

17th June 2019 - Intersessional - Opening Session



Speech of Mr. Alok Vardhan Chaturvedi (DGFT) - KP Chair -
Opening of the Intersessional meeting, Mumbai, 17/June/2019

Distinguished members on the dais, Vice Chair of KP Russian Federation, Chairs of Working Groups and Committees

Representatives from Botswana,

Mr Stephen, President, World Diamond Council

Mr Shamiso, Coordinators of Civil Society Coalition...

Dear Kimberley Process Participants and Observers,

Ladies and Gentlemen,

Good Morning Sushswaagam (A very warm welcome) to all of you.

Mumbai Monsoon welcomes you.

India, as Kimberley Process Chair, is happy, proud & privileged to organize the 2019 Kimberley Process intersessional in Mumbai, a city with a diamond tradition that dates back to centuries and which is now home to the world's largest diamond bourse (exchange) Bharat Diamond Bourse.

India is one of the founding members of KP Certification Scheme (KPCS) and as KP Chair this year, along with Vice Chair Russian Federation and the whole KP family, is committed to leading and enlarging the influence of the KP every year. Since its launch in 2003, the Kimberley Process has contributed towards peace, security and prosperity. 2019 marks the sixteenth year of KPCS and the entire world is watching us closely as the discussions and deliberations herein will impact the world. KP has proven to be an effective multilateral tool for conflict prevention in stemming the flow of conflict diamonds.

As a largest manufacturing centre and major importer of rough diamonds, India has a unique position in between Producers of rough diamonds and Consumers of cut & polished diamonds. The importance of KPCS is immense to India looking at the fact that more than 1 million people are directly employed by the industry and has exports of USD 24 billion.

Today we can see the results of this combined effort. The diamonds which were called "blood or conflict diamonds" are almost completely excluded from the global trade.

Every rough diamond parcel is accompanied by a certificate confirming its non-conflict origin. Export and import procedures in most of the countries are subject to rigorous control.

KP has made valuable developmental impact in improving the lives of most people dependent on the trade in diamonds. India is committed to make the KPCS a stronger process in terms of inclusiveness, strengthened administration and implementation, efficient in terms of delivery of what it promises, more transparent and empathetic towards the living standards of people who are dependent on the production, trade and manufacture of diamonds.

Important decisions were taken in November 2018 Plenary such as yearly organisation of the Artisanal Diamond Mining Forum making greater contribution towards achievement of Agenda 2030 of the Sustainable Development Goals, establishment of HS Code for synthetic diamonds (lab grown diamonds). We need to continue good work and act on issues such as support and technical assistance to capacity building of artisanal mining countries, finalisation of the best practice document by WGS, drafting a standard valuation method for rough diamonds by WGDE and coordinate the joint work program by WGM and WGAAP with respect to Central Africa and other issues on the table.

India is also cognizant that the international community, through the United Nations, has set in motion a historic plan that aims to build a more prosperous, more equal, and more secure world by the year 2030. The Government of India is strongly committed to the 2030 Agenda, including the 17 Sustainable Development Goals (SDGs). India's national development goals and its "sab ka saath, sab ka vikas" or "development with all, and for all," along with "sab ka vishwas" (everyone trusts and believes) policy initiatives for inclusive development converge well with the SDGs, and India will play an active role in determining the success of the SDGs, globally.

Kimberley Process has been a driving force for peace and prosperity, tying in closely with the 2030 Agenda for Sustainable Development. Coherence and cooperation among the three pillars of the Kimberley Process tripartite structure, the daily work of the different Kimberley Process Working Bodies and the Kimberley Process Focal points, is what makes this process work and deliver.

The Ad hoc Committee on Review and Reform was formed in the 2017 Brisbane Plenary to take the process of KP reform forward. It has worked extensively over many months and did a commendable job. We require to give strong support to the current Chair Angola and Vice Chair Canada so that the reform process can reach its identified goals based on consensus.

We have all agreed how to make the Core Document as clear and concise as possible, to consolidate administrative decisions into the Core Document, and to see how to strengthen the scope of the Kimberley Process in the Core Document. Consolidating the Core Document will be high on the agenda during the upcoming meetings. We expect to see significant progress during this Intersessional.

International Diamond industry has welcomed the adoption of a resolution by the United Nations General Assembly (UNGA) on March 1, 2019, which calls for a strengthening of the Kimberley Process (KP), to more effectively sever the link between the illicit transaction of rough diamonds and armed conflict, thereby contributing to the maintenance of international peace and, in particular, security and sustainable development in artisanal diamond/mining regions. The resolution, which was proposed by the European Union (EU), was ratified by consensus by the members of the 193-member UNGA body.

With 2019 being the final year of the Kimberley Process three year review, the focus need to be around the theme "From Blood Diamonds to Peace Diamonds". KP has to consider improving KP standards and modalities with peer review mechanism; raising the level of representation and participation; improving the gathering and flow of essential data; and creating a permanent secretariat.

Diamonds are popular across the world for various emotional and rational reasons; but they are synonymous with one universal value and emotion – Trust! Consumers place a very high degree on 'trust' when it comes to diamonds and key stakeholders involved in the global diamond trade do everything possible to create, maintain and sustain the 'trust' factor.

Sixteen years after KPCS has been implemented, Participating governments have enshrined the Kimberley Process Certification Scheme (KPCS) into national legislations / laws. Today, almost 99.8% of the world's diamonds come from conflict-free sources. The 4Cs (Cut, Clarity, Colour & Carat) of diamond may soon be expanded to 5Cs with the 5th C being 'Conflict-free'. And the 5Ps of diamond marketing (Precious, Popular, Prestige, Priceless) will include 'Peace' diamonds.

However, as even a single conflict diamond is one too many, the Governments, international diamond industry and civil society continue to work on strengthening the Kimberley Process. And India will play an active role in this evolution and the transformation from 'conflict' to 'peace' diamonds.

The World Diamond Council (WDC) System Of Warranties (SoW) Guidelines is a voluntary set of provisions created in support and strengthening of the KPCS through

industry self-regulation that covers trade not only in rough diamonds but also in cut and polished diamonds and diamond jewellery.

Self-regulation will entail greater responsibility and accountability. It is upto the key constituents and stakeholders to live up to the ever growing expectations. The civil society coalition has always risen actively to its task, engaging the Kimberley Process working bodies with great commitment, enthusiasm, vigour and responsibility. They deserve a round of applause.

These voluntary SoW Guidelines define ways of addressing emerging risks and protect the integrity of the global diamond industry while respecting the universal standards of responsible business practices, and diamond sourcing processes.

In 2018, the KP Plenary adopted the Administrative Decision on the Use of Unified Diamond Nomenclature and Terminology as a Best Practice that is based on the industry's Diamond Terminology Guidelines. The diamond industry is facing concerns regarding the need for separation of diamond and synthetics markets on the global scale and to give the KP Participants as much information as possible on the concerns and best practices that exist in the industry today.

Differentiation between diamonds and synthetics on the national level and importance of introducing separate HS Codes to give governments the tools to control trade of these two different products are the key objective under having a Unified Diamond Nomenclature and Terminology

In a recent visit to Russia, the issue of having separate HS code for rough synthetic diamonds at national level was discussed at length with the Russian side. The discussion also took place on national legislation and how India is working on making necessary changes to Consumer Protection Act 1986 to align itself with the demands of the industry.

We have set out a detailed agenda. It has been circulated. We shall have the presentations by the Working Group Chairs and other presentations. We shall also have special forums on Diamond Terminology, Artisanal Mining and how to make collective programs work where Mumbai's famous Dabbawallas will present the Chain of Custody and All India Angadiya's Association will present indigenous solutions. Union Ministry of Commerce & Industry will present on pooling resources through Common Facility Centres. And GJEPC will present sessions on Cluster Mapping, Parichay Card, Health Insurance schemes, etc.

I am happy with the progress that we have made over the years year but our presence here is the next chapter of our evolving journey. Our dedication rings in optimism for the future.

An event like this doesn't unfold overnight and requires energy and effort of many over a sustained period of time. I want to express my gratitude to everyone. I want to thank the Gem & Jewellery Export Promotion Council team who coordinated this extraordinary event over several months.

Today we begin again. All the best for constructive conversations, consensus and collaborations. I am confident that like diamonds, we shall flourish under extreme pressure and emerge as priceless as ever for sustainable conflict free business world in the future.

Thank You so much

Good day to you all

Enjoy Mumbai Monsoons.

Happy KP family !!!