



WORLD
DIAMOND
COUNCIL

Stephane Fischler, WDC President

Closing Speech

KP Plenary Meeting 2019

New Delhi, India

November 22, 2019

Mr. Swain, KP chair,

Mr. Moiseev, KP vice-chair,

Excellencies,

Ladies and gentlemen:

This final session of the 2019 KP Plenary Meeting also marks the formal conclusion of the review and reform cycle that began in at the end of 2016. It is a period in which we not only took stock of the Kimberley Process Certification Scheme, but also how we will move forward as an organization.

The World Diamond Council has been heavily invested in the reform and review cycle, even though as Observers, we had no direct say in the final outcome.

In general, as members of the diamond industry, we occupy a unique place in the distribution chain, serving as the bridge that links the rough diamond production sector with the consumer markets. It is a position that demands we remain vigilant to the concerns and sensitivities of both the mining communities and consumer expectations.

This is a special industry in which we operate. The value of our product, which is an aspirational luxury item often purchased to celebrate a meaningful milestone, like the birth of a child or a commitment of love, is underpinned by its reputation. This is especially true in a marketplace where consumers have a range of alternatives from which to choose.

This the reality of the diamond business. Consumers living in developed economies will dictate the final value of a product upon which many men and women living in developing countries depend on for their daily income.

But it would be disingenuous to state that the reputational issues that concern jewelry consumers, such as acts of organized violence in the artisanal mining areas, are not worthy of our attention.

Both lives and livelihoods are at stake, and the individuals that will always suffer most egregiously, both from the violence in the mining areas and from the resultant loss of value in the diamond product, are the tens of millions of people depending on the diamond trade,

including artisanal miners, their families and their communities. So will the economies of the countries in which they live.

For the past three years, the World Diamond Council, recognising the success of the KP Certification Scheme, has advocated a significant strengthening of the scope of KP. We worked together with civil society and a number of governments to achieve that goal.

Even today, with the review and reform process concluded, **we have no intention of a withdrawing from that campaign**, both within the forum of the Kimberely Process and independently.

This is my final KP Plenary as WDC President, but the World Diamond Council will remain committed to the certification scheme, which we consider to be the foundation stone on which our industry stands. As we have said many times over the past several years, it is a extraordinary system, which not only stemmed the flow of conflict diamonds to a mere fraction of what it was before, but it helped bring about the end of a number of civil wars, saving many lives in the process. We recognize that, and do not want to turn our back on it..

The ongoing ability of the KP to generate positive change was on display at this Plenary Meeting with a presentation of a number of innovative community development programs in to be launched in the Central African and the Mano River regions. We applaud such efforts, which are complemented by other projects being carried out by industry. We are also encouraged by the action taken on monitoring exports from the Central African Republic.

But despite the success of the KP certification Scheme we are convinced that the KP today is inadequately equipped to meet the challenges that face us in 2019. We cannot wait another five years, for the next review cycle, and so we hope that contunuous improvements will continue to be developed to complement the certification scheme.

As a result the WDC will continue to search for solutions. Our System of Warranties, which has been in place for 16 years already, was substantially strengthened in 2018. It has formal status within the Kimberley Process, where according to the core document it is designed to facilitate full traceability of diamond transactions by government authorities.

Already today, B2B sellers of rough diamonds, polished diamonds and diamond jewelry are obliged to include a statement on the invoice or memo document that the diamonds being

sold are in compliance with the KP. The revised SoW, goes significantly beyond the KPCS, requiring a commitment by companies to adhere to WDC Guidelines, which expressly reference international conventions relating to human and labor rights, anti-corruption and anti-money laundering (AML).

Adherence to the SoWs within the diamond industry is substantial. It is a requirement of membership of the two largest diamond industry associations – the World Federation of Diamond Bourses and the International Diamond Manufacturers Association, and is referenced in the Code of Practice of the Responsible Jewellery Council and the Responsible Sourcing Blue Book of CIBJO, the World Jewellery Confederation.

At the same time major individual diamond and jewellery corporations, including miners like the De Beers Group and ALROSA, and retailers like Signet and Tiffany have publicly introduced their own codes of practice, limiting access to their supply chains. They are part of a growing group.

We do this because it is the right thing to do. But under current conditions, where a KPCS-certificate alone may not necessarily provide a rough diamond access to the entire market, because it no longer meets many in the trades' minimum standards, we are concerned that we are helping create a two tier-diamond market. Those miners who are not part of the club, who are more likely be artisanal, will be severely disadvantaged, and may struggle to get a fair price or even reach the market.

These are challenges that face all of us, because they are part of our community. It is our ability to meet those challenges and so improve conditions on the ground, by which we will be judged. As it has demonstrated so effectively in the past, the Kimberley Process has the ability to achieve monumental tasks. Let us work together to keep its flame burning strongly. **I can assure you that WDC will all that it can to make this happen.**

I would like to thank India for its chairing of the Kimberley Process in 2019, and for the hospitality they have shown all of us here in New Delhi and well as Mumbai.

I would also like to congratulate the Russian Federation, the incoming chair, Botswana the incoming Vice Chair, and pledge the WDC's support in making their terms in office a success.

In conclusion, I would like to pay special tribute to WDC's outgoing Executive Director Marie-Chantal Kaninda, who will be concentrating her time on projects in her home country of

the DRC. Her contribution to the KP has been substantial, as it has to the WDC, where she taught us to see the industry through her eyes.

I thank all of you.