As I stated publicly, irrespective of what I or my colleagues may feel personally about the dreadful events in Central Europe, a war between two sovereign states clearly falls outside the current mandate of the KP. That is fact, and we would be compounding a tragedy if we allowed the war in Europe to damage what we are able to achieve in Africa.

For the World Diamond Council our neutrality is an iron-clad rule. The industry we represent covers the entire globe. We are committed to its interests, and those of its stakeholders and consumers. We strongly recommend for companies to strictly abide by laws of the countries in which they reside and operate.

Nonetheless, while we are neutral, we are not morally indifferent. We have clear guidelines. All people should be able to operate safely and securely, without fear of violence or suppression. All law-abiding members of our industry should be granted access to the distribution chain and be allowed to earn fair value for their efforts and ingenuity. Furthermore, the people and communities of all countries fortunate to be blessed with natural diamond resources, and the countries where polished diamonds are

processed, should be able to realize the full economic and social benefits that these natural diamonds are able to provide.

We have applied these guidelines in formulating our position concerning the Central African Republic. While we support the principle that the country be able to gain fair benefit from the diamonds responsibly mined in areas under government control, we are most concerned about the continued presence of rebels in some of the sub-prefectures that are considered KP compliant. Since 2021 KP Plenary, no written report has been received by the CAR Monitoring Team from the UN Panel of Experts regarding the political and security situation on the ground. For those reasons we cannot recommend approving the requests for any new compliant sub-prefectures that were submitted by the CAR Government for approval. That will only be possible when the newly appointed Panel of Experts has completed its work on the ground and a Review Mission has taken place, under safe conditions for all participants.

Ladies and gentlemen, given the current situation, we are meeting under difficult circumstances. For the same reason, however, the world is following events here in Gaborone more closely, making the stakes of failure or inaction even higher.

Let us confound our critics, by making a bold statement about the strength, vitality and relevance of the Kimberley Process, making this milestone year and the next not only a time for reflection, but for rejuvenation and a dynamic process to protect the natural diamond industry.

As a final note, in 2023, during Zimbabwe's chairmanship, our incoming President, Ms. Ferial Zerouki, will succeed me. That type of change is exactly what we strive for – rejuvenation and diversity in the diamond industry. So, my term will end in May 2023, and in Harare I shall not stand in front of you all anymore, however I will continue to serve the WDC and the industry's commitment in doing the right thing and standing by the Kimberley Process.

This is particularly important to me as my children are the sixth generation of a 168-year old diamond business and, as I look at my own children, I look at all of our children and see the importance of striving for integrity in the responsible supply chain. It is our collective responsibility to ensure that natural diamonds continue to do good and thrive, not just in the short term for ourselves but for generations to come.