



STATE OF ISRAEL  
MINISTRY OF INDUSTRY, TRADE & LABOR



## 2010 Kimberley Process Communiqué

1. The Eighth Annual meeting of the Kimberley Process Certification Scheme (KPCS) was held from 1 to 4 November 2010 in Jerusalem. The meeting was attended by 42 Participants of the Kimberley Process Certification Scheme. The World Diamond Council delegation and Civil Society attended the Plenary as Observers. Present in meeting was also the World Customs Organization (WCO) which attended as Guest of the Chair. Non-Participating Governments who had previously indicated their interest in joining the KPCS, were also present, including Swaziland, Kazakhstan, Burkina Faso and Mozambique.
2. The total number of Participants in the Kimberley Process (KP) now stands at 49 representing 75 countries (including the 27 member states of the European Union, which participates as a single Participant represented by the European Commission).
3. The Plenary welcomes the application by the Kingdom of Swaziland to become a Participant in the KP and has decided that its application considered can be accepted without the need for further Plenary approval, once the Participation Committee has verified and approved the Kingdom of Swaziland's final implementation of KP minimum requirements in its domestic system. Once this step has been completed, the admission of Swaziland to the KP will be confirmed by a KP Chair notice.
4. The Plenary took note of results of the 2010 annual reporting process on KPCS implementation, as the main comprehensive and regular source of information on KPCS implementation by Participants and welcomed the submission of annual reports by 47 Participants representing 73 countries. The Plenary requested the KP Chair to engage with the two Participants (Lebanon, Venezuela) that have so far failed to submit their annual reports so that they conform to this requirement.
5. The Participation Committee (PC) deliberated extensively on actual and prospective applicants. In particular, Kazakhstan, Mozambique, Burkina Faso, Mali, Panama, Kenya and Peru have expressed interest in joining the KPCS and are being assisted by the PC to submit their applications.
6. The Plenary took note that the PC expressed its concern regarding non-compliance with the KPCS minimum requirements by the Bolivarian Republic of Venezuela and Lebanon and calls upon those countries to comply with their commitments to the KPCS as a matter of urgency.



7. The Committee of Rules and Procedures had four sessions during which it finalized the work on the Administrative Decisions, "Terms of Reference for the Chair and the Vice-Chair of the Kimberley Process", "Procedures for Preparation and Adoption of Documents/Decisions in the Kimberley Process", "Procedures for Respecting Confidentiality within the Kimberley Process". These decisions were adopted by the Plenary. The Committee discussed the program of its future work and preparation of the actual draft decisions on improvement of the rules and procedures of the KP.
8. The Plenary adopted the Administrative Decision initiated by the Chair on the Establishment of an Ad-Hoc Committee for Exploring the Modalities of enhancing Efficiency of the KP with a view to Provide Administrative Support for its Activities.
9. The Plenary took note of the conclusions of the 2010 annual reporting dialogue, and called on Participants to submit consistent and substantive reports in line with the Guidelines on annual reports. The Plenary further called on Participants to report systematically on enforcement of, and infringements to, KP rules, in light of current efforts to enhance KP action in this respect.
10. The Plenary took note of the preliminary findings of the Technical Experts Team on "import confirmation" and "internet trading", and requested the WGM to further steer technical expert teams' actions to assess implementation of import confirmation requirements and conduct research into cross-border internet sales. The work plan of the Technical Experts Team on internet trading was endorsed by the Working Group on Monitoring.
11. The Plenary expressed concern that Venezuela has not complied with the terms of the Delhi Decision and has not taken the necessary steps towards its full reintegration into the KPCS. The Plenary took note of the message conveyed by Brazil on behalf of Venezuela. The Plenary decided that the Chair will approach Venezuela with the assistance of Brazil notifying Venezuela of the Plenary's decision to accept the extension of Venezuela's self-suspension from the KPCS for an additional one year period, conditioned upon Venezuela's submission of its annual report for 2009 and subject to written procedure.



12. The Plenary noted the findings of review visits to Belarus and noted that the report of the recent review visit to Bangladesh is expected shortly, and considered plans for review visits to be conducted in diamond producing countries (Botswana, Canada, Lesotho, South Africa), manufacturing countries (India, Ukraine) as well as trading centers (United States of America) and welcomed the commitment of those countries to continuously open their certification systems to review and improvements.
13. The Plenary reviewed implementation of the Administrative Decision on Cooperation on KP implementation and enforcement, and welcomed the efforts of the Working Group on Monitoring (WGM) to ensure coordination of KP actions in relation with the occurrence of fraudulent certificates and to facilitate the exchange of information in cases of infringement. The Plenary called on Participants to cooperate fully with the WGM in this respect, and to regularly update specimen certificates on the KP website. The Plenary welcomed the submission of reports on suspicious shipments by certain Participants, further to the KP Chair notice on the detection and reporting of shipments of suspicious Marange origin. The Plenary underlined the need to ensure effective implementation of the vigilance measures by all Participants, and requested Participants to report to the WGM on their actions in this regard.
14. The Plenary adopted an Administrative Decision initiated by the Chair on KP cooperation with the World Customs Organization (WCO), and tasked the WGM and Working Group of Diamond Experts (WGDE) to follow up on its implementation.
15. The Plenary noted with appreciation the active involvement of the WCO in the enforcement seminar initiated by the Canadian and U.S. delegations, and facilitated by the Chair, conducted at the conclusion of the Tel Aviv Intersessional (June 24<sup>th</sup>, 2010). The seminar provided a platform to discuss domestic experiences on Customs, border control, smuggling and related enforcement efforts through inter-agency enforcement cooperation and was attended by WCO officials, KP Participants and Observers, and Plenary welcomed the submission of a final report by Partnership Africa Canada and the Governments of Canada and the United States on the seminar, as well as regional workshops organized by civil society, entitled "Diamonds Without Borders: an Assessment of the Challenges of Implementing and Enforcing the Kimberley Process Certification Scheme." The cooperation between the KP and WCO underscores the need for international cooperation between national and international enforcement



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- organizations. Furthermore, through the WCO more effective interaction between the KP and customs administrations of WCO members would be provided in order to exclude conflict diamonds from the legal trade and combat smuggling.
16. The Plenary adopted an Administrative Decision initiated by the Chair which established a Sub-Working Group on Trade Facilitation, under the auspice of the WGM. The SWG on Trade Facilitation will address matters of technical obstacles to trade associated with non-KPCS compliance circumstances. The Plenary selected Israel to Chair that sub-group and endorsed DRC, Botswana, Canada, China, EU, India, Russia, South Africa, USA, WDC and Civil Society as members of that sub-group.
  17. As articulated in the KPCS core document, the 2010 KPCS Plenary recognizes the devastating impact of conflicts fueled by the trade in conflict diamonds on the peace, safety and security of people in affected countries and the systematic and gross human rights violations that have been perpetrated in such conflicts. The Plenary took note of the ongoing WGM discussions aiming at clarifying the relationship between the KPCS implementation and human rights, as proposed by civil society organizations. Views were raised on possible future discussions and some delegations expressed a wish to continue discussing this subject in the future, while others had reservations.
  18. The Plenary discussed the situation in Cote d'Ivoire in light of UNSCR 1946 (2010), and of a report by Cote d'Ivoire. The Plenary noted with concern indications of increasing diamond mining activity in Northern Cote d'Ivoire, in violation of UN sanctions and KP decisions. The Plenary supported further WGM satellite monitoring and collaboration with the UN Group of Experts and requested the WGM to pursue dialogue with representatives of Cote d'Ivoire regarding technical preparations for a future Ivorian certification scheme. The Plenary called on Participants to continue implementation of the vigilance requirements and report any shipment of suspected Ivorian origin.
  19. The Plenary reviewed efforts to strengthen KPCS implementation in West Africa. The Plenary supported steps to strengthen Guinea's certification system and welcomed the geological assessment visit organized in that country and the efforts to ensure effective regulation and control of artisanal mining as positive developments. The Plenary discussed the findings of the UN Panel of Experts on Liberia regarding continuing challenges to KPCS implementation and appreciated



- Liberia's follow-up to recommendations from 2009 KP review visit. The Plenary also discussed a report presented by a KP review team and decided to revise the specific arrangements applicable to Ghana's export under the Gaborone Administrative Decision. The Plenary encouraged Ghana's to continue efforts to strengthen internal controls and prevent illicit infiltrations of Ivorian diamonds. The Plenary called on Participants to consider supporting the efforts to strengthen KPCS implementation in West Africa.
20. The Plenary took note of reports concerning the activities of certain rebel groups in the Central African Republic (CAR), and encouraged the WGM and CAR to discuss possible cooperative engagement to continue monitoring of the issue.
  21. The Plenary took note of the submission of the draft follow up Review Mission Report to WGM by the RM team led by Mr. A. Kpandel Fayia, Deputy Minister of Mines, of Liberia and consisting of representatives from Australia , Ghana , India, Namibia, South Africa, USA, WDC, Global Witness and Green Advocates. The Plenary lauded the efforts of the team in coming out with the report under difficult circumstances. The WGM took note of the fact that Zimbabwe has the option to respond/accept the report within 30 days of the report's submission.
  22. Considerable efforts were made by participants to in order to reach a consensus regarding Zimbabwe. Continuous negotiations are being conducted by the Chair and participants in order to reach a workable arrangement.
  23. The Plenary adopted on November 3<sup>rd</sup> 2010 an Administrative Decision concerning the use of the Kimberley Process Certificates Based Data. Participants are expected to implement the use of the KPC date of issue for reconciliation purposes by the first quarter of 2011. Any Participants not using the KPC date of issue by that time should inform the Chair of the Working Group on Statistics (WGS).
  24. As of November 4<sup>th</sup>, 2010 three Participants (Malaysia, New Zealand and Venezuela) have not complied with all of the statistical requirements of the KPCS. After the Plenary meeting, the WGS staff will contact the non-compliant Participants. Participants were informed that the third quarter data is due 31 December 2010.
  25. The WGS Members completed 48 country analyses for 2009 as of the writing of this report (04 November 2010) with the remaining one (USA) analysis yet to be



- completed. Notifications have been sent to all those Participants whose analyses were completed. The WGS anticipates receiving Participants' responses by the beginning of December 2010.
26. The WGM/WGS held a meeting to discuss suggestions for upcoming statistical analysis reviews. There is a proposal to conduct research on production and trade surrounding Venezuela. The WGS will provide the WGM with conceptual notes on how the WGS will conduct the statistical research for Venezuela.
  27. The WGS will launch a pilot program that will identify possible data anomalies. The purpose of this exercise is to review the KPCS data in a timely manner and on a quarterly basis. The expected results are that the WGS will be able to identify data anomalies prior to the annual country statistical analyses. The idea is to review the trade, production, and KP certificate count statistics from one period to the next and discuss these anomalies within the WGS.
  28. The WGS reported that in 2009 the Kimberley Process monitored \$25 billion in rough diamond exports representing more than 317 million carats. Participants issued approximately 40,000 certificates to accompany those shipments.
  29. The WGS has undertaken a critical review and rewrite of the methodology analysis process which is currently being used by the WGS members to prepare the annual country statistical analyses. The WGS will continue to move forward with improvements to the document and will present the draft as a proposal for adoption upon completion of the exercise.
  30. The WGDE informed the Plenary on the status of the work performed on footprinting diamonds from Guinea, Liberia and Sierra Leone in order to bolster the capacity of the West-African KP authorities to address potential contamination of their own productions by sanctioned Ivorian diamonds. The WGDE also informed the Plenary about the ongoing work on the geological production capacity of Guinea, and the update of the footprint and preliminary production estimate of Marange diamonds from Zimbabwe.
  31. The Plenary took note of the preparatory work conducted by the scientific Sub-Group on Characterization and Identification of Rough Diamonds of the WGDE, to conduct scientific research on origin determination of sanctioned diamonds from Côte d'Ivoire as mandated by UNSC Resolution 1893 (2009). However, to date no diamond exports for scientific research under the exemption regime have been realized.





32. The WGDE informed the Plenary that it has completed the collection of the data in order to establish a Valuation Data Matrix. This information will be available to KP Participants through the KP website.
33. The Plenary also noted that work on amending the Explanatory Notes of the relevant HS-codes is progressing well and that this is expected to result in a significant reduction of classification challenges.
34. The WCO has agreed to present on the HS classification system at the next Intersessional meeting.
35. The Plenary took note of the WGAAP discussions on fraud and smuggling diamonds; mechanization of exploration artisan diamond, illegal immigration driven by the artisanal diamond activity and the implications on the relationship between the Participants.
36. As a follow up to the seminar on enforcement held in Israel, the WGAAP recommended the organizing of an additional seminar at the sub-regional level.
37. The Plenary took note that WGAAP members were concerned for the need to ensure that the production of diamonds meets the expectation of consumers for ethical products in the context of protecting the reputation and value of diamonds. In that regard, both African Diamond Producers Association (ADPA) and Diamond Development Initiative (DDI) are requested to assist WGAAP in the elaboration and implementation of standards for ethical production of diamonds.
38. The Plenary took note that in accordance with the procedure outlined in the KP Administrative Decision on Sharing Information with the United Nations, the KP granted access to the Panel of Experts on Liberia and the Cote d'Ivoire Group of Experts to the Participants section of the KP rough diamonds statistics website.
39. The Plenary welcomed the Israeli initiative to develop the KPCS's website and Facebook page.
40. The Plenary welcomed Israel as the incoming Chair of the PC for 2011.
41. The Plenary will take a decision on the Vice-Chair for 2011 by written procedure.



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42. The Plenary has thanked Israel for hosting this Plenary Session and appreciated the hospitality extended to the delegates.
  
43. The Plenary expressed appreciation to Israel for its efforts as Chair to strengthen the international implementation of the Kimberley Process in 2010. The Plenary noted with satisfaction the efforts of the Chair to bring greater exposure of the KP to the wider public, to increase cooperation with the WCO to prevent the smuggling of conflict diamonds, and to enhance the effectiveness of the KP and methods to supports its administrative activities. Israel's handling of sensitive and difficult issues, and its initiatives to enhance the Kimberley Process, is recognized by all Participants and Observers.
  
44. The Plenary welcomed the Democratic Republic of the Congo as the new Chair for the year 2011.

4 November 2010.