The EC takes over the Chairmanship of the Kimberley Process (KP) at a crucial time in its history. After four years of implementation, the Kimberley Process has been remarkably successful in curbing illicit trade of conflict diamonds. At the same time, experience in the implementation of KP rules has led to the identification of new areas of risks, notably in terms of internal controls and implementation capacity in participating countries. Additionally, the public are devoting increasing attention to conflict diamonds and the Kimberley Process, sometimes questioning its effectiveness and credibility and creating a perception that it may not be up to the challenges of the time. The Kimberley Process is thus at a crossroads – it has proved its effectiveness in the reality, while at the same time new challenges, increasing demands and public perception require that implementation should be further strengthened and that the Kimberley Process continue to be vigilant and deal swiftly and effectively with emerging difficulties.

The Gaborone Plenary in November 2006 has demonstrated the Kimberley Process’ capacity of reaction by bringing together governments, industry and civil society in addressing urgent issues. The EC, which assumes the Chairmanship of the Kimberley Process on 1 January 2007 will build upon this success to further strengthen the Kimberley Process, and increase its capacity to react to situations of crisis. The EC approach will be founded on the principles of consensus-building, flexibility and inclusiveness that have characterized the Kimberley Process and are inherent to its success. The EC envisages its Chairmanship as a collective mandate from KP Participants, and will follow a participatory and decentralized approach, relying on the commitment of working groups, Participants and Observers.

Under the circumstances, the overall objectives of the EC Chairmanship will therefore be to promote “continuity through consolidation” by strengthening the Kimberley Process as a uniquely effective instrument of international cooperation, in line with the three-year Review of the KP (the Review) and with a particular emphasis on internal controls. The EC Chair will also seek to enhance the KP capacity to react to emerging crises, with a view to ensuring that the KP will increasingly be a process “from conflict diamonds to prosperity diamonds”.

“From conflict diamonds to prosperity diamonds”
OBJECTIVE 1 – CONTINUITY THROUGH CONSOLIDATION

Pursue and strengthen implementation of Peer Review system. In line with the conclusions of the 3-year Review, the EC Chair and the Working Group on Monitoring will pursue and strengthen implementation of the Peer Review system. This entails completing the first round of review visits, and starting the second round of review visits to ensure regular monitoring of implementation by Participants. The EC will also promote timely reporting of review visits and appropriate follow-up to review visits, so that monitoring of KP implementation can increasingly be based on a continuous flow of information and dialogue with Participants. The EC Chair will also encourage improvements to the annual reporting process, e.g. the provision of information regarding enforcement and infringements in Participants’ annual reports.

Increase transparency and accuracy of Statistics. Statistics are a key monitoring tool for the Kimberley Process. The Working Group on Statistics (WGS) will work with Observers and Participants to improve collection, analysis and transparency of KP statistics, as recommended by the Review.

Research the traceability of diamonds. An effective trade in rough diamonds crucially depends on a number of technical issues requiring high levels of expertise. One of the tasks of the Working Group of Diamond Experts (WGDE) will be to organise a conference to assess the scientific feasibility of tracing the origin of rough diamonds based on their chemical properties.

Promote KP inclusiveness and participation. The Kimberley Process is open on a global, non-discriminatory basis; this participatory approach and inclusive nature has been a key ingredient of success, with 45 Participants representing 71 states ranging from alluvial to industrial producers of diamonds, to trading and cutting/polishing countries, of different sizes, in different continents, and with vastly differing stakes in the diamond industry, as well as representatives of industry and civil society, all bringing their respective interests and expertise to the KPCS. The EC Chair will therefore promote the participation of further countries that have applied to the Kimberley Process, since extension of its geographical cover can only reinforce the effectiveness of the scheme. The EC Chair will also encourage greater participation of governments and civil society from developing countries in the process, so as to ensure that geographical diversity further increases.

Improve information and communication. Steady information and communication flows are crucial for the good functioning of an international scheme bringing together so many participants of various geographical origin and technological capacities. The EC Chair will maintain the KP website as a central focal point for information of all KP Participants and Observers. The website will be reviewed in order to further develop its functionalities, both as an internal communication network and as an external communication tool. The EC Chair will also seek to enhance coordination between working groups and to facilitate increased intra-regional communication and cooperation.
Particular mention should be made of the compilation of KPCS rules and guidance. The Kimberley Process has rapidly developed a considerable number of rules, recommendations and best practices. The EC Chair will support a process of consolidation and simplification of KP provisions in order to make it easier for Participants to implement, and thus improve overall implementation and effectiveness of KP rules. Along the same philosophy, the EC Chair will also seek to make all Plenary documents available in the five official languages of the Kimberley Process.

**Improve national implementation in KP Participants.** The three-year Review identified effective implementation of internal controls in Participants as a major priority for the Kimberley Process. The Gaborone Plenary adopted an Administrative Decision providing guidance on internal controls and identified government oversight as a priority in 2007. The EC Chair will support progress in this area through a pragmatic approach combining the use of existing tools - peer review, statistical analysis, *ad hoc* dialogue - and a focused review of implementation mechanisms as a follow-up to the Gaborone Plenary decision.

Considering the particular challenge of internal controls in artisanal producers, the EC Chair intends to support the actions of the Working Group of Artisanal Alluvial Producers created at the Gaborone Plenary, with a particular emphasis on regional dimension in sensitive areas such as West Africa, Central Africa and the Amazon region. The EC Chair will also engage into a dialogue with other participants with a view to ensuring that proper KP implementation mechanisms, government oversight and industry (self) regulation in non-producing countries such as trading participants provide additional guarantees that conflict diamonds are barred from entering the legitimate international trade in rough diamonds.

**OBJECTIVE 2: KIMBERLEYPROCESS CRISIS REACTION CAPACITY**

The Kimberley Process has been successful in curbing the illicit trade of conflict diamonds, but conflicts and illicit trade continue to pose challenges to its effective implementation. The EC Chair will support further efforts to develop the KP capacity to react to crises that involve the illegal trade of conflict diamonds and threaten peace and stability.

**Stop laundering of Ivorian conflict diamonds.** The most pressing challenge for the KP is to tackle the smuggling of conflict diamonds from rebel-held Northern Côte d’Ivoire. The Gaborone Plenary concluded that they are credible indications that conflict diamonds may be entering the legal market through Ghana, and decided that Ghana must take immediate steps and implement an Action Plan to strengthen its internal controls. The Kimberley Process will send a review mission to Ghana in early 2007, as decided by Plenary. The EC Chair, in addition to providing technical support to Ghana’s efforts to improve internal controls, will ensure appropriate follow-up to this review mission to maintain the integrity of the Kimberley Process. In addition, the EC Chair will also engage the Kimberley Process into a dialogue with Côte d’Ivoire authorities, as joint and coordinated efforts from Côte d’Ivoire, Ghana and other countries in the region will be more effective in preventing conflict diamonds from being smuggled into the legitimate market.
Investigate KP implementation in the Amazon region. Reports of smuggling in the Amazon region, at the borders between Venezuela, Brazil and Guyana – all KP participants - have led the Gaborone Plenary to call for a review mission to Venezuela to investigate compliance, and the EC Chair will support the speedy dispatch of this mission, as well as meetings of a trilateral commission between the participants involved to ensure proper implementation of KP rules in the region.

Develop KP crisis reaction tools. The EC Chair will encourage active contributions from Participants and Observers to specific KP actions in crisis situations, in line with the principle of flexible burden-sharing that characterises the Kimberley Process. The KP has strong historical links with implementing UN Security Council Resolutions and the EC will enhance KP inter-action with the UN in dealing with specific crises – such as Côte d’Ivoire – but also in countries where the UN are leading peace-building or post-conflict reconstruction actions – such as the DRC or Liberia. In addition to the mobilization of existing tools, the EC Chair will follow upon the Gaborone Plenary decision that ‘interim measures’ to deal with cases of ‘significant non compliance’ should be prepared, and the EC Chair will support efforts to develop new tools that would help deal more gradually with implementation and compliance issues.

Foster KP contribution to conflict prevention. Beyond the building-up of the KP’s capacity to react to crises, the EC Chair wishes to foster its potential in terms of conflict prevention with a view to maximizing the KP’s contribution to peace and economic and social development. The EC Chair will thus liaise closely with the coordinator for technical assistance to support initiatives to assist Participants, for ex. in building stronger internal control systems and improving governance in the diamond sector. The EC Chair will also devote particular attention to post-conflict situations in countries where diamonds have been misused to finance violence, and will in particular support active cooperation with Liberia and the UN to work for a sustainable integration of this country in the Kimberley Process and the international diamond trade.