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Mr. Eli Izhakoff
Chairman
World Diamond Council
580 Fifth Avenue
New York, NY 10036, USA

December 2, 2009

Dear Eli,

I write this letter to express my deep concern regarding human rights violations in the diamond sector and the role of the World Diamond Council (WDC). While the WDC actively supports the Kimberley Process (KP) and at times may encourage the KP to consider a more proactive stance regarding human rights violations, the WDC has failed to take responsibility for investigating, communicating and eliminating human rights violations in the diamond industry.

Although I understand the limitations of the WDC given its budgetary and organizational constraints, I cannot accept the fact that the WDC rampantly misrepresents its role, and the role of the KP, with regard to human rights abuses. The diamond industry has been misled by the WDC into believing that diamonds with a KP certificate are acceptable for trade and free of human rights abuses. The WDC has not communicated the limitations of the KP and the WDC to the trade.

Furthermore it is entirely unacceptable for the WDC to cover up human rights violations in the diamond sector by withholding detailed information about severe human rights violations in Marange. The WDC has not communicated to the diamond trade the fact that Marange blood diamonds have been issued KP certificates and legally exported to the cutting centers. Many of these diamonds were cut and polished by supposedly legitimate members of the diamond trade and are now reaching retailers as polished diamonds. The WDC has not only failed to stop the flow of these blood diamonds, it has also failed to communicate the existence of "KP approved legal" blood diamonds.

I am shocked and sickened by the fact that the WDC has not made public or notified the diamond trade about the contents of the "Review Mission to Zimbabwe – 30 June to 4 July, 2009" even though the WDC participated in the mission.

I quote from page 26 of the report finally made public by the New York Times on November 4 and still not publicized by the WDC to the diamond trade in spite of my request to do so.

"Each one of these illegal miners reported seeing people killed and the numbers they cited ranged from one to seven." "The Team interviewed more than 20 victims in Mutare and Chiadzwa. The victims included women who reported that, while under the custody of the security forces, they were raped repeatedly by military officers and that they have been forced to engage in sex with illegal diamond miners. One victim told the Team that she tested HIV positive after she had been forced to have sex with two men and then raped by a military officer."

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Clearly, a red line has been crossed and I believe the WDC has lost its moral compass. Marange diamonds are blood diamonds. The WDC must decide if its primary loyalty is to the KP, the diamond industry, or the principles of human decency. The WDC cannot continue to use KP confidentiality as an excuse to cover up severe human rights violations. Failure to disclose such human rights violations does not protect the trade. It results in higher diamond sales at the unbearable cost of human lives, murder, rape and slavery.

We must face the fact that blood diamonds have been legally exported and allowed to penetrate our diamond trade while the WDC has held back and is failing to publicize detailed information that would encourage legitimate companies to stop trading Marange diamonds. Blood diamonds have been legalized and legitimized. They are now trading freely in the diamond industry.

Recommendations:

1. The WDC should immediately make public all information it has relating to human rights violations in the diamond sector, including but not limited to activities taking place in Marange, Zimbabwe.
2. The WDC should publicly state its mission and communicate whether or not it takes responsibility for investigating, communicating and eliminating human rights abuses in the diamond industry. The WDC must clarify its role and the role of the KP with full and honest disclosure about the limitations of each organization. If the WDC limits its role to KP observer it should publicly state this.
3. The WDC should immediately make it clear to the diamond trade that diamonds from Marange that were involved in severe human rights violations have been issued KP certificates and that KP certificates are not a guarantee that diamonds are free of severe human rights violations. Furthermore, The WDC should communicate to the trade that Marange diamonds have penetrated the cutting centers and are now being sold as polished diamonds to dealers and retailers.
4. The WDC should immediately do everything in its power to stop the trade in Marange diamonds wherever and however they are found. Marange diamonds must not be sold anywhere, whether they are rough diamonds in the cutting centers or polished diamonds with dealers or retailers.
5. The WDC should immediately implement transparent and correct governance procedures. It should make public by whose authority it operates and to whom it is responsible. How, when, where, and by whom are officers and directors elected? How does the board of directors ensure that there are no conflicts of interest?
6. The WDC should call for a meeting of its members; to ensure that everything possible is done to exclude Marange diamonds from the diamond and jewelry trade and that the role and governance of the WDC is properly defined, communicated and implemented.
7. WDC directors should personally review reports of human rights abuses in the diamond trade including: The in-depth detailed report by Joshua Hammer that appeared in Fast Company.com this past week, *"Zimbabwe's Diamond Mines Lead to Rape, Murder and Thievery"*; New York Times – Nov. 4, 2009, *"Africa's Diamond Trade Under Scrutiny"*; Human Rights Watch – June 2009, *"Human Rights Abuses in the Marange Diamond Fields of Zimbabwe"*; and Partnership Africa Canada – March 2009, *"Zimbabwe, Diamonds and the Wrong Side of History"*.

It should be clear that the responsibility of the diamond industry not to trade in blood diamonds transcends law. The diamond trade has a moral and ethical obligation not to deal in blood diamonds even if such diamonds are deemed by governments to be perfectly legal.

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I take this opportunity to alert the WDC of credible reports that blood diamonds from Zimbabwe are being partially or wholly cut in Zimbabwe so as to avoid KP restrictions on their export and distribution to the diamond trade. Furthermore, Human Rights Watch reports continued human rights abuses including killings in the Marange area of Zimbabwe. Unless and until the diamond trade stops buying Marange diamonds the situation will worsen.

I sincerely hope that this letter encourages the WDC to properly define its obligations and play a positive role in the elimination of blood diamonds from the diamond trade.

Thank you for your time and consideration.

Yours truly,



Martin Rapaport
Chairman
Rapaport Group

CC: Members of the World Diamond Council, Members of the diamond industry and jewelry trade

December 7, 2009

Martin Rapaport
Chairman
Rapaport Group
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New York, New York 10036

Dear Martin:

I am responding on behalf of the WDC to your letter of December 2, 2009.

The WDC shares your concerns regarding the allegations pertaining to events in the Marange diamond fields in Zimbabwe reported widely, contained in the Human Rights Watch report of June 2009, and the findings contained in the KP review mission report of October 2009. Starting one year ago, the WDC has repeatedly issued public statements, and has responded to numerous requests for interviews on this subject. In each of these statements, the WDC has been firm in condemning acts of violence in Marange, stating repeatedly that it is the job of international bodies to address these allegations of human rights standards, and the job of the KP to address these allegations in that they are indications of substantial non-compliance with KP minimum standards. WDC further stated that if there was no corrective action taken by Zimbabwe, it would not hesitate to call for the suspension of Zimbabwe from the KP. If you wish to read these statements, please visit www.diamondfacts.org where they are archived. The authority and role of the WDC can be found on the WDC web site – www.worlddiamondcouncil.org.

The actions taken during the last plenary session of the KP resulted in the development of a robust work plan for Zimbabwe to address the situation in Marange. These steps include a cessation of exports from Marange until an independent monitor is in place. Work to create terms of reference for the monitor, funding for the monitor's work, and cooperation from the government of Zimbabwe are all in process. Further steps under the work plan include a forensic audit of the KP systems in Zimbabwe, licensing of local workers to dig and to trade in diamonds to provide benefit for the community as well as another review visit to Zimbabwe by a KP team in March 2010 to assess progress in achieving the goals. It should be noted that the Kimberley Process is the *only* international body to officially take up the subject of past events in Marange, and is the only international body with a plan to improve the lives of the community there. Without the KP, this subject might have disappeared from consideration by the international community altogether.

The WDC was created to provide industry participation in the Kimberley Process. As one third of the tri-partite underpinning of the Kimberley Process, the WDC must abide by procedures and decisions reached by a consensus of the KP. To date, the KP has determined that review mission reports should be "confidential." We are in agreement with you that this is not consistent with the transparent nature of the KP. Our newly elected Board of Directors will soon take up a recommendation that the WDC advocate full transparency in the KP, and that all review mission and visit reports be made public after the period of reply by the subject participant has been completed. This recommendation, along with WDC's already established position regarding 2/3 majority voting at the KP as well as the call to select a permanent secretariat will go a long way to improving effective implementation of the KP to stop trade in conflict diamonds.

Many of your recommendations have already been addressed by the WDC, and the Board of Directors will consider your other suggestions.

Thank you for your time and concern about this very important matter.

Eli Izhakoff