

**Постоянное
Представительство
Российской Федерации при
Организации
Объединенных Наций**



**Permanent Mission
of the Russian Federation
to the United Nations**

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STATEMENT

by Mr. Nikolay V. CHULKOV,

**Deputy Permanent Representative of the Russian Federation
to the United Nations,
on agenda item 21 of the 59th session of the UN General Assembly
"The Role of Diamonds in Fuelling Conflicts"**

December 15, 2004

Mr. President,

Russia attaches priority importance to the development of international cooperation aimed at breaking the link between illicit trade in diamonds and armed conflicts. We stand for implementation of the consensus-based agreements reached within the framework of the Kimberley process with a view to preventing placement of the "conflict diamonds" to international markets.

As an active participant of the Kimberley process since its inception, Russia fully recognizes and shares its goals. This is also our obligation as one of the world leaders in diamond production. In accordance with the relevant UN General Assembly and Security Council resolutions on the "conflict diamonds", in particular the UNGA resolution 55/56 of December 1, 2000, Russia is doing its utmost to ensure normal functioning and development of the world diamond industry, which makes a critical contribution to the economic development of many countries.

It is well known that the decisions of the Kimberley process, including the Certification Scheme for Rough Diamonds, are not binding for its participants. Essentially, all the activities under the process rely on relevant national laws as their regulatory basis. Realizing their growing responsibility the members of the process have assumed serious commitments and taken steps, which sometimes require changes in their national legislation and business practices in order to implement the goals enshrined in the UN resolutions.

We welcome the steps already taken within the Kimberley process, in particular the development and application of the Certification Scheme, as well as a series of voluntary commitments made by diamond industries. We believe that even in its present form the Certification Scheme represents an efficient instrument for combating the use of diamonds for cross-border smuggling of funds and laundering of proceeds from criminal activities.

We note with satisfaction that the measures taken within the process helped strengthen control over the diamond industries worldwide and contributed to a more transparent international trade in diamonds.

Many countries, first of all, on the African continent, have increased their legal diamond export dramatically. Thus, their tax bases have expanded and national budgets received additional funds. Some countries began searching for effective ways to establish or improve control over those prospectors and businessmen working in the diamond industry who have not yet been put under relevant control.

All the above-mentioned results give ground for hope that the goals formulated by the UN General Assembly will be attained and the link between diamonds and local conflicts as well as other illegal activities will be broken for good.

We positively assess the constructive cooperation between the participants of the Kimberley process, which resulted in considerable progress in recent years. We would like to underscore the important role played by South Africa and Canada as Chairmen of the process in its streamlining, developing its format and dynamics, setting priorities and key tasks.

We would also like to specially mention a number of difficulties in implementation of the Kimberley process arrangements. The application of different aspects of the Certification Scheme highlighted the need to overcome certain national traditions and specificities in the diamond business. Some countries are in need of assistance to address this phenomenon, while others need more time to meet fully and accurately the requirements of the Certification Scheme. Russia is ready to provide relevant assistance to such countries.

Mr. President,

On October 29, 2004, during the regular plenary meeting of the Kimberley process participating countries it was decided that Russia would become Chairman of the process starting from 2005.

In its new capacity Russia will seek the most thorough and full compliance with the Certification Scheme by all participants in the process as well as intensification of interaction with representatives of the diamond industry and adoption by all stakeholders in the diamond business worldwide of the measures in accordance with the Kimberley process. We will actively pursue the policy of the widest possible expansion of the Process and engagement of new participants.

Russia intends to undertake considerable efforts to fine-tune and further improve the work of the working groups and committees of the Kimberley process, its monitoring and review missions, analytical and information mechanisms, including development of relations with civil society. In this work we count on the understanding and support of the Governments of the states participating in the Kimberley process, United Nations and its specialized agencies, representatives of the diamond industry, NGOs, and mass media.

The personality nominated by our country to the post testifies to the importance that Russia attaches to the responsibilities of the Chairman of the Kimberley process. Mr. Vyacheslav Shtyrov, President of the Republic of Saha (Yakutia) was head of Russia's largest diamond-producing company "ALROSA" and has a vast expertise in diamond industry.

We welcome the election of Botswana as Vice-Chairman of the Kimberley process for the year 2005 and we are prepared to fully cooperate with it (as well as with South Africa and Canada which were leading the process before) to achieve the goals of the process.

Thank you.