



**KIMBERLEY PROCESS ANNUAL REPORT
WORLD DIAMOND COUNCIL
2023**

In the framework of the Peer Review System of the KPCS, each Participant is required to submit an annual report on its implementation of the Kimberley Process Certification Scheme (KPCS) during the previous year.

As an Observer, the World Diamond Council (WDC) has agreed, on a voluntary basis, to submit an annual report on the support it provides to KPCS implementation and the KP, as stated in its mandate and mission statement.

The WDC 2023 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 of the World Diamond Council ("WDC) is to represent the natural diamond & jewelry industry and its positions in the Kimberley Process (KP) and to protect the integrity of the diamond supply chain. In order to do so, the WDC develops and implements industry due diligence and self-regulation processes in order to further responsible sourcing, consumer confidence and sustainable development in the diamond industry.

Some of the core principles of the WDC are 1) to understand, promote and implement the Kimberley Process Certification Scheme (KPCS) and the WDC System of Warranties, and be responsible for implementing effective due diligence in diamond sourcing and 2) to educate its Members on the requirements of compliance with all elements of the KPCS applicable to their businesses.

As an Observer, the WDC assists the Kimberley Process (KP) by providing administrative, technical, financial, and other support services on all Working Groups and Ad Hoc Committees. It participates in each and every KP working bodies and takes part in Review Visits and Expert Missions as much as possible.

Contact persons of the WDC

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.

Its executive leadership are the Officers:

- President - Ferial Zerouki, since May 15th, 2023
- Vice President – Ronnie VanderLinden, since May 2023
- Treasurer – Anoop Mehta, Bharat Diamond Bourse, since May 2023
- Corporate Secretary and General Counsel - Udi Sheintal, Israel Diamond Institute
- Executive Director – Elodie Daguzan (ed@worlddiamondcouncil.org)

Kindly visit this page of the WDC website to get to know our Officers and Members of the <https://www.worlddiamondcouncil.org/officers-directors/>

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Members of the WDC

In 2023, the WDC membership grew from 37 members in January 2023 to 61 members on December 31st. It spans 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, shipping companies, gemological labs or high-tech companies specialized in manufacturing.

The WDC membership is distributed as follows:

3 members in Extraction

8 members in Retail Sales

18 members in Wholesale Trading

17 members in Manufacturing

15 members At Large' (service providers in the industry)

A list of all WDC members is available here:

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

Annual Reports to the KP

Reports sent yearly to the KP Chair and WGM Chair can also be found on the WDC website:

<https://www.worlddiamondcouncil.org/annual-reports/>

2023 REPORT

Actions taken to support the KP in 2023

Attendance: During 2023, WDC continued its extremely active participation in all Working Groups and Committees of the Kimberley Process.

The WDC KP Task Force is the most active and dedicated committee of the World Diamond Council. It is currently composed of currently 20 persons, active and traveling to the KP physical gatherings. It is important to note that these WDC members show an important level of commitment to the industry, taking money and time away from their respective businesses and organizations during difficult times to represent their industry within the international permanent forum of the KP.

Physical: Despite that all KP meetings are now offered in hybrid way, the WDC attended both the Intersessional and the Plenary held in Victoria Falls, Zimbabwe, as well as the Kick Off meeting of the KP Chair and Working Groups' Chairs (DMCC, Dubai, Jan 2023) for the presentation of the work plan of KP working bodies, the Cape Town meeting in Feb 2023, when the Ad Hoc Committee on Review and Reform (AHCRR) of the KP officially kicked off the current review cycle. Finally, some WDC members also attended the other AHCRR meetings in April in Dubai and in October in Angola.

Online: Representatives of the KPTF, the WDC Secretary & General Counsel and the WDC Executive Director attended **all** KP Committee and Working Group teleconference calls in 2023.

WDC's ethos: A neutral and unified voice, favoring dialogue and mutual respect. The WDC as the global industry's representative, always takes in consideration its members' interests in order to find common ground and therefore operates in the same way within the KP. That is why in 2023, WDC sought once again to find consensus at 4 different times during the Plenary.

Upholding its responsibilities: The WDC, through the KPTF, performed tasks as assigned and allotted by the Chairs of each working body in the limit of its capacities, such as annual reports assessment, participating in newly created subgroups or taking part in review visits. In 2023, WDC took part in the RVs to UAE and India but had to pull out at the last minute to the ones to Sierra Leone and Armenia/Turkey due to unforeseen events linked to the challenging times the diamond industry has been experiencing.

Bilateral/Multilateral meetings: The WDC strived to meet with as many delegations, as possible, Participants and Observers, ahead of the Intersessional or the Plenary as it believes in dialogue and open channels of communication.

Update of the Compendium: To celebrate the 20th Anniversary of the KP, the WDC took upon itself to update the Compendium of Rules & Procedures, transforming and retyping all scanned documents into Word, and adding all ADs and documents from 2018 until 2022. The final document, in PDF, was offered to the KP Family during the Plenary 2023 in partnership with the KP Chair, the Republic of Zimbabwe, in the form of a USB key to all delegations present on site.

Leadership in KP: The WDC led 3 major work streams in 2023: the Sub team on Definition, the KP Secretariat Taskforce and the WGDE

Definition: The WDC was called by the KP Members to lead the Sub-team on the Definition as the neutral agent in the international forum. WDC representative Kele Mafole, set the tone at the beginning of the year by introducing 4 principles applicable during the meetings: Mutual Respect, Inclusivity & Cooperation, Continuous Dialogue and Bilateral Engagement, Transparency. These principles proposed by WDC were then adopted by the entire AHCR.

During the year, the WDC successfully led the sub-team, not without difficulty, to agree on 2 future events: a panel of evidence that will bring external experts to discuss the concept of conflict relating to the diamond sector, and also a panel discussion involving communities from across the supply chain to testify on how they are affected or benefit from the diamond sector. This panel will be held jointly with another sub-team of the AHCR, on Technical Assistance. In parallel, the WDC managed to engage the members of the sub-team on the current draft text of the Definition.

KP Secretariat Task Force:

The Technical Expert Team (TET), chaired by the WDC for the last 5 years, and for the second year by Wim Soons, was reborn in 2023 under the name of Kimberley Process Secretariat Task Force. Its mandate listed the following tasks: adopt the Terms of Reference (ToR), finalize the Host Country Agreement (HCA), and therefore the KPPS's legal status, and finally recommend the establishment of a Permanent Secretary.

This Task Force was one of the most active working bodies of the KP, meeting around 20 times in 2023, culminating in a 7-hour long meeting during Plenary. Indeed, after reaching consensus on the wording of the ToR and the HCA, the Task Force needed to complete the selection process for the Executive Secretary as they are the signatory for the HCA, hence actually launching the Secretariat. The Task Force had agreed on the nominee, a representative of the People's Republic of China and veteran of the KP.

Over the years and through the various representatives of the WDC who chaired this working body, the WDC put an incredible amount of effort to ensure that the KP will improve, become more structured, formalized, professionalized and that its institutional memory will be preserved.

WGDE:

Chaired by the WDC, by James Evans Lombe, the WGDE continued its productive work and was once again the most active working group in 2023, with more than 40 meetings held, as its many subgroups met many times.

As a Working Group (WG) of the KP, the WGDE has a Vice Chair, and the new one that was appointed during Plenary is the Republic of South Africa, allowing the Chair to lean on and cooperate with an important industry stakeholder.

Amongst the considerable amount of work that the WGDE undertook in 2023, it is important to note that it restarted looking into digitalization, and it will continue to do so in 2024, trying to align KP members on a set of best practices. In order to do so, the WGDE had to take stock of the existing practices of the various members through a series of surveys and their analyses.

The WGDE also relaunched the work on Valuation Methodologies, in a sub-team headed by Jim Pounds, and proceeded in the same manner: surveys, analyses of the answers with the members. This is also a very difficult exercise and the WGDE strives to

harmonize practices amongst KP members in as many technical areas as possible. The WGDE Scientific Subgroup is still search for solutions how to ascertain provenance of diamonds through scientific analytical methods. Composed of scientists from all over the world, they provide reports to the Chair of the WGDE and its members on a regular basis. Assuming the final checks on the testing protocols are resolved prior to the next Intercessional, the WGDE will be asking all Participants to provide loans of stones from known kimberlitic sources starting in the 2nd half of the year. Finally, the WGDE worked hand in hand, as it does every year, with other working bodies of the KP in analysing data on the shipments coming out of CAR.

CAR MT:

WDC Secretary Udi Sheintal continued to serve on the CAR MT, as requested in the Administrative Decision on CAR and the subsequent Operational Framework. The WGDE Chair and other technical experts support the CAR MT through examination and monitoring of export shipments from CAR. For a bit of “KP History”, It is to be noted the WDC Secretary is an “original Kimberlite”: one of the founding fathers of this great institution.

KP Side Event:

During the Plenary 2023, the WDC brought industry expert and veteran, Mahiar Borhanjoo to talk about industry data and more specifically about prices of natural diamonds vs synthetic and therefore the importance of differentiation. The WDC considers education on all things diamond related as an important axis of its strategy.

External promotion of the KP:

April 2023: Edward Asscher, WDC Former President, was invited to the Carlsbad Campus of the GIA to deliver a lecture on the Systematic Approach to Protecting the Integrity of the Diamond Supply Chain, during which he reintroduced the WDC, its mandate and its actions within the KP and around the System of Warranties.

He was also invited to the OECD for a Roundtable Discussion called Overview of Responsible Sourcing, Provenance and Traceability Initiatives in the Diamond Value Chain where he reminded the audience about the importance of the SoW and why it was revised, but also touched upon the KP Declaration on Responsible Sourcing of Rough Diamonds (Frame 7) and the launch of the review cycle in KP, where WDC was about to lead the discussions on the expansion of the definition of conflict diamonds.

May 2023: Feriel Zerouki, the current WDC President, was invited to participate in panel discussion at the JCK Show moderated by Rob Bates and in company of Kristina Buckley Kayel from the NDC and Tiffany Stevens from the JVC. The topic was about the incoming import restrictions in the G7 markets, as well as traceability and why the KP has never been so important.

October 2023: Feriel Zerouki was also invited to be guest speaker during the opening ceremony of the annual CIBJO Congress in Jaipur, India. There she addressed the response of industry to geopolitical events that occur outside of its direct control, and the need to develop policies and strategies that will defend the interest it, its products, and its stakeholders, while at the same time reaffirming the WDC’s commitment to the

Kimberley Process

Communications:

Please find below a few examples of promotion, support and commitment to the KP by the WDC. Additional references can be found on the WDC website by clicking on the following link: <https://www.worlddiamondcouncil.org/news/>

KP dedicated news series by the WDC:

- 1) [Digging down the Kimberley Process](#) (explaining KP to all)

[Revealing the dark side of the moon: Kimberley Process Statistics](#) (Dec 18th 2023)

[Years in the making, KP Permanent secretariat set to begin operations early in 2024](#)
(March 3rd, 2023)

- 2) [Diamond Empowerment](#) (recalling the history of diamond producing countries)

The case studies of Zimbabwe, Botswana and Angola

- 3) Profiling a KPTF member

[I am an African, and a new kind of diplomat](#) (Kele Mafole, March 6, 2023)

- 4) Promoting the System of Warranties

[WDC stepping up campaign to promote adoption of revised System of Warranties](#)
(March 3, 2023)

WDC President during KP Meetings:

[WDC President praises determination of KP Participants and Observers, which led to critical decisions during 2023 Plenary](#) (Nov 15, 2023)

[WDC President stands determined to drive progress in the KP, to deliver peace and prosperity for all, in opening address to the 2023 KP Plenary](#) (Nov 7, 2023)

[WDC President commends KP Participants and Observers on robust discussions during 2023 KP Intersessional in Zimbabwe](#) (May 26, 2023)

[KP's diversity should be the source of its strength, says WDC President in inaugural speech to forum](#) (May 23rd, 2023)

Administrative Support Mechanism (ASM)

As noted in the 2021 KP Plenary Final Communiqué, the 2021 KP Chair, with the approval of the KP Plenary, extended the ASM mandate until Plenary 2022, to continue its role in hosting and implementing the Administrative Support Mechanism for services that are administrative in nature, unless the KP Secretariat would be 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 2023 continued as they were performed in 2022, always with the same dedication. The WDC would like to commend Mrs. Elke Ceulemans for her unparalleled commitment to the success of the KP's daily work. She has once again outdone herself and remained available for all Members of the KP family at all times. These activities 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.