

## CHECK AGAINST DELIVERY

Opening Remarks by KP Civil Society Coalition  
Kimberley Process, Plenary  
November 16-20, 2015  
Luanda, Angola

Your Excellency, the Minister of Mines and Geology, Republic of Angola  
Your Excellency, the Vice President of Angola  
Honourable KP Chair, Bernardos Campos  
Distinguished guests,  
Kimberley Process colleagues,

The civil society coalition is glad to be back in Luanda.

Often when civil society speaks at meetings like this, it is to remind participants of important issues before us, and lay out a vision of how to satisfactorily address them.

Over the years it is more often than not, civil society that raises flags about problems in the diamond industry or among Participant countries.

Certainly that was the case in the beginning when Partnership Africa Canada (PAC), with the support of the Network Movement for Justice and Democracy (NMJD) in Sierra Leone, released the *Heart of the Matter* in 1998, one of three seminal reports that spurred governments and the diamond industry to act on the barbarity of conflict diamonds.

Later, civil society groups joined with industry and governments to create the Kimberley Process Certification, one of the first global multi-stakeholder initiatives.

While our reports have often proved difficult reading for implicated countries and industry actors, doing so is a necessary part of the KP being able to credibly claim that it is a regulatory scheme, with rules that are enforced.

We would add that from Antwerp to Zimbabwe, and Sierra Leone to Venezuela, our concerns about governance breaches have always been proven to be correct.

On many occasions governments and companies have said we got it wrong, or complained we didn't understand the industry, only to later follow our recommendations. One of those countries is Angola, who eventually worked with

the UNHCR to address some of the human right violations that curtailed its first bid to be KP Chair less than a decade ago.

But civil society has never just been the KP's watchdog. Our members routinely strive to improve working and legal conditions for artisanal miners, or find ways for governments and communities to improve traceability of production, to demonstrate better compliance with KP minimum requirements, and, ultimately, reap higher diamond revenues.

That's why we are members of the monitoring team on Central African Republic, as well as supporting a regional approach to KP compliance in West Africa. That's why we value close and positive relations with industry groups. That's why we remain engaged in the Kimberley Process.

In the coming days our colleagues will share with you the results of two research studies they have undertaken. The first by GAERN in Democratic Republic of Congo looks at the role of non-official actors in the diamond trade; while the second by GRPIE takes stock of mining conditions in Tortiya, a lesser studied and understood diamond centre in Cote d'Ivoire.

Both reports are examples of the research and technical strengths of our coalition members. Both provide their respective governments with practical and realistic policy solutions to fix identified problems. Both demonstrate the critical, yet constructive role all our members play on a day-to-day basis in the KP.

We also note the addition of IPIS from Belgium to our ranks—an organization with a long track record providing technical interventions in conflict affected areas.

In our discussions here, you will also find us actively involved in finding a solution to the most pressing issues facing us at this meeting: the situation in the Central African Republic, as well as the possible reintegration of Venezuela.

These are examples of the role and leadership civil society has played in the KP.

This said, there is an elephant in the room, and it needs discussing.

We need to talk about the UAE.

Ostensibly the KPCS is built on a tripartite foundation, but in the rush to name a vice-chair earlier this year, the KP disregarded the concerns of civil society groups.

The nomination of UAE as vice-chair is a red line for civil society. On many occasions, most notably in Luanda in June and Guangzhou last November, we have laid out our concerns about UAE and its suitability to lead the KP.

Judging by UAE's favoured status as the go to place for illicit gold and diamonds, it would appear Dubai is not only a tax-free haven, but an ethics free haven as well. From the Bangui to Kinshasa to Marange, the UAE's policy of not checking values on imported parcels, or applying added vigilance on diamonds emanating from problematic areas, has had grave implications on the integrity of the entire diamond chain.

We know that despite multiple requests, the UAE has refused to cooperate with other KP participants and enforcement agencies in taking legal action against individuals and industry members who have been accused of breaking the law, and KP minimum requirements.

We have also raised concerns about the obscene theft of African diamond revenues by UAE companies who engage in transfer pricing. We have asked for an explanation as to why African diamonds are re-exported from Dubai at 40 percent higher values than they were imported at—a simple question for which UAE officials have been incapable of answering.

With competing trading centres averaging a 10 percent markup on re-sorted and re-exported parcels it does make one wonder what Dubai knows about “value addition” that competitors in Antwerp and Tel Aviv don't know.

In our books, faulty valuations go to the heart of KP requirements and the reason why the economic promise of diamonds continue to elude most African governments.

We have also repeatedly expressed concern at the antagonistic approach UAE has taken with civil society in recent years. During a KP reform meeting in Dubai in 2013, for example, an executive member of their team publicly called for the KP to “divorce” itself from civil society. At diamond conferences in Angola and Zimbabwe in 2012 and 2013, our members faced gratuitous and slanderous attacks, all condoned by the highest levels in the Dubai Multi-Commodities Centre(DMCC).

Despite these provocations, early this year civil society took the extraordinary step no Participant was willing to take, and sought to break the deadlock on chairmanship that beset us a year ago in Guangzhou. In June we updated you on our unsuccessful attempts to broker a compromise between UAE and Australia, one that allowed UAE to address some of the concerns civil society and some participants share. Among these issues was UAE's non-existent relationship with civil society groups.

On June 26th, following discussions with Australia regarding its withdrawal of its candidacy, UAE committed in writing to a number of measures to assuage concerns of KP participants and observers.

They included undertaking a long overdue review visit, which was expedited in October and will be discussed in the coming days.

The UAE also committed to “consulting closely and meaningfully with all Participants and Observers” and to working with civil society on at least two “collaborative projects”, one of which apparently is to be “completed” by Plenary.

Since we last met here in June, there has been no consultation—meaningful or otherwise—by UAE, most especially after Intersessional when one would reasonably expect the country that wants to lead the KP would reach out to all Participants and Observers.

In fact the opposite is true. Since our last meetings here, civil society and UAE have had no discussions, never mind agreement, on any collaborative projects, their terms of references or timelines.

In June we made it clear that despite our best efforts to work with UAE to break the impasse over who should succeed Angola as KP Chair, we did not have a sincere partner in those discussions. In not making any outreach to us since Intersessional, the UAE has clearly misled the KP on the extent of its outreach and collaboration with civil society.

We are now at a crossroads. The Coalition, like the WDC, has been an equal partner to governments since the inception of the KP. We are not beggars, willing to settle for scraps, or whitewash someone’s dirty linen. Any Participant who does not value and promote the tripartite foundation upon which the KP is built does not deserve to lead the KP.

Since the intersessional the Coalition has carefully deliberated on our options. The unanimous decision of our members is to boycott UAE’s chairmanship. Next year, we will not be participating in any KP events that are organized or hosted under the auspices of a UAE chair. This will include intersessional and plenary meetings.

We refuse to reward a government that is the root of so many ills facing African producers and the good governance of this certification scheme. We are tired of false promises and disingenuous “consultations.” UAE does not have our confidence.

For our part, we will continue, as we have since the beginning, to engage a broad range of actors and fora to improve governance in the diamond sector—including outside the KP. We will continue to work with KP participants and industry members on matters of mutual concern. We will redouble our efforts to focus more on national level engagement with KP participants.

In the coming days, KP Participants and industry members are free to formalize UAE's nomination for Chair, but should this come to pass, let us be clear, you will be sending a message that civil society is no longer a meaningful and respected partner at this table. It will send a message to the world that the KP no longer has standards; that the lowest common denominator still gets to lead, whatever the reputational and long-term impacts to this initiative.

Put another way, the question will no longer be about UAE's commitment to civil society, but yours.

Thank you.