

**KIMBERLEY PROCESS ANNUAL REPORT
WORLD DIAMOND COUNCIL
2017**



In the framework of the peer review system of the KPCS, Participants are required to make an annual report on their implementation of the Kimberley Process Certification Scheme (KPCS) during the previous year.

The WDC has agreed, on a voluntary basis to submit an annual report on its KPCS implementation and support to the KP as stated in its mandate and mission statement. The WDC 2017 Annual Report is submitted to the KP Chair and the Chair of the Working Group on Monitoring.

Institutional Framework of the World Diamond Council (WDC)

The purpose and objective of the WDC is to represent the diamond industry in the development and implementation of regulatory and voluntary systems to control the trade in diamonds embargoed by the United Nations or covered by the KPCS. The WDC assists the KP by providing administrative, technical, financial and other support services in its observer status on all Working Groups, ad hoc committees and participates in Review Visits and Missions. The WDC serves as the Chair of the Working Group on Diamond Experts (WGDE) and as the Chair of its Sub-Group on Valuation. The WDC hosts the Administrative Support Mechanism (ASM) and maintains the Kimberley Process web site.

Contact details/Contact persons of the WDC as regard the KP

The WDC is governed by a Board of Directors, the composition of which is representative of all sectors of the trade with a broad geographic distribution. The 20 members of the Board of Directors are listed on the WDC web site: www.worlddiamondcouncil.org.

The WDC Officers are:

- President Andrey Polyakov, ALROSA; (president@worlddiamondcouncil.org) and replaced in July by Vice President Stephane Fischler (AWDC), who immediately became the Acting President (president@worlddiamondcouncil.org);
- Treasurer - Ronnie Vanderlinden, USJC (treasurer@worlddiamondcouncil.org)
- Corporate Secretary and General Counsel - Udi Sheintal (Israel Diamond Institute);(secretary@worlddiamondcouncil.org)
- Executive Director - Marie-Chantal Kaninda (ed@worlddiamondcouncil.org)

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Members of the WDC

The WDC currently has over 40 core members, from every sector of the diamond industry, including extraction (mining), wholesale trading of diamonds, manufacturing, and retail sale of diamonds or diamond jewelry. Some of these members represent more than one company or organization. The WDC also has members who represent affiliated services, such as banks and shipping companies. A list of all WDC members is available on its web site.

Actions taken to support the KP in 2017

During 2017, WDC continued its active participation in all Working Groups and committees of the KPCS.

1. The WDC KP Task Force (KPTF) committee members and WDC Executive Director attended most KP WG teleconference calls in 2017.
2. The WDC is a member of all KP Committees and Working Groups and performed tasks as assigned and allotted by the Chairs of each Committee and Working Groups including statistical analyses and annual report reviews.

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3. WDC President represented the WDC at the following diamond and jewelry industry events where he highlighted KP engagement and WDC activities:
 - WFDB President's meeting, February 2017, Mumbai, India
 - International Diamond Conference "Mines to Market 2017", March 2017 Mumbai, India - Presentation "Defending the True Value of a Diamond" and panel discussion
 - Meeting with KP Chair of Australia, Robert Owen-Jones, March 2017, Antwerp, Belgium
 - WDC Breakfast Meeting, June 2017, JCK Show, Las Vegas, USA - Summary of the 2017 KP Intersession was made to the attendees
 - CIBJO Congress, September 2017 at Bangkok Thailand;
 - Guanzhou International Jewelry and Diamond Conference, in November 2017.
4. WDC President spoke at the KP Intercessional and Plenary meetings, respectively in Perth and in Brisbane, and attended meetings with the 2017 KP Chair and Vice Chair, ASM, KP WG Chairs, KP Participants and Observers, and various government officials.
5. WDC Chair, Executive Director and some members attended forums, meetings, calls with the Civil Society Coalition (CSC), in order to exchange on diamond governance and how best to strengthen the KP.
6. WDC members attended the KP Special Forum on diamond equity at the Intersessional meeting in Perth. The panel was composed of Retailers (Signet, a WDC Member), Producing Company (Alrosa, a WDC Member), Artisanal Producing Countries and Civil Society.
7. The WDC held bilateral meetings at the KP intercessional in Perth with the following KP Participants and Observers: KP Chair/Australia, KP Vice Chair/EU, China, DRC, India, South Africa, USA
8. The WDC held bilateral meetings at the KP Plenary in Brisbane with the following KP Participants: KP Chair/Australia, KP Vice Chair/EU, China, India, South Africa, Botswana, Russia
9. The WDC held two KP Observers Forum, respectively at the Intercessional meeting on April 30th and at the KP Plenary meeting on December 9th, 2017. The meetings were attended by WDC delegates and representatives from PACT/IMPACT, DDI and ADPA.

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10. At the KP Plenary on December 13th, the WDC attended the three Special Fora on:

- Artisanal Small Scale Mining (ASM) and Sustainable Development (Chaired by DDI), Karla Basselier from AWDC was a panelist
- Sustainability Reporting (Chaired by GRI), Karla Basselier, Ferial Ferouki and Peter Karakchiev were panelists
- Block Chain technology and the diamond trade lead by Ferial Ferouki, on behalf of De Beers

11. The following WDC members participated in Review Visits/Missions:

- a. Norway – WDC Board member Edward Asscher
- b. Sri Lanka- AWDC/ Nick De Vlaminck
- c. Israel – ALROSA/ Galina Andreeva
- d. Botswana – ALROSA/Maxim Makogorenko
- e. Gabon - WDC Executive Director/Marie-Chantal Kaninda (Review Mission)

12. WDC representatives, Udi Sheintal and Damian Gagnon, continued to serve on the CAR MT, as requested in the Administrative Decision on CAR and subsequent Operational Framework. The WGDE Chair and other technical experts support the CAR MT through examination and monitoring of export shipments from CAR.

13. The WDC continued to serve as chair of the WGDE's Sub Group on Valuation, and assisted with efforts related to WGDE Sub-Group on Valuation.

14. WDC actively contributed to the continued review cycle of the KPCS by submitting extensive proposals concentrating around:

- Revision of KP Core document;
- Strengthening of the KP Peer review system;
- Creation of a Permanent KP Secretariat

15. During the Plenary in Brisbane WDC presented its detailed proposals to the creation, funding and practical functioning of the KP Secretariat.

16. In November 2017, WDC relaunched the diamondfacts.org website designed to provide basic facts about diamonds and the importance of diamond mining in major producing nations, useful links to other resources about the “diamond story”.

Administrative Support Mechanism

As noted in the 2015 KP Plenary Final Communique, the 2015 KP Chair, upon approval of the KP Plenary, extended the ASM mandate until Plenary 2019, to continue its role in hosting and implementing the Administrative Support Mechanism for services which are administrative in nature. The ASM, through members of the WDC, continued to voluntarily undertake the designated tasks including:

- Antwerp World Diamond Centre – Central focal point of the ASM including Knowledge Management, Institutional Memory and KP web site hosting and maintenance
- Gem and Jewelry Export Promotion Council of India – Logistical support for KP Chair, KP Vice Chair, Chairs of WGs and Ad Hoc committees
- Israel Diamond Institute – Communications
- Diamond Development Initiative (an Independent Observer, not a member of WDC) – Brings its Technical and Professional Assistance.

2017 Activities of the ASM continued as performed in 2016, specifically:

- Provide communications services for the KP Chair, facilitating all messages sent to Participants and Observers of the KPCS.
- Through the hosting and maintenance of the web site, provided an enhanced compilation of KPCS official documents, and published completed review visit reports, both in short version (for the public section of the web site) and the longer versions for the “Members Only” section for the web site.
- Collection of minutes of all working group telephone conference calls and meetings.
- Administrative and support services prior to, and during the Intersessional and Plenary meetings in Perth and Dubai, such as registration and visa coordination, session agendas, etc.
- Meetings with the KP Vice Chair at Intersessional and Plenary meetings to assist with smooth transition to 2018 chairmanship.

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WDC financially contributed to the programming and maintenance for the new layout of the Kimberley Process website for the amount of 17 000 EUR.

WDC Member Antwerp World Diamond Centre paid for the development of the QR system for the registration program on the Kimberley Process website for the amount of 5000 EUR.

Other WDC initiatives in 2017

- The 2016 WDC KP Annual Report was submitted on time, and the report was uploaded onto the public side of the KP web site.
- In June 2017, WDC Member Antwerp World Diamond Centre organized a 2-week course in cooperation with the Diamond Development Initiative (DDI) on valuation, in the framework of the work of the Administrative Support Mechanism on capacity building. 8 representatives from Ivory Coast, Ghana, Guinea, Liberia and Sierra Leone enrolled in this capacity building program.
- The African Diamond Conference (ADC), a joint initiative of Belgium's Federal Public Service (FPS) Foreign Affairs and WDC member Antwerp World Diamond Centre (AWDC), took place on 15 November 2017. Close to 400 attendees discussed the challenges as well as current and future opportunities for African diamond-producing countries. The ADC featured a broad range of speakers from across the entire diamond pipeline as well as diamond industry stakeholders. Topics included leveraging the diamond trade for economic development, marketing responsibility sourced diamonds to meet new consumer demands, the Kimberley Process and the potential impact of synthetic diamonds on diamond-producing countries.
- WDC held its Board Meeting and Annual General Meeting in Dubai, UAE in October to discuss the WDC Strategic Plan and further KP engagement, including bilateral meeting with the KP Chair.
- Continued focus on adherence to correct policy and procedures in all WDC activities, both internal and in conjunction with the KP.
- WDC supported financially the Mano River Union Regional Approach project.