



THE WORLD JEWELLERY CONFEDERATION

Tiffany Stevens

President, CIBJO Ethics Commission

2019 Global Multi-Stakeholder SIDS Partnership Dialogue

July 10, 2019

Ladies and gentlemen,

First let me to thank the organizers of 2019 annual Global Multi-Stakeholder SIDS Partnership Dialogue for the privilege of being able to address this gathering.

Allow me to introduce myself. My name is Tiffany Stevens, and I represent CIBJO, the World Jewellery Confederation, which is the oldest representative international body in the jewellery business, having been established in 1926.

Essentially, we operate as the United Nations of the jewellery sector, gathering under our umbrella national associations from about 45 countries, and many of the industry's largest companies, and we are active along the full value chain, from the mine or pearling area to the retail store. Our mission is to harmonize standards and practices throughout the industry, among them our approach to Corporate Social Responsibility, responsible sourcing and sustainability. CIBJO has been associated with the UN since 2006, when it became the first and only jewellery industry body to receive special consultative status in the Economic and Social Council, and it joined the UN Global Compact that same year. I am speaking here on behalf of the CIBJO President, Gaetano Cavalieri, who unfortunately cannot be in New York today.

Personally, I am a member of the CIBJO Board of Directors and President of the organization's Ethics Commission, which is responsible for overseeing ethical business practices throughout the industry. Here in the United States I am President, CEO and General Counsel of the Jewelers Vigilance Committee, which is a 103-year-old organization based in New York that serves the jewellery trade in all legal and compliance issues. I also serve on the boards of the U.S. Kimberly Process Authority and the U.S. Jewelry Council.

As the jewellery industry, and CIBJO in particular, we come with a very specific perspective into a forum focusing on sustainable development of small island developing states.

In general, the jewellery business is in an unusual position when it comes to issues related to sustainability and sustainable development. On the one hand we are luxury product industry, handling items that are non-essential for sustenance for most of the individuals who purchase them, generally with their disposable income. But, on the other hand, the

precious components from which jewellery is created are predominantly sourced from developing economies. Thus, while the product is non-essential, in numerous countries around the world, the industry and the revenues it generates are often exceptionally important, and in a number of cases absolutely essential.

Another unusual aspect when we talk about sustainability, much of jewellery is by definition non-sustainable. When a gemstone or precious metal is removed from the earth it does not grow back again. Thus, we generally refer to our ability to create sustainable economic opportunities, empowering the long-term development of communities in the regions where these products are sourced.

However, there are a handful of precious jewellery components that are both economically and environmentally stable, and the most prominent of these are cultured pearls, for which small island states are among the important producers.

Properly managed, a pearl farm can continue producing quality products indefinitely, serving as a resource for national development through the taxes and royalties it provides, and at the local level as a source of gainful employment and community development, both directly and through the secondary economies its nurtures.

What we have learned over the years is, when it comes to cultured pearls, environmental, social and economic sustainability are inexorably linked. Allow me to explain.

Over the course of its lifespan, the oysters of the most commonly used species are able to produce three cultured pearls. The quality of these pearls will be a direct result of the conditions of the water in which the oysters are kept, and the length of the gestation period, during which nacre forms around the irritant nucleus that has been placed in the animal. If the environment is pristine, and the pearl is provided adequate time to mature under water, the chances of obtaining a higher value product will increase substantially.

Several years ago, Dr. Cavalieri was involved with a team of experts in a project sponsored by the Government of French Polynesia to reverse what had become a downward spiral in the quality of pearls being produced by the country, leading to a very significant reduction in the income they were producing.

What the team ascertained was the source of the problem was vested in the social structure of a large section of the industry, where pearl farms were being operated by indigenous Polynesians on a myriad of small atolls and islands in the South Pacific, often under very difficult conditions. Their share of the revenues produced was minimal, while the much larger share was consumed by traders operating out of the main island of Tahiti and by other players in the major wholesale centres, mainly in Japan and Hong Kong.

These, incidentally, were problems were not shared by a handful of larger Tahitian pearl companies, which owned and operated their own farms, and fully controlled their chains of distribution. They continued to produce high-quality products most successfully.

For the Polynesian pearl farmers, many of whom were under real economic distress, there was little incentive to invest in producing a better product. They attempted to generate more income by cutting corners in the management of the marine environment, and by reducing the gestation period of the pearls. This meant a continuing reduction in the quality of the product, not to mention the environment, leading to lower incomes and a continuation of the downward spiral.

Dr. Cavalieri's team proposed a cooperative strategy according to which indigenous Polynesian pearl farmers would be provided a larger in the stake in the final product, thus providing an economic incentive for them to make the investments necessary in the environment and operation of their pearl farms. Unfortunately, it ran into political opposition, led largely by entrenched business interests who feared that their long-held position in the chain of distribution would be threatened. The project was halted, and the downward spiral continued.

Several years later, however, CIBJO was invited to use the lessons learned when it was invited to consult with the Government of Fiji and the country's Fiji Pearl Farmers' Association in the creation of a national plan to increase the size of the island's pearl sector, while optimising the benefits provided to the country and its people. As a matter of policy, the government intended promoting its product and industry as being environmentally and socially sustainable.

The plan that CIBJO helped formulate called for a community-based, pearl farming industry to enhance the effectiveness of locally managed marine areas, integrate coastal management and land and sea management programmes, while also creating meaningful employment and income-generating opportunities for indigenous communities.

On June 2017, the CIBJO President joined a high-level delegation from the Republic of Fiji, led by the country's Prime Minister, at the Oceans Conference at the United Nations in New York, to outline and promote the development of sustainable pearl farming sector in Fiji.

Ladies and gentlemen, my time is brief, and I hope that in these few minutes that I have managed to impart the potential for partnerships between the jewellery industry and small island developing states in advancing a range of Sustainable Development Goals, as well as reflecting the 2019 HLPF theme: "Empowering people, ensuring inclusiveness and equality."

I will be happy to take your questions, and CIBJO would be delighted to continue the dialogue with you.

Thank you.