

REMARKS BY KP MONITOR ABBEY CHIKANE

TO THE KPCS INTERSESSIONAL IN TEL AVIV

JUNE 21ST, 2010

Mr. Chairman, esteemed participants, representatives of the civil society coalition, industry leaders, non-participating states, ladies and gentlemen, it is always a pleasure to be in the company of the Kimberley Process family. Most of us have moved on in our lives and are pursuing other courses outside the activities of the scheme. However, without exception, we remain committed to the course of this institution, which is, to halt and prevent the trade in conflict diamonds and to ensure that diamond resources mined in poor countries are directed at uplifting the livelihood of the people of these countries, particularly the poorest of the poor.

In spite of challenges that periodically confront the Kimberley Process Certification Scheme, it feels good to be reminded that before 2003, about 25% of the world's diamond trade was classified as illicit and was used to finance armed conflict in countries such as Angola, Democratic Republic of Congo, Sierra Leone and Liberia. Revenue generated from rough diamond trade never benefited communities residing in these mining countries.

Today, these countries are, to a very large extent, politically and economically stable. Most of these countries earn substantial income from revenue generated from diamond trade and as a consequence are able to create thousands of jobs, build schools, hospitals, road infrastructure and other benefits for local communities. Though still recovering from the devastation of war, a country like Liberia is also on its way to achieving full political, social and economic recovery. In part, this success can be attributed to the Kimberley Process Certification Scheme.

Esteemed delegates, allow me to talk to you as a member of this broad family. I will not read you my report, but would prefer to address select matters that are critical to the DNA of the Kimberley Process Certification Scheme.

Lend me your ears and your minds and I will be thankful for that.

As not all of you have been present at the creation of the Kimberley Process Certification Scheme, I find it appropriate to remind some of the new participants and new representatives of civil society that I had the honor of being the first Chairman of the Kimberley Process, in what probably were the most difficult of times. It was me who, together with colleagues, not only shaped the institutions of the KPCS, but also set the standards by which we should operate. I am very encouraged that throughout the years, these institutions, principles and standards have proven to be lasting, robust and resilient. The founders of this system, under my guidance and leadership, have reasons to be grateful for having made the right system to meet the enormous challenges we faced. I believe that my role and experience at the KPCS creation, and its subsequent sustenance, is the very reason that the WGM and the government of Zimbabwe asked me to become the KP Monitor for Marange. I want to give unequivocal assurance to all

the distinguished participants, that if I, Abbey Chikane, declare that Zimbabwe has met the KPSC minimum requirements, that this is indeed the case. I don't think that there is anyone in the room that has a greater familiarity and more experience with those standards than your truly. I say this with modesty because I don't claim to know it all, but in terms of the standards, I know what I am talking about, because of these I am either the architect, or at least a substantial and significant co-architect.

Zimbabwe government representatives have publicly acknowledged that there have been certain challenges in complying with the minimum requirements of the Kimberley Process Certification Scheme. This statement comes after the findings of the Kimberley Process Review Mission to Zimbabwe which took place from 30 June to 4 July 2009 that, "there are credible indications on significant non-compliance by Zimbabwe with the minimum requirements of the KPSC".

The government of Zimbabwe further stated that it is committed to addressing urgently the issues identified in the Review Mission report. The government of Zimbabwe also expressed its willingness to receive KPSC monitoring visits to assess progress in addressing concerns raised in Kimberley Process reports, and further agreed to receive follow-up review missions from the Kimberley Process.

To this end, The Seventh Annual Plenary of the Kimberley Process which met in Swakopmund, Namibia adopted an Administrative Decision on a Joint Work Plan developed by Zimbabwe and the KPSC to implement recommendations of the Review Mission, "for the purposes of working with Zimbabwe toward full compliance with the minimum standards of the KPSC". The Joint Work Plan provides a series of commitments by Zimbabwe to bring diamond mining in the Marange area in full compliance with the minimum requirements of the KPSC, including actions to provide security and strengthen internal controls, curb illegal digging, regulate alluvial mining in terms of best practices. It also provides for a supervised export mechanism under which exports of Marange diamonds are subject to prior Kimberley Process verification and confirmation.

Esteemed delegates would have deduced by now that the primary objective of the Swakopmund Administrative Decision on the Joint Work Plan is to bring Zimbabwe to full compliance with Kimberley Process minimum standards, a decision that is consistent with the provisions of the Kimberley Process Certification Scheme document. You would also appreciate that the Swakopmund Administrative Decision could not have stepped out of its key mandate as enshrined in the KPSC document. Further, there is empirical evidence that KP minimum requirements are a step in the right direction as far as preventing trade in conflict diamonds.

These minimum standards lay a solid foundation for good governance, transparency, accountability and credibility in line with international best practice. Implemented successfully and correctly, they should lay a precedent for best practices. They should also contribute to political and economic stability in countries such as Zimbabwe. They should restore the emotional value of a diamond, the foundation on which diamonds were found. In sum, they should ensure that diamonds do no harm to humanity.

One might argue, which one should come first, political stability, social stability, human rights best practices, all aimed at ensuring that rough diamonds do no harm to humanity or the Kimberley Process Certification Scheme which is aimed at ensuring that rough diamonds do not fuel armed conflicts aimed

at undermining or overthrowing legitimate government? One's answer is that whichever comes first should be supported and emulated to create a conducive environment for internationally accepted best practices. Competing trade, social, political and economic formations need not threaten the existence of a reputable international instrument which has earned some stripes and continue to review its mode of operation aimed at achieving better results.

In this case, the Kimberley Process has already reached an agreement with Zimbabwe and has agreed on a Joint Work Plan to implement all minimum requirements as contemplated in the KPCCS document. And an elaborate monitoring and evaluation mechanism has been put in place and is operational. In fact, even if there were simultaneous interventions by the Kimberley Process, industry bodies, civil society coalition, political, economic, environmental and social formations, they need not obstruct each other's mandate. On the contrary, they need to collaborate and complement each other without any meddling with each other's agenda. In doing so, they need to act professionally, harmoniously, ethically, and respect each other.

The Kimberley Process is arguably a leading international instrument to curb trade in conflict diamonds. The scheme has successfully imposed stringent regulatory and control systems on the global diamond trade. It enjoys the support of multinational organizations worldwide, including, the United Nations Security Council, the United Nations General Assembly, as well as world trade bodies and leading multinational Corporations. It has enjoyed an unusual tripartite comprising diamond producing, exporting, importing and processing countries, a global civil society coalition, and a consortium of global diamond organizations, as represented by the World Diamond Council.

The cost of a collapse of the KPCCS would be catastrophic, particularly for African countries whose economies depend on the diamond industry. Millions of poor people in these countries cannot afford the collapse of the Kimberley Process. In our differences, we need to be aware of outcomes that may result in unintended consequences for the poorest of the poor.

Let me conclude this section of my speech by stating that, it is in this context that the implementation of the Swakopmund Plenary Administrative Decision and Joint Work Plan should be seen as crucial for the economies of developing countries.

The KP Monitor has been working successfully with Zimbabwe towards full compliance with minimum requirements of the Kimberley Process Certification Scheme for the trade in rough diamonds. One is pleased to report to the Intersessional meeting this afternoon that the KP Monitor has since visited Zimbabwe twice. Two comprehensive reports dated March 21, 2010 and May 24, 2010 respectively were compiled and submitted to Mr. Stephane Chardon, Chairman, Working Group on Monitoring. On both counts, the KP Monitor conducted a thorough examination of all elements contained in the KPCCS document, these include diamond production in Marange, voluntary chain of warrantees by investors, internal controls and security infrastructure, production statistics, forgedy resistant Kimberley Process Certificate, designated import and export authorities, appropriate laws and regulations to enforce KPCCS implementation and general cooperation and transparency, all of which constitute minimum standards for the implementation of the Kimberley Process Certification Scheme. As my latest report indicates

that, following the Swakopmund Plenary Administrative Decision, a great deal of hard work has gone into the implementation of the Joint Work Plan and in achieving and even exceeding the KPSC minimum requirements.

Based on the evidence provided by the government of Zimbabwe and its associated institutions, private investors, and on his first hand assessment of the situation (details of which are found in his reports and attachments) the KP Monitor would like to report to you that Zimbabwe has met minimum standards of the Kimberley Process Certification Scheme for the trade in rough diamonds. The newly established Mbada and Canadile mines are operating on a world-class level when compared to similar alluvial operations. It is my professional opinion that the accumulated and current output of these mines should be approved immediately and I am pleased to advise you that the KP Monitor is immediately available to visit Zimbabwe to conduct certification under the supervised export mechanism at the invitation of the Zimbabwean Ministry of Mines and Mining Development.

Thank you for your attention.

May God bless you.

Abbey Chikane

KP Monitor

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