

**KIMBERLEY PROCESS ANNUAL REPORT
WORLD DIAMOND COUNCIL
2020**



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 World Diamond Council (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 2020 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 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. It also participates in Review Visits and Expert Missions. The WDC serves as the Chair of the Working Group of Diamond Experts (WGDE) and as the Chair of its Sub-Group on Valuation. During the recent KP review cycle that ended in 2019, the WDC led the Sub-Group on the Creation of the KP Permanent Secretariat of the Ad-hoc Committee on Review and Reform. In accordance with the 2019 KP Plenary Final Communiqué, the WDC took the helm of a Technical Expert Team in 2020, under the WGDE, to continue the work on establishing the KP Permanent Secretariat. The WDC hosts the Administrative Support Mechanism (ASM) and maintains the Kimberley Process website.

Contact details/Contact persons of the WDC as regards 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 website: <https://www.worlddiamondcouncil.org/officers-directors/>

The WDC Officers are:

- Presidents – Edward Asscher: since June 5th,2020
(president@worlddiamondcouncil.org)
Stéphane Fischler: Jan 1st,2020 - June 5th,2020
- Vice President – Feriel Zerouki: since June 5th, 2020
(feriel.zerouki@debeersgroup.com)
- Treasurer - Ronnie VanderLinden, USJC (treasurer@worlddiamondcouncil.org)
- Corporate Secretary and General Counsel - Udi Sheintal, Israel Diamond Institute
(secretary@worlddiamondcouncil.org)
- Executive Director – Elodie Daguzan (ed@worlddiamondcouncil.org)

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Members of the WDC

The WDC currently has 39 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 support services to the diamond industry, such as banks, diamond valuers and shipping companies. A list of all WDC members is available on its website.

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<https://www.worlddiamondcouncil.org/members/>

Introduction

2020 was a challenging year due to the pandemic. Global lockdowns and the travel restrictions necessitated WDC to rethink how to operate within the KP and perform efficiently our duties as Observers.

The first step the WDC took was to acquire a Zoom subscription, allowing operations and communications to continue seamlessly.

Starting from March 2020, all WDC meetings, related to KP, or not became virtual. Therefore, even though 2020 came to known as the “Zero Year” for KP, the WDC was able to continue engaging easily with all stakeholders.

2020 was also an election year for the WDC. On June 5th, there was a transition of senior leadership: Stéphane Fischler ended his term as President. As governed by the WDC statutes, the serving Vice President Edward Asscher became President, and and Feriel Zerouki was elected the new Vice-President.

Actions taken to support the KP in 2020

During 2020, WDC continued its active participation in all Working Groups and Committees of the KPCS.

Obviously most KP or industry events became virtual.

1. The WDC KP Task Force (KPTF) committee members, WDC Secretary & General Counsel and WDC Executive Director attended all KP Committees and Working Groups teleconference calls in 2020.
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 Group such as annual report reviews. Due to the pandemic, there were no Review Visits or Expert Missions. Before the pandemic broke out, the WDC had expressed its readiness to the WGM Chair to participate in 8 Review Visits (Brazil, China, Lebanon, Liberia, Panama, Sierra Leone, USA and Zimbabwe) and 2 Expert Missions (Qatar and Kyrgyzstan)

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3. During the course of the calendar year, WDC Officers and Board Members represented the WDC at a variety of events related to the diamond and jewelry industries, where they highlighted KP engagement and WDC activities.

A. In February 2020, Executive Director Elodie Daguzan was invited to participate on behalf of the WDC in the Mano River Regional Workshop in Freetown Sierra Leone, which was held in the framework of KP's Regional Approach to implement KPCS in Artisanal and Small-Scale Mining areas and to preventing the smuggling of precious stones. During her speech she stressed the natural diamonds' capacity to contribute to the long-term wellbeing of people and communities in the producing countries and the significance of this social aspect to grow consumer confidence in diamonds. She also reaffirmed the industry's determination to play an active role in capacity building efforts in artisanal mining countries through its members' ongoing initiatives.

B. On March 2nd, 2020, in New York, the day before the UNGA adopted the annual KP Resolution, then-WDC President Stéphane Fischler took part in a panel called "*Initiatives of Diamond Industry to contribute to the development of local communities,*" during which he shared the industry's perspective on how CSR activities benefit society. Peter Karakchiev, WDC Board Member, was also part of this panel to explain ALROSA's perspective towards sustainability, obligations to its employees, state authorities, business partners and communities. KPTF Member Agathe Bukasa described De Beers' CSR activities related to community development and the benefits it provides to local communities.

On the same day, WDC Executive Director Elodie Daguzan moderated a panel in the United Nations also, called "*Empowering local communities through sustainable initiatives, capacity building and Regional Co-operation*" to foster discussion between the KP Chair, KP Vice Chair, the Focal Points and Experts from Angola, DRC, India and the KP CSC.

Both panels were organized by India, KP Chair for 2019.

- C. The then-WDC President Stéphane Fischler and WDC Vice President both took part in the 2 special calls organized by the KP Chair on April 15th and May 22nd, 2020, to discuss the way forward for the KP during the challenging year, with the 2020 KP Vice Chair, ASM, KP working bodies' Chairs and Observers.
- D. Edward Asscher, who became the WDC President on June 5th, took part in multiple webinars throughout the rest of the year to promote the importance of KP and its work. Among them were Initiatives in Arts and Culture in July; Vincenza VOICE in September (a live event, with a webinar feed), and the Chicago Responsible Jewelry Conference in November. During these events he highlighted priorities for driving responsible sourcing in the diamond industry and the partnerships required, as well as providing background about the KP and the System of Warranties and how they provide consumers with assurance that their diamonds have been sourced responsibly.

Some video can be found here:

<https://www.youtube.com/channel/UCGuyG9V8zvC1t3A4c0KshDg/videos>

- E. In October 2020, WDC Vice President Ferial Zerouki took part in a webinar organized by the De Beers Group in collaboration with Initiatives in Arts and Culture in the fourth segment in the "All That Glitters" webinar series. There she joined a panel of experts discussing approaches to creating sustainable solutions to support the formalization of the artisanal mining sector. This conversation brought together leaders from mining companies, refineries, and NGOs and jewellery designer to explore how the production and the demand sides of the supply chain can work together more effectively to promote responsible sourcing. Noting the great advancement in supporting transparency with the diamond value chain done through the Kimberley Process Certification Scheme, she urged for increased collaborative efforts to find sustainable solutions to support livelihoods and promote responsible sourcing of commodities, including those that are mined artisanally.
4. The WDC President, WDC Officers, Executive Director and some Board members attended/participated in meetings and calls with the Civil Society Coalition (CSC), in order to exchange views on diamond

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governance and how best to strengthen the KP as well as discuss the new System of Warranties which was about to start its testing phase during its Soft Launch.

5. The WDC held bilateral meetings via Zoom or phone calls with various KP Participants (Government representatives).
6. Internally, the WDC KP Task Force held one meeting in July 2020.
7. The WDC chaired, via Peter Karakchiev (ALROSA), the WGDE sub-group called Technical Experts Team (TET) in order to identify and select the final host for the KP Permanent Secretariat. The TET held 4 meetings in 2020, plus 2 calls with each prospective KPS candidates.
8. WDC representatives in service of the KP:
 - Udi Sheintal 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.
 - Mark Van Bockstael, on behalf of the WDC, returned to serve as Chair of the WGDE.

Administrative Support Mechanism

As noted in the 2019 KP Plenary Final Communiqué, the 2019 KP Chair, with the approval of the KP Plenary, extended the ASM mandate until Plenary 2021, to continue its role in hosting and implementing the Administrative Support Mechanism for services that are administrative in nature, unless the KP Secretariat is formed prior to this date. 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 website 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
- The Diamond Development Initiative, an Independent Observer that is not a member of WDC, provides technical and professional assistance to the ASM.

Activities of the ASM in 2020 continued as performed in 2019. They specifically included:

- Providing communications services for the KP Chair and Chairs of the Working Groups and Committees, and facilitating all messages sent to Participants and Observers of the KPCS.
- Providing administrative support to the Working Groups, Committees, Ad Hoc Committee and the CAR Monitoring team.
- Through the hosting and maintenance of the KP website, providing enhanced compilation of KPCS official documents, final review visit reports and annual reports.
- Collecting minutes of all working group telephone conference calls and meetings, following up on submission of reports, questionnaires, upon the request of Chairs of the Working Groups and Committees.

Other WDC initiatives in 2020

- The 2019 WDC KP Annual Report was submitted on time, and the report was uploaded onto the public side of the KP website.
- As reported, the WDC attended the High-Level Workshop on Regional Cooperation in Central Africa, organized by the Working Group on Artisanal and Alluvial Production, in Freetown, Sierra Leone, in February 2020.
- WDC held 4 Board Meetings to discuss the WDC Strategic Plan and further KP engagement, relating to the challenges encountered during this KP “Zero Year”.
- The WDC held its first Digital Annual General Meeting on October 19th and organized a panel discussion entitled *“How to meet the expectations of changing consumers,”* during which WDC President discussed the KP and partnerships required in order to nurture consumer confidence. He was joined on the panel by Mr. David Prager, then Executive Vice President Corporate Affairs of the De Beers Group.
- On October 26th the WDC held a special Webinar dedicated to the KP Family in partnership with the Natural Diamond Council entitled *“Telling the Diamond Story: how to ensure desirability for natural diamonds”*.

- The WDC continued its work of developing the updated System of Warranties (SoW), the system of industry self-regulation that extends the effectiveness of the KPCS beyond the export and import of rough diamonds, and covering all transaction in domestic trade, encompassing all the segments of the diamond pipeline from mine to retail. The revised SoW includes industry self-regulation of other aspects of responsible sourcing, including compliance with human and labor rights principles, anti-corruption, anti-money laundering and countering the financing of terrorism.

During the course of 2020, the WDC finished all rounds of consultations with its members, the industry and external stakeholders, built a dedicated website for the update SoW, finished the Toolkit (ensemble of tools designed to help the adherent go through his/her self-assessment), and starting a testing phase called the Soft Launch in November 2020.

In September 2020, Peter Karakchiev, WDC Board member and SoW Project leader, gave a presentation on the updated SoW during the Virtual World Diamond Congress.