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**Tung-Lai Margue,**  
**Director, Head of the Service for Foreign Policy Instruments of the European Commission.**

Thank you for your kind words chairman. On behalf of the EU, I am honoured to attend the Eighth Annual Meeting of the World Diamond Council in Vicenza.

The Kimberley Process has proved to be an innovative and unique tool in combating trade in conflict diamonds and its success in addressing its original objectives is incontestable, as already mentioned by previous speakers. Since 2003, the KP has evolved considerably to address new challenges and has transformed into a powerful and flexible conflict prevention instrument. The EU believes that it continues to be a very valuable mechanism and contributes to transparency and better governance of the diamond sector.

Nevertheless, the EU fully agrees with the KP Chair that the KP must evolve to remain relevant and the EU, in cooperation with both the industry and civil society, and with other participants, is determined to examine ways to make the KP a more effective instrument going forward.

The issues of the past years surrounding the implementation of the Kimberley Process Certification Scheme in the Marange mining area of Zimbabwe have caused governments, diamond industry and civil society to look again at fundamental aspects of the KP, including its mandate and objectives and its relation to human rights and other ethical issues. These issues are currently being examined in the framework of the KP review. The EU is an active participant to discussions concerning the KP reform with the aim to ensure that the KP is able to address new problems which are similar in character to those which prompted its establishment, but which were unforeseen at its creation.

The KP Chair raises an important issue with the need to bring the definition of “conflict diamond” up to date; this definition is in the core of the KP’s activities. While the specific issue of “diamonds funding the activities of rebel groups” cannot be completely discarded, I think it is safe to say that it is (largely) yesterday's problem. In order for the KP to remain credible and relevant, the KP needs to be able to address today's (and of course tomorrow's) problems – such as violence or serious human rights abuses within the diamond supply chain.

In this context the EU very much welcomes the new conflict diamond definition suggested by the KP Chair, noting that it was nearly identical to the definition given by the EU in its response to the Reform Committee questionnaire.

Ambassador Milovanovic also raises an important point with the need to enhance transparency, which the EU will do its best to give effect to in its role as the chair of the Working Group on Monitoring, for instance with regard to review visit reports. Other points raised by the KP Chair that the EU would definitely stand behind are the goal of promoting sustainable economic development, the de-politicization of the KP, mine-level compliance approach, as well as the exchange of good practices and support to training.

The EU also agrees that in order to achieve all this, clear guidelines need to be defined for the benefit of all KP participants and the industry.

In the framework of the KP reform, the EU was recently honoured to be given an opportunity by the Chair of the Ad-Hoc Committee on KPCS Reform, Botswana, to host a meeting of this Ad-Hoc Committee on 23-24 April 2012. Discussions of this meeting focused on, inter alia, improving the administrative capabilities of the KP, reviewing its mandate and objectives and addressing human rights considerations.

The EU was especially glad to welcome representatives of the World Diamond Council participating in this meeting; in this context, it is important to emphasize and promote the active role that Observers play within the different Working Groups and Committees of the KP. They have made valuable, often leading, contributions in the past, and hopefully they will continue to contribute actively and constructively to these groups going forward.

The WDC has a particular role to play: the industry has specific responsibilities throughout the diamond supply chain, from the protection of the livelihoods and communities where its resources are coming from to remaining credible in the face of its consumers. In light of this, the WDC should be encouraged to take further steps to ensure that cut diamonds will only be traded if the transformed rough diamonds can be traced back to their KP certificate.

The EU KP team is now busy planning the next steps to be taken at the forthcoming KP Intersessional meeting in Washington in early June. As the current Chair of the Working Group on Monitoring, the EU is in particular interested in the separate sessions in field of monitoring and enforcement, involving also national enforcement authorities. Most importantly however, the EU looks forward to continuing hopefully constructive discussions on KP reform, in a context of increasing challenges and opportunities for the KP to make a real difference.

Chairman, Madame Minister, Madame Ambassador, Ladies and Gentlemen, thank you for your attention. I wish you all a very productive meeting and I am sure that I will get back to Brussels with many useful ideas thanks to my many informal contacts with various participants.