



**EDWARD ASSCHER
WDC PRESIDENT**

**ADDRESS TO OPENING SESSION
OF 2021 KP INTERSESSIONAL
June 21, 2021**

Dear honorable Chair, dear honorable Vice Chair, your Excellencies, dear Colleagues, Ladies and Gentlemen:

At the beginning, let me address the COVID situation which has impacted millions worldwide. There has been an enormous loss of life in many countries, and we have lost dear colleagues and friends. We are acutely aware that many with us today have been affected by this pandemic, and so I would like to express my and the World Diamond Council's deepest sympathy for all who have suffered and are suffering during these unprecedented times.

During periods of difficulty, our inclination always is to help where we can. Over the past 16 months, we in the diamond industry made some considerable contributions to countries and organizations where diamonds are produced or polished and sold. We will continue to assist where we can.

It has been almost 20 years since we started this journey together in the Kimberley Process. Where did we come from, what has happened over these two decades and where do we want to go?

What exactly are the values we cherish, and what can we promote with and within the KP?

The 1990s that the KP was born out of was a dark period. Major civil wars saw diamonds being used to help fund the illegal activities of rebel groups against legitimate governments. This led to the establishment of a platform where we all, Participants and Observers, came together to protect the reputation of

natural diamond mining from legitimate sources, and pulled together to stem the flow of “conflict diamonds,” to protect individuals, communities, countries and the industry.

The KP was established with the express purpose of preventing the trade in conflict diamonds and to protect the people and communities suffering in civil war-torn countries. Governments, NGOs and the diamond industry joined forces to protect the integrity of natural diamonds entering the global value chain.

Our goals were to mitigate and even eliminate the risk to our product, which we all love and rely on. It is a product that represents love and humanity, all of which is underpinned by **trust**.

But the “trust landscape” is quickly changing. Consumers today want to know about a diamond’s provenance. They want to be assured that the diamonds they are considering buying have made a positive impact on the world.

We must deliver on such demands from both present and future consumers, and at the same time ensure producing countries that they will continue to receive critically important income from their natural resources.

The KP has been a remarkable success. Its actions helped bring about the end of the large-scale civil wars. We now have a robust, UN-backed system that underpins the integrity of all rough diamond exports. In addition, industry, governments and civil society have succeeded together in improving the lives of many people who rely on the diamond industry for their livelihoods. We can be proud of what we have achieved so far. But, as the landscape continues to change, so must we.

When I first became president of the World Diamond Council in 2014, we were talking about transparency, auditing and compliance. These are issues that we hardly need to talk about today.

The prevailing subjects that are today on the agenda of the international community, as well as that of the diamond industry, are: human rights, environmental protection and social justice. They are certainly being discussed and advanced outside of the Kimberley Process. **And we must not be left behind.**

Let me say this again. **We cannot be left behind.**

There is an indisputable fact: consumer's expectations have changed. All expert research from all industries prove that consumers today want **more**. They want products that represent the values that they believe in....and these include diamonds.

Our consumers want to know: where do our diamonds come from and have they done good? Have human rights, social rights and environmental protections been considered? Have they been produced with respect for universal values?

These are questions we must also ask within the KP. Diamonds must live up to the values that consumers expect of a product that holds such emotional meaning, and is considered the ultimate expression of love.

Consumer desire is the only value driver for diamonds. Not meeting consumer expectations presents a very real risk for the industry, and for countries who rely on diamonds for their economic wellbeing and stability.

Natural diamonds do so much good, but no one will hear this unless the KP formally recognizes those universal values. The KP plays a unique part in protecting consumer trust in diamonds, with 82 countries standing behind what it represents. And the KP is synonymous with **natural** diamonds.

If the KP is left behind, it runs the risk of becoming irrelevant, and so may the category of natural diamonds. Let us not forget that consumers have alternatives. Meeting their trust and ensuring their confidence must be at the top of our agenda

But the question that faces us is not whether we can improve the whole world, guarantee the implementation of the Sustainable Development Goals, Environmental and Social Governance, and Universal Human Rights. No, the question we must address is how can **we** further leverage the unique position of the KP and its tripartite strength to ensure that we continue maintaining the integrity of natural diamonds, and support human rights, especially where it comes to the vulnerable members of our industry.

However, we march into this campaign in the face of complex world politics. Industry cannot do this alone.

Allow me to provide one concrete example of where the world's political situation and the responsible sourcing principles of the diamond industry do **not** run parallel.

The situation in Central African Republic presents a complex challenge for all of us, with many competing interests and priorities among the various governments, all of whom have an interest in the region.

For the industry, we need to protect the integrity of the natural diamond pipeline and the people who rely on it. When human rights are violated, it is a greater threat to diamonds in general than many countries realize. The current situation in CAR is deeply concerning from a humanitarian perspective and has the potential to undermine the Operational Framework. The WDC has always expressed concern with the new Operational Framework, unless its conditions were fulfilled completely.

The CAR government needs to take strong and concrete steps to help to verify diamonds from the green zones to address our concerns. Until this is done, we do not see scope for the expansion of the green zones. Indeed, if the situation does not improve, we will no longer be able to accept the new Operational Framework, which would be a devastating setback for both the CAR government and those working in the diamond industry in these zones.

This is not where we want to end up. However, we need to protect the trust in natural diamonds and the integrity of the pipeline. This is of critical importance to us and I hope to all of you.

So, where are we going? How can we look to the future with confidence, and what must be done?

The industry has come a long way and the World Diamond Council will shortly introduce its new System of Warranties to help all participants in our business sector with best practices, compliance and due diligence when purchasing diamonds. We are sending a strong signal that we are ready to reform, and that we do not want to be left behind. Others do this for gold and other materials, and organizations like the Responsible Jewellery Council and CIBJO do it for jewelry in general.

The important issues close to the hearts of consumers, close to hearts of us all, must be addressed in a way in which we can guarantee positive purpose—and

these include human rights, social and environmental rights, community building and development, and issues like Anti Money Laundering and anti-corruption.

I want to close by reiterating to all of us the spirit of the KP and of the community that the KP unites, and of our aim to protect the integrity of natural diamonds.

This must be done within the KP – in this very forum – and not elsewhere. We must be able to stand behind our promises and our mandate to protect the rights of those who are connected to the diamond industry, whether they reside in producing countries, polishing countries or in the jewelry markets.

We are all in this together, whether we are from government, industry or civil society. It doesn't matter. We are all here for the same purpose and we face the same challenges. We are all here to protect the integrity of the whole diamond value chain in every aspect: human rights, social rights and environmental protection.

We can only achieve results if we work together.

Thank you for your time and attention.