



STATEMENT BY MR. AJAI MALHOTRA, AMBASSADOR/ACTING PERMANENT REPRESENTATIVE, ON AGENDA ITEM 13: THE ROLE OF DIAMONDS IN FUELLING CONFLICT AT THE 62<sup>ND</sup> SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY ON NOVEMBER 26, 2007

Mr. President,

Thank you for this opportunity to address the General Assembly on the agenda item "The role of diamonds in fuelling conflict".

Mr. President,

Many developing countries are vitally dependent on their natural resources for achieving their development goals. Yet, ironically, these very natural resources have served to cause and prolong conflict in several countries, as a result of the misuse of wealth generated from such resources. Diamonds, in particular, have played a significant role in this regard. In addition to financing devastating armed conflicts, the illicit trade in rough diamonds also impacts negatively on the legitimate international trade in diamonds. It is, therefore, crucial to end the trade in illicit diamonds.

The issue of natural resources fuelling conflict should not be seen solely through the narrow prism of peace and security. Instead, efforts to address this issue must be made through the perspective of an overall development agenda. Moreover, such efforts need to focus not only on the supply side, but also on all parts of the supply chain, including processing, trading, and purchase by the consumer. In this regard, the Kimberley Process is an innovative and useful mechanism. It approaches the problem not merely at the level of extraction, but also from the standpoint of processing and trading. Its certification scheme has been particularly effective in validating and regulating production of rough diamonds, as also on their trade. It fully affirms the sovereignty of States in the

process, and is driven by voluntary efforts of its participants. In addition, it has an inclusive approach that extends to the entire international community, including producing, exporting and importing countries, as well as the diamond industry and civil society. For these reasons, major diamond trading and processing countries, like India, have engaged constructively and actively with this Process and support its full implementation.

Mr. President,

We welcome the decisions taken at the Plenary of the Kimberly Process held in Brussels earlier this month, which are reflected in the Brussels Communique. In particular, we support the need for strong government oversight of rough diamond trading and manufacturing, with greater internal control.

We would also like to convey our appreciation to the European Commission, as Chair of the Kimberly Process during 2007, for its efforts during the year towards strengthening the implementation of the Process, as well as its initiative in the publication of diamond production and trade statistics. We welcome the re-admission of the Republic of Congo, as also Liberia and Turkey joining as new participants in the Kimberley Process. We would like to congratulate Ghana for its efforts in the implementation of the Kimberley Process. We support continuing peer review visits, and would also like to thank the Bolivarian Republic of Venezuela for its invitation for a visit next year. We also look forward to the implementation of the Brussels Initiative on diamonds from Cote d'Ivoire.

Mr. President,

As Chair of the Kimberley Process for 2008, India will strengthen the Kimberley Process mechanism by building on previous traditions and conventions and will strive to implement the decisions taken during the Brussels Plenary through active association of the Kimberley Process Working Groups and Committees. India will continue to extend assistance to Kimberley Process Members to build effective internal controls on the production, processing and trade of rough diamonds. This is crucial for ensuring growth of the legitimate diamond trade and protection of the livelihood of so many people across the globe. We look forward to receiving the support and cooperation of all participants of the Kimberley Process, civil society and industry representatives.

In conclusion, Mr. President, while mechanisms like the Kimberley Process play an important role in breaking the link between illicit transactions in rough diamonds and armed conflict, a lasting solution would have to involve the effective and consensual exploitation of natural resources in a way that benefits society as a whole.

Thank you.

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