

ANNEX

OPERATIONAL FRAMEWORK FOR RESUMPTION OF EXPORTS OF ROUGH DIAMONDS FROM THE CENTRAL AFRICAN REPUBLIC

I. INSTITUTIONAL FRAMEWORK

a. The Follow Up Committee created by the Central African Republic (hereinafter CAR) Ministerial Decree of the Minister of Mines and Geology #33/2014 is hereby reconstituted to include the below described responsibilities, and to include current members and representatives of local civil society. Members also include the CAR Government (including Unité Spéciale Anti-Fraude – hereinafter USAF), the KP focal point and local industry.

i. The responsibilities of the Follow Up Committee are to:

1. Assess the security and compliance of proposed sous-préfecture (geographical administrative division) for diamond production and trade.
2. Establish and confirm the implementation of internal controls consistent with KPCS minimum standards in proposed sous-préfectures.
3. Assess the need for additional authority and mechanisms for KPCS minimum standard implementation.
4. Create awareness in the mining sector for all necessary actions pertaining to this framework and to KPCS minimum standards.
5. Coordinate with the U.N. Integrated Multi-dimensional Mission in the Central African Republic (hereinafter MINUSCA), the UN Panel of Experts and all other relevant stakeholders to exchange relevant information.

ii. The CAR KP Focal Point is the liaison from the Follow Up Committee to the KP Monitoring Team.

iii. The Follow Up Committee is encouraged to establish similar structures at a local level.

- b. A tripartite KP monitoring team is established.
 - i. The tripartite KP monitoring team includes individuals with relevant expertise to carry out the mandate as described below, assisted by the relevant KP working groups.
 - ii. The tripartite KP monitoring team reports to the WGM as described below.
 - iii. The tripartite KP monitoring team responsibilities are to:
 - 1. Monitor the determination of compliant zones as described below in Section 2.
 - 2. Examine proposed exports collected monthly in order to:
 - a. Review, assess and compare footprint data (size, quality and digital photographs) collected from proposed shipments.
 - b. Review and assess the implementation of internal controls and the completeness of documentation pertaining thereto and the preparation of parcels for export.
 - 3. Monitor and facilitate a forensic audit of stockpiles before any part of current stockpiles is exported.
 - 4. Monitor and analyze statistical information for evidence of mixing of production from compliant and non-compliant zones.
 - 5. Implement monthly telephone conference calls (facilitated by the ASM) to carry out the provisions of this AD and operational framework.
 - 6. Report periodically to the WGM on the activities and progress in fulfilling these responsibilities.

II. COMPLIANT ZONES

- a. A **compliant zone** is a sous-préfecture in which diamond production has been determined under this framework to meet KPCS minimum requirements as

reported to the KP WGM, using the KP Implementation and Peer Review Checklist as a guide and the following criteria:

- i. The zones are under appropriate and sufficient CAR Government control, in particular by the territorial administration, mining administration, USAF, gendarmerie and police;
 - ii. There is no evidence of systematic rebel-based or armed group activity impacting internal controls in the diamond production or trade;
 - iii. The overall security situation enables free movement of goods and persons;
 - iv. The CAR Government has established and implemented the monitoring mechanisms defined below.
- b. In determining compliant zones, as a first step, the Follow Up Committee shares with the tripartite KP Monitoring Team its determination and justification for the establishment of compliant zones. The tripartite KP Monitoring Team reviews the decision, and either confirms the designation or provides reasons why the zone does not meet the criteria.
- i. If the tripartite KP Monitoring Team does not agree with the determination, the Follow Up Committee may provide additional information which can change the determination of the tripartite KP Monitoring Team. Until there is agreement, the proposed zone is not compliant.
 - ii. The Follow Up Committee and the tripartite KP Monitoring Team may jointly or independently determine that a zone is no longer compliant.
- c. The KP Focal Point provides the following information to the tripartite KP Monitoring Team every six months:
- i. Geographical coordinates of mining areas within compliant zones. These reports are handled according to the KP AD on Confidentiality.
 - ii. Statistics compiled in digital files and including the following: number of authorized supply chain actors, production levels in mining sites in compliant zones, sales in compliant zones, transfers of diamonds from

compliant zones, purchase of diamonds by buying houses from all zones and buying house stockpiles.

- d. CAR authorities take special measures to ensure enhanced traceability of diamonds from compliant zones, including but not limited to:
 - i. Transfer of diamonds to Bangui out of compliant zones occurs after regional mining authorities register and verify special sales slips for compliant zones. Digital photographs are taken of all diamonds in parcels. Diamonds are transferred to Bangui in tamper-resistant bags along with original documentation under USAF escort.
 - ii. Buying houses maintain full and original records of purchases, stockpiles and exports for inspection by CAR and the KP and maintain physical separation of parcels based on origin.
 - iii. Regional mining authorities and other appropriate government authorities conduct periodic spot-checks on inventories of all actors in the diamond trade.
 - iv. The WGM, with assistance from others (such as the EU's Joint Research Center and the United States Geological Survey) intends to use remote sensing and geological assessment techniques to assist the CAR authorities with estimating production levels from compliant zones.
 - v. CAR authorities and the tripartite KP Monitoring Team investigate statistical anomalies that could reveal mixing of production from compliant and non-compliant zones.
 - vi. In order to prevent diamonds produced in non-compliant zones from threatening CAR's peace and security, CAR authorities require buying houses to stockpile and not export diamonds purchased from non-compliant zones. Such diamonds should be segregated by the purchasers from diamonds purchased from compliant zones. CAR authorities should periodically inspect said stockpiles to ensure that these diamonds remain separated. Reports of their inspections are transmitted to the tripartite KP Monitoring Team. The tripartite KP Monitoring Team may request additional steps or measures.

- e. In carrying out the above monitoring activities, CAR notes that under United Nations Security Council Resolution 2217 (2015) MINUSCA is authorized to provide transportation for CAR authorities to carry out inspections and monitoring visits in key mining areas.