

**High-level Workshop on the Fight against Fraud and
Smuggling of Rough Diamonds in Central Africa.
Regional Cooperation to Enhance the Implementation
of the Kimberley Process in Central Africa**

WORKSHOP REPORT



20 - 22 DECEMBER 2021

Hotel Mont Fébé, Yaoundé, Republic of Cameroon



EDITORIAL

Kinshasa / Antwerp, January 2021

Front cover image: Official picture of participants of the workshop in Yaoundé, Cameroon on 22 December 2021

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The **Working Group on Artisanal and Alluvial Production (WGAAP)** is a working group of the **Kimberley Process (KP)** that aims to promote more effective internal controls on the production and trade of alluvial diamonds.

The **International Peace Information Service (IPIS)** is an independent research institute providing tailored information, analysis, and capacity enhancement to support those actors who want to realize a vision of durable peace, sustainable development, and the fulfilment of human rights.

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LIST OF ABBREVIATIONS*

ANIF	National Agency for Financial Investigation (Agence Nationale d'Investigation Financière)
ASM	Artisanal and small-scale mining
AWDC	Antwerp World Diamond Centre
CAR	Central African Republic
CEEC	Centre d'Expertise, d'Évaluation et de Certification
CSC	Civil Society Coalition
DRC	Democratic Republic of Congo
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
GIABA	Intergovernmental Action Group against Money Laundering in West Africa (Groupe Intergouvernemental d'Action contre le Blanchiment d'Argent en Afrique de l'Ouest)
ICGLR	International Conference on the Great Lakes Region
IPIS	International Peace Information Service
KP	Kimberley Process
MRU	Mano River Union
OECD	Organisation for Economic Co-operation and Development
RELUFA	Network for the Fight Against Hunger (Réseau de Lutte contre la Faim)
SAEMAPE	Service d'assistance et d'encadrement des mines artisanales et de petit échelle
USAID	United States Agency for International Development
USAF	Special Anti-Fraud Units (Unité Spéciale Anti-Fraude)
WDC	World Diamond Council
WGAAP	Working Group on Artisanal and Alluvial Production

* Official English transcriptions of the organizations listed are given when available.

INTRODUCTION

The regional cooperation to enhance the implementation of the Kimberley Process (KP) in Central Africa is an initiative presided by the Working Group on Artisanal and Alluvial Production (WGAAP) of the KP. The Central African regional cooperation is inspired by the achievements of the regional approach in the Mano River Union (MRU) countries, a collaboration between Ivory Coast, Guinea, Liberia and Sierra Leone set up in 2014 and supervised by the WGAAP with the aim of fighting illicit flows of rough diamonds in West Africa. Acknowledging the similarities and differences of the challenges faced by Central African KP participants, the WGAAP kick-started their regional cooperation in a workshop held in Kinshasa on 10-11 April 2019.¹

The Kinshasa workshop resulted in an action plan for the Central African region, which is annexed to this report ([Annex 3](#)). One of the regional priorities listed in the Kinshasa action plan was to fight illicit transactions of diamonds and it was stressed that law enforcement agencies in the region needed to be involved in order to successfully tackle this challenge. More specifically, workshop participants in Kinshasa agreed to organize a law enforcement training workshop with a view to among others putting in place a network of collaboration.² The timeline of 6 months agreed in Kinshasa could however not be met due to the Covid pandemic. With travelling modalities having recently more or less returned to normalcy, the Cameroonian government decided to generously assist countries in the region with the continuation of the action plan by hosting, co-financing and co-organizing the 2nd regional cooperation workshop in Yaoundé.

The workshop was held under the patronage of His Excellency Mr. Gabriel Dodo Ndoke, Minister of Mines, Industry and Technological Development of Cameroon. Further high-level endorsement of the workshop was secured by the personal attendance of His Excellency Mr. Pierre Oba, Minister of State and Minister of Mining and Geology of the Republic of Congo. Workshop proceedings were overseen by Mr. Maurice Miema, chair of the KP WGAAP.

Workshop participants included heads and representatives of KP Focal Points of the Republic of Angola, the Republic of Cameroon, the Central African Republic (CAR), the Democratic Republic of Congo (DRC), the Gabonese Republic and the Republic of Congo (RoC), as well as representatives and experts from the respective countries' law enforcement agencies (police, anti-mining-fraud units), judicial authorities, customs, financial intelligence units, ministries of mining and their technical services, such as mining registries, artisanal & small-scale mining (ASM) support agencies and diamond evaluation agencies. Also present were experts from international and regional law enforcement bodies, development partners, members of the diplomatic corps such as the ambassador of Belgium to Cameroon, the KP Civil Society Coalition (CSC) and the World Diamond Council (WDC). By inviting representatives of the diamond industry and of civil society, the workshop organizers took into account the tripartite nature of the KP. A total of 56 participants and speakers contributed to the 3-day workshop, while a small number of speakers and attendants participated online. The full list of participants and their contact details are included in [Annex 1](#).

The overall objective of the workshop described in this report was to build the capacity of criminal investigation and prosecution authorities to understand the emerging risks of diamond fraud and

¹ Information on the objectives and implementation of the Kimberley Process, and a description of the contextual factors that necessitate regional cooperation to combat diamond fraud and smuggling in Central Africa, can be found in the Concept Note that explains the rationale for the workshop's proceedings as described in the present report (see [Annex 4](#)).

² A certain degree of overlap being inevitable, the workshop described in this report reiterates some priorities and action points from the Kinshasa workshop in a few of its recommendations, for example the creation of taskforces at national and regional levels, and the creation of a regional consultation framework for law enforcement services on the KP. See section 3.1 on key recommendations.

smuggling, and to understand the Kimberley Process in order to better mitigate risks concerning money laundering and terrorist financing related to the diamond industry. The workshop's specific objectives were to inform and enhance the capacity of the attendants and the agencies they represent with regard to the topics of the following 5 modules according to which proceedings were structured: the fight against diamond fraud in Central Africa; investigations on the illicit trafficking of precious stones; experiences of represented countries in the fight against diamond fraud and smuggling; physical cross-border transport of cash and other negotiable bearer instruments, and the role of financial intelligence units (FIUs); synergies of action between FIUs and authorities in charge of criminal investigations and prosecutions.³ The workshop further was geared towards a participative process of formulating recommendations with the aim of ensuring ownership among attendants with regard to the resulting action plan for law enforcement agencies in the region (see [Annex 16](#) of this report). This action plan is the tool for future implementation and monitoring of activities and results of the law enforcement chapter of the Central African regional cooperation.

The workshop proceedings were spread over three days (20-22 December 2021). On the third day the recommendations were finalized and presented to the plenary of participants, government representatives, ministers and the press.

³ The workshop agenda in [Annex 2](#) shows the division of the main topics in modules and lists the subthemes which were discussed during expert presentations and discussions among attendants.

WORKSHOP DAY 1 (20 December 2021)

On the first day of the workshop, the official opening speeches and two introductory modules (Module 1 and Module 2) were programmed.

1.1 Opening Session

During the opening session, six speakers set the scene for the workshop, highlighting the importance of the work at hand and the momentum of this workshop to move regional cooperation significantly forward.

The workshop was officially opened by **H.E. Gabriel Dodo Ndoke**, the Minister of Mines, Industry and Technological Development of Cameroon. The Minister expressed his gratitude for the support of participants to strengthen regional cooperation in the fight against fraud and smuggling of rough diamonds in Central Africa. He stressed the importance of jointly tackling the challenges posed by diamonds that are used to finance rebel groups and conflict, or for money laundering, narcotics trafficking and other crimes that destabilize regions, states and communities. He acknowledged the KP as a tripartite structure with an essential role in addressing challenges related to rough diamond production and trade.

However, he also acknowledged that complying with KP requirements is no small feat, especially for countries where the diamond sector is predominantly ASM-driven. H.E. Ndoke also referred to the current situation in the CAR⁴ and how this requires increased vigilance in the region. As regional cooperation can strengthen solutions to address all these challenges – as illustrated by the Mano River Union (MRU) regional approach - establishing regional cooperation for the Central African region is primordial. H.E. Ndoke concluded his opening speech by urging all attendants to play their role to push this agenda forward in order to make the mining sector a driving force of the region's economies and development.

The call for regional action was reiterated in the opening remarks delivered by **H.E. Pierre Oba**, Minister of State and of Mining Industries and Geology of the Republic of Congo, **Mr. Maurice Miema**, chair of the KP WGAAP and chairman of the workshop, and **Mr. Michel Yoboué**, coordinator of the KP CSC. Both Mr. Miema and Mr. Yoboué again stressed the importance of the KP's tripartite structure and how this implies different albeit equally important roles for states/governments, industry partners and civil society. Mr. Miema thereby explicitly made a plea for political buy-in for the regional cooperation, as has been the case in the MRU regional approach, which can serve as an inspiring example. Mr. Yoboué highlighted how civil society is an ally and key partner with on-the-ground expertise, capacity and will to assist in the implementation of regional cooperation in Central Africa. The Central African region indeed counts KP CSC members from Cameroon, DRC and CAR who can offer additional support for regional cooperation.

Mr. Edward Asscher, President of the World Diamond Council (WDC) and **Mr. Alexey Moiseev**, current KP Chair, shared their opening remarks online. They stressed the crucial role that law enforcement and governments have to play in the fight against fraud and cross-border illicit diamond trade, to prevent the contamination of global diamond supply-chains with conflict diamonds and to achieve supply-chains that are as transparent and sustainable as possible. Mr. Asscher reiterated the WDC's and industry's position on the need to keep pushing for positive change in the diamond sector and the

⁴ After the outbreak of the so-called Seleka rebellion at the end of 2012, CAR has been placed under a KP embargo. Since March 2016, the embargo has been lifted in specific areas that are considered "conform" (8 at the time of writing), all in the west of CAR. In all other areas, including the entire east of the country, the embargo is still in place.

KP, in line with principles of human rights and sustainability. He confirmed the WDC's commitment not to shy away from its responsibility to do what needs to be done to improve the responsible sourcing of diamonds.

1.2 Module 1 – The fight against diamond fraud in Central Africa

The three expert presentations in this module aimed to provide key information on (1) data sources available on diamond smuggling from CAR; (2) lessons to be learned from the Mano River Union (MRU) regional approach to fight against diamond fraud; and (3) illicit diamond flows from the Central African Republic (CAR).

Module 1 was moderated by **Mr. Daniel Mackaire**, the National Permanent Secretary of the KP in Cameroon.

1.2.1 Illicit diamond flows from the Central African Republic: an overview of the literature and sources available to regional law enforcement

Presentation by **Mr. Didier Verbruggen**, expert at the International Peace Information Service (IPIS) – full presentation in [Annex 5](#).

The objective of this presentation was twofold. Firstly, it shared an overview of CAR's diamond sector in general, and of the issue of diamond smuggling from CAR in particular. Mr. Verbruggen presented available data on the country's diamond production (with all the caveats related to obtaining diamond production data, especially in a context with only ASM) and exports, and a methodology to estimate the quantity and value of smuggled diamonds from CAR. A typology of diamond smugglers and a description of domestic and regional smuggling routes, as mentioned in open-source publications, was also shared. These data were used to illustrate how the illegal trafficking of diamonds from CAR, with an estimated value of 183 to 243 million USD between 2016-2020, represents a considerable security risk in CAR and the entire region.

Secondly, the presentation offered an overview of open sources of information available for consultation as a useful starting point for further investigation aimed at curbing the illicit flows of diamonds from CAR. These include reports by non-governmental organisations such as IPIS, IMPACT, Global Witness, Amnesty International, Enough and The Sentry, by the UN Panel of Experts on CAR, the World Bank, USAID, the KP and specialized press outlets. A detailed list of key open-source publications is attached to the presentation ([Annex 5](#)).

Mr. Verbruggen concluded his presentation by formulating **concrete recommendations on how these sources of information can be used to help tackle the illicit flows of diamonds**, namely (1) as a basis for *information gathering and sharing* between law enforcement agencies, domestically and regionally, (2) as *leads for further investigation* by law enforcement and intelligence services who have the mandate to investigate issues, make arrests, compile forensic evidence, etcetera, and (3) as a basis for *compiling lists of "individuals of interest"* in domestic and regional diamond supply-chains that can be shared - both domestically and regionally - between different agencies such as airport and terrestrial border customs services. **Setting up a secure database** that can be updated, shared and consulted by appropriate agencies to adopt a risk-based approach in their controls pertaining to the problem of diamond smuggling in the region, would be a concrete action that would facilitate increased regional cooperation between stakeholders.

1.2.2 Lessons learned from the KP Regional Approach in the Mano River Union Countries

Online presentation by **Mr. Hans Merket**, expert at the International Peace Information Service (IPIS) – full presentation in [Annex 6](#).

Mr. Merket presented the history, objectives, challenges and key achievements of the Regional Approach in the Mano River Union (MRU) Countries, in order to share a set of lessons learned - both foundational and procedural - that can be relevant for regional cooperation in Central Africa.

As mentioned above, the Regional Approach in the MRU Countries is a collaboration between Côte d'Ivoire, Guinea, Liberia and Sierra Leone. It is the first sub-regional KP approach and focuses on fighting illicit flows of rough diamonds in West Africa. The Regional Approach in the MRU Countries aims to support the implementation of the KP in the MRU at national and regional levels, to combat smuggling of minerals by improving government oversight from mine to point of export, to improve the development impact of ASM and to stabilize fragile mineral-rich areas through closer cooperation and the exchange of best practices between all relevant stakeholders (Ministries of Mines, Law Enforcement Agencies, Civil Society and Industry). Amongst its key achievements to date are the development of a regional database, a regional monitoring framework for ASM and KP compliance, the publication of best practices for ASM governance, diverse trainings on e.g. anti-smuggling, electronic mining registry systems, diamond valuation, OECD due diligence and KP internal controls, and community awareness raising efforts.

The Regional Approach in the MRU Countries is considered as a valuable example not only in terms of its focus, but also considering the similarities with the Central African region at the time the Regional Approach in the MRU Countries was developed (i.e. a history of mineral-fueled conflicts, KP embargo on one of its member states, a diamond sector dominated by ASM and great regional vulnerability to fraud and diamond smuggling). **Key lessons learned** include (1) the need to have sufficient *institutional, technical and political support* for implementing plans of action, (2) the necessity of *a concrete action plan and road map* on both the national and regional level, based on a comprehensive needs analysis and including a clear division of tasks and responsibilities (3) the need to *combine work on the national and regional level*, (4) the benefits of constructing *an evidence-base for regional cooperation*, (5) the best practice of *keeping track of progress and presenting progress regularly*, to show dedication and to attract donor funding and support, (6) the need to ensure all three pillars (government, industry and civil society) have a role to play, (7) the observation that sharing sensitive law enforcement information requires in-person meetings rather than online exchange platforms, and (8) the need to improve cooperation and understanding between law enforcement and mining compliance officers.

1.2.3 Diagnostic report on the smuggling of diamonds of Central African origin

Presentation by **Mr. Luc Brosseni**, KP focal point of the CAR – full presentation in [Annex 7](#).

Mr. Brosseni presented a 2019 study, co-produced and co-conducted by USAID and the Government of CAR, that maps the situation in the country with respect to diamond smuggling.⁵ After a short introduction on the KP embargo on the export of diamonds, which was partially lifted after a KP Administrative Decision that came into effect in March 2016, the presentation continued with a description of the study's context, objectives and methodology, with a typology of actors involved in

⁵ De Jong, T. (2019). Rapport diagnostic sur la contrebande des diamants en République centrafricaine. Washington, DC: USAID Artisanal Mining and Property Rights Task Order under the Strengthening Tenure and Resource Rights II (STARR II) IDIQ. Last accessed on: https://pdf.usaid.gov/pdf_docs/PA00XC4F.pdf

smuggling and their supply-chains, the contextual factors contributing to smuggling, the recommendations from the study and their current implementation status.

One of the highlights of the presentation was a list of KP export statistics showing that between 2003 and 2012 the annual export volume varied between 300,000 and 467,000 carats, while in 2018 a mere 11,500 carats were exported whereas actual production was estimated at 330,000 carats. Such estimates, which also formed part of Didier Verbruggen's presentation, illustrate the magnitude of the diamond smuggling problem that CAR faces. A geographical map of smuggling routes clearly illustrated the regional dimensions of the problem: every neighbouring country of CAR has illegal diamonds travelling through its territory, both KP participants (Cameroon, DRC, RoC) and non-KP-participants (Chad, Sudan, South Sudan). Taking note of the latter phenomenon, the attendants ensured to address the problem in one of the final recommendations, which calls for extending investigations on smuggling to non-KP-countries bordering CAR (see section 3.2).

Further, in the typology of actors involved in smuggling the GoCAR/USAID study discerns between actors who partly conduct legal operations and those who operate entirely in the illegal circuit. The former category consists among others of legal buying houses and collectors who export part of their purchases illegally; the latter category is formed of occasional smugglers, organized networks of actors of often foreign nationalities, and elites with the right connections who can escape airport or terrestrial border controls.

The factors that create an enabling environment for fraud and diamond smuggling include the fragility of the diamond supply-chain in CAR (and, not in the least, the insecurity experienced by ASM communities) and the absence of efficient monitoring and enforcement mechanisms to fight the existing impunity for smuggling and other illegal and fraudulent activities. Another weakness mentioned in this regard, and one that was highly relevant for the attendants of workshop, is the "absence of subregional coordination concerning the sharing of data related to the fight against cross-border trafficking." This lack of coordination, according to Mr. Brosseni, not only hampers the functioning of KP Focal Points and stakeholders from government agencies, but also of civil society.

Mr. Brosseni continued with an overview of recommendations formulated in said study and the status of implementation of these recommendations since 2019. Some of these recommendations pertained to the subregional level, namely the necessity to study ways to pool efforts in the fight against fraud and smuggling by involving the governments of the countries in the subregion, and to unite the entities in charge of the fight against smuggling in sharing information and data on criminal networks operating in the subregion.

The speaker further mentioned key realizations since the publication of the study, such as the increased formalization of the KP Secretariat with branches for monitoring traceability; the strengthening of operational capacities of the KP Secretariat and of traceability tools; enhanced organization of production; capacity building of diamond evaluators; improvement of the management of the marketing circuit of commercial actors; the redeployment and increase in the number of USAF units in production areas (Gamboula, Bambari, Bossangoa, etc.); and a review of the Mining Code.

The head of the CAR KP Secretariat **concluded** that the implementation of the study's recommendations has allowed the country to bring a considerable share of diamond production in the KP compliant areas back into the legal chain. The 2021 forecast of 100,000 carats in the eight compliant zones has already been exceeded. However, much remains to be done in the fight against cross-border smuggling. Mr. Brosseni further stressed the point that placing an artisanal production area under embargo is not the best way to deal with the problem of rebel financing. He therefore

called for better finetuned sanctions, applying OECD due diligence procedures which incite individual companies and industry bodies to scrutinize their supply-chains with the aim of restricting their purchases to responsibly sourced diamonds. Finally, Mr. Brosseni put out the following open question to the audience and the general public: Which effective mechanism should be put in place to prevent fraud and smuggling in the diamond industry and in diamond importing countries?

1.2.4 Module 1 Questions and answers

The presentations in Module 1 were concluded by a question and answer (Q&A) session. Exchanges focused on the different domestic, regional and international actors involved in maintaining the fragility of the diamond supply-chain from CAR and of illicit diamond flows, on possible exchanges between the KP and the International Conference on the Great Lakes Region (ICGLR), on alternatives to the KP CAR embargo, and on the role of the justice system in sanctioning criminal activities.

1.3 Module 2 – Investigating the illicit trafficking of precious stones

This second module of day 1 offered four expert presentations on the investigation of illicit mineral flows, detailing (1) the threats and vulnerabilities linked to the fight against diamond fraud and smuggling, (2) the responsibilities and mandates of investigative and prosecuting authorities, and investigation techniques illustrated by cases of confiscations, (3) the role of Interpol in the fight against financial and economic crimes, and (4) the links between money laundering/ terrorist financing and the smuggling of precious minerals.⁶

The module was moderated by **Mr. Aristide Mimbang**, Director of Mines of Cameroon.

1.3.1 Threats and vulnerabilities related to the fight against diamond fraud and smuggling

Presentation by **Mr. Maurice Miema**, chair of the Kimberley Process Working Group on Artisanal and Alluvial Production (KP WGAAP) – full presentation in [Annex 8](#).

After a general introduction on the KP, its membership and its requirements, the speaker shed light on the complexity of global diamond supply-chains. In his exposé on the vulnerabilities related to these supply-chains, he stressed the point that these exist in producing and trading countries alike, and that diamond smuggling is a transnational issue involving both upstream and downstream operators.

Vulnerabilities in producing countries especially apply to ASM-driven supply-chains as these involve larger numbers of actors and a much higher degree of informality than industrial supply-chains. Such vulnerabilities to fraud and smuggling include illicit mining, buying and selling; the insecurity of artisanal mining areas; tax evasion; the difficulty of capturing real production statistics (especially from ASM zones); pre-financing practices and the use of cash; fake KP certificates; and the difficulty to identify and register all actors in the supply-chain.

Diamond trading countries have their own specific challenges related to smuggling, such as poor government control over the industry; incorrect, incomplete or non-existent registration of traders; the difficulty of determining the mining origin of diamonds, compounded by the use of certificates of mixed or even unknown origin in the KP system; no or insufficient control over sourcing practices of cutting and polishing facilities.

⁶ The fourth presentation of this module was delivered at the start of day 2.

The presentation further elaborated on the factors that enable diamond smuggling throughout global supply-chains. For example, the high value to weight ratio of diamonds makes it easy and appealing to smuggle them across borders, especially when these are long and porous as in many African producing countries. There is also a lack of international cooperation of law enforcement agencies, where the awareness of the problem often is low, a problem coupled with a poor understanding of the diamond business. The latter is organized in often opaque networks built on trust, with layers of middlemen which are difficult to map out from the point of origin to the point of retail.

Mr. Miema concluded that *robust internal control systems and credible traceability systems* from mine to point of export, but also from point of import to cutting and polishing facilities are needed. To achieve this, he presented three sets of **recommendations** pertaining to smuggling, licensing and monitoring.⁷ These recommendations include the need to increase collaboration between all institutional and private actors involved in the implementation of the KP's standards and requirements; to build capacity of law enforcement officers and agents linked to mining departments; to harmonize penalties and sanctions for infractions and communicate them to set an example; to enhance national efforts to coordinate between national and local offices; and to increase national and regional reporting on the fight against fraud and diamond smuggling.

1.3.2 Responsibilities and powers of investigative and criminal prosecution authorities / Investigation techniques in the fight against fraud and smuggling of precious minerals

Presentation by **Mr. Konan Djaha**, law enforcement officer at the Intergovernmental Action Group against Money Laundering in West Africa (GIABA) – full presentation in [Annex 9](#).

After reminding the audience of the tragic consequences of the use of diamonds for financing armed conflict, Mr. Djaha explained what the competences and responsibilities of investigative and prosecuting authorities are in their fight against fraud and smuggling of precious minerals according to recommendations 30, 31 and 40 of the Financial Action Task Force (FATF). The FATF is the global inter-governmental money laundering and terrorist financing watchdog and its recommendations to investigative and prosecuting authorities pertain to the legal, institutional and operational realm.

The speaker made a distinction between FATF recommendations on responsibilities and on powers ('pouvoirs'). The first category includes the responsibility to proactively conduct financial investigations, to freeze and confiscate assets linked with crime, to cooperate with multidisciplinary teams specialized in financial crime and to collaborate with similarly mandated agencies abroad. Examples of aspects of proper mandates are the power to make arrests (or refrain from making them in order to gather more evidence); to access the documents and information necessary for investigations; to frisk suspects, gather witness testimonies and seize documents and evidence; to use a broad array of techniques adapted specifically to the issues of money-laundering and terrorist financing (ML-TF); to engage in covert operations, intercept communications and conduct surveillance operations.

Mr. Djaha further discussed cases of successful confiscations of smuggled minerals, including diamonds at the airport of Dubai. By way of conclusion, the expert **recommended** the following key ingredients for the successful investigation of crimes involving diamonds: (1) sufficient resources (financial, human and technical), (2) adequate training of law enforcement and investigative officers, (3) access to a wide range of multi-disciplinary investigative techniques, and (4) a focus on the money trail linked to the diamond supply-chain.

⁷ See [Annex 8](#) for a full list of recommendations from the presentation of the KP WGAAP chairman.

1.3.3 Role of Interpol in the fight against financial and economic crimes

Online presentation by **Mr. Kemo Oulare**, criminal intelligence officer at Interpol – full presentation in [Annex 10](#).

Mr. Oulare **introduced the role of Interpol in the fight against financial and economic crimes**. Interpol disposes of an extensive, global network of local and regional branches scattered over 194 countries including 5 regional bureaus on the African continent. Interpol operates in various units under three key programmes: cybercrime, counterterrorism and organized & emerging crime. Each of these programmes in turn has several subdivisions, such as the criminal networks, vulnerable communities and illicit markets chapters under the organized crime programme. Part of Interpol's mission is to assist member countries to disrupt the profits of organized criminal networks by tracing and preventing the movement of assets and freezing and confiscating them. Interpol cooperates with other organizations, such as the Egmont Group, FATF, and national financial intelligence units (FIUs).

After his exposé on the institutional and operational architecture of Interpol's programmes, Mr. Oulare discussed some of its resources and techniques to investigate and fight financial and economic crimes, including its 18 databases, which are a key asset for investigation and cooperation. He further introduced some specific projects, such as project Mercury, a programme dedicated to fighting crimes in the mining sector. Another high-profile project of interest is named Alkebulan. It targets various forms of financial crime (ML-TF, corruption, etcetera), while developing regional capacities, fostering inter-agency and regional cooperation, and putting in place a strategy to combat economic and financial crime in Central and West Africa.

To **conclude**, Mr. Oulare stressed that due to the increased digitalization of societies, new criminal phenomena, modi operandi, stakeholders and hence new challenges exist for law enforcement. These trends increase opportunities as well as threats in the fight against financial and economic crimes.

1.3.4 Money laundering & terrorism financing linked to the smuggling of precious minerals

Presentation by **Mr. Konan Djaha**, law enforcement officer at the Intergovernmental Action Group against Money Laundering in West Africa (GIABA) – full presentation in [Annex 11](#).

This presentation offered an overview of the **obligations of dealers in precious stones**, in line with FATF standards, and of **cases related to typologies of ML-TF**. The speaker explained the overall objective and the three main pillars of the FATF, and how these relate to the FATF standards, which aim to define a comprehensive and coherent framework of measures that countries should implement to combat ML-TF. He further showed how the FATF's standards are designed in accordance with international instruments of the United Nations, such as the UN Convention against Transnational Organized Crime (2000) and the UN Convention against Corruption (2003). In line with these standards, gemstone dealers have several obligations, including to keep records of customers and transactions, and to recognize and report suspicious transactions.

In the second part of his presentation Mr. Djaha focused on cases related to among others ML of proceeds tainted by fiscal fraud in the diamond sector of Sierra Leone, narcotics trafficking involving payments in diamonds and overvaluation of diamonds in customs declarations to launder money. These cases served as an introduction to a typology of ML-TF practices and indicators that should trigger suspicious transaction reports to Financial Intelligence Units. The speaker further explained schemes illustrating the complex networks involved in money laundering.

Mr. Djaha **concluded** with a list of challenges for investigating money laundering and terrorism financing, as well as recommendations to tackle these challenges. Current weaknesses include limited awareness and training of investigative and prosecuting authorities, especially with regards to financial analysis and transactions typical for the diamond trade, and the absence of adequate intelligence reports disseminated by FIUs. To break the link between diamonds, money laundering and terrorism financing, Mr. Djaha strongly **recommends** building capacity of customs agents in diamond valuation, promoting data exchange between customs administrations and the KP Working Group on Statistics, and to develop gemstone cutting facilities on the African continent.

1.3.5 Module 2 Questions and answers

The presentations in Module 2 were concluded by a question and answer (Q&A) session. Exchanges focused on the threats and vulnerabilities inherent to pre-financing diamond mining activities (often by foreign partners), on procedures of confiscation and the return of confiscated diamonds to the country of origin if it is known⁸, on the merit of training customs officers in valuing diamonds, and on the difficulties of determining reliable production data and hence reliably estimating diamond smuggling and fraud.

Workshop Day 2 (21 December 2021)

The second day of the workshop started with a summary of presentations and recommendations as presented on day 1. One remaining presentation from Module 2 was concluded (see 1.3.4), followed by three more presentation modules. These modules offered insights into (1) country experiences in the fight against diamond fraud and smuggling, (2) cross-border smuggling of cash and other negotiable bearer instruments, and (3) synergies of actions of financial intelligence units and authorities responsible for criminal investigations and prosecutions. The final module of the day consisted of a work session to define and formulate the four sets of recommendations from the workshop.

2.1 Module 3 – Country experiences in the fight against diamond fraud and smuggling

Before proceeding to a panel discussion with representatives of the six countries involved in the Central African regional cooperation, RELUFA - a civil society organization from Cameroon, and member of the KP CSC - was invited to present their experiences with the independent monitoring of the KP in Cameroon.

Module 3 was moderated by **Mr. Maurice Miema**, chair of the KP WGAAP.

2.1.1 Independent monitoring of the KP in Cameroon

Presentation by **Mr. Jaff Bamenjo** and **Mr. Christian Anangue**, members of civil society organization RELUFA – full presentation in [Annex 12](#).

Mr. Bamenjo and Mr. Anangue presented key observations and recommendations from the independent monitoring mission of the KP in Cameroon, as conducted in 2020 by several civil society

⁸ The WGAAP has created a working group that specifically deals with the issue of diamond confiscations and their repatriation to the country of mining origin.

organisations (CEPEDIC, CENAGREN, CFJP-BE & RELUFA) under the SIPROKIM project, whose general objective is to inform policy and decision-making in Cameroon concerning the improvement of the implementation of KP requirements. The independent monitoring mission answers to the need for robust internal controls required by the KP, and hence, contributes to improving the governance of the diamond sector in Cameroon. Specific mission objectives were to set up a sustainable structure for KP monitoring, to publicly share information on diamond governance in Cameroon, and to contribute to debates on the implementation of the KP.

Key observations were shared on the different monitoring axes that were part of this project (in the East and Adamaoua regions). These include the limited registration of actors, the lack of production registers on site, the absence of buying houses in the East Region, the predominantly informal environment in which diamond buyers operate, and the need to assist artisanal miners in the process of formalization. Based on the experiences from this monitoring mission, Mr. Anangue shared the following **key recommendations**: (1) to facilitate the registration of different actors in Cameroon's diamond production, (2) to strengthen government monitoring, and (3) to rethink the diamond traceability system in Cameroon, in concertation with other countries in the region and particularly with the Central African Republic. He also urged to have local civil society more involved in any regional cooperation that will be established, as civil society organizations in the Central African region already have a tradition of cooperation.

2.1.2 Panel discussion: country experiences

In this panel discussion KP national focal points and representatives of the six member countries of the regional cooperation were invited to present priorities of (ongoing) work in their country regarding the diamond supply-chain, details on the implementation of these priorities, current challenges and the overall perspectives on their country's level with regards to the fight against fraud and diamond smuggling. The panel consisted of **Mr. Paulo Mvika** (KP focal point of Angola), **Mr. Luc Brosseni** (KP Permanent Secretary of CAR), **Mr. Daniel Mackaire** (National Permanent Secretary of the KP in Cameroon), **Mr. William Okemba Ongama** (Department of Mines of the Republic of Congo), **Mr. Héritier Mazita Bovy** (Director of IT at SAEMAPE, DRC) and **Ms. Marie-Louise Meboua Essoukou** (Deputy responsible for the KP in Gabon).

The representative of Angola, which chaired the WGAAP in the past, presented his perspective on diamond mining in his country, which is now mainly industrial. ASM activities according to Mr. Mvika are limited now, although the country, which ranks among the world's major diamond producers with annual values around 1.3 billion USD, can look back on over 100 years of ASM diamond extraction. Mr. Mvika detailed the procedures used to monitor the diamond supply-chain of Angola in line with KP requirements. Monitoring activities among others involve a special security unit with agents deployed in the field who electronically transfer details on production values and volumes to customs agencies. Angola's current priority is to continue its fight against diamond fraud for example by taking measures against money laundering practices perpetrated by foreigners of Indian and Lebanese nationality among others. Some of the challenges and needs mentioned are the porosity of Angola's borders, especially in the north, that still allows for diamond smuggling, and the need for technical capacity building for all law enforcement and mining agencies involved in monitoring the diamond supply-chain.

The representative of the DRC highlighted efforts to build capacity and strengthen monitoring. This includes the capacity building of DRC diamond valuers and sorters in Antwerp. Further, a Memorandum of Understanding between the Antwerp World Diamond Centre (AWDC) and specialized services of the DRC Ministry of Mines, including the CEEC and SAEMAPE, is expected to be signed in order to facilitate market access for diamonds produced by DRC mining cooperatives. Among

the challenges faced by the country's huge diamond sector were mentioned the need to (1) continue the identification and mapping of mining sites, including near its borders; (2) optimize information sharing between monitoring agencies by strengthening the framework for collaboration; and (3) increase the field presence of agents monitoring production and trade.

The representative of the Republic of Congo indicated that the country continues to implement the standards and requirements of the KP certification scheme. Priorities and challenges in this regard are cooperation between the agencies tasked with implementing KP requirements (the KP Secretariat, security services, the mines administration, and customs services at the airports, ports and terrestrial borders), capacity building for its Diamond Valuation Office (*Bureau d'Expertise des Diamonds*), a strict legal framework for diamond importers and exporters including robust traceability requirements, the establishment of anti-fraud services, the strengthening of border control posts and monitoring units, and actions to ensure sustainable ASM operations.

The representative of Gabon also presented the context of diamond mining in her country, which to date is exclusively artisanal. Gabon entered the KP system in 2018 and activities so far have focused on documenting the diamond mining sector (with approximately 30 ASM miners and 7 collectors from 3 regions registered in Gabon's official database) and raising awareness on the KP in production sites, at all levels of the administration and among the general public. As of yet, no diamonds have been exported from Gabon. The priority, therefore, is to issue the first KP certificate for rough diamond exports in the coming months. Further challenges are the cooperation of controlling agencies such as customs services and the financial intelligence unit, and the effectiveness of mechanisms to tackle the issue of ML-TF in the country.

The representative of the CAR presented an overview of the country's key priorities. These include increasing the number of KP compliant zones and re-allowing production and export from all diamond producing zones in the country, which before its security crisis exported 300 to more than 400,000 carats per year. Further, CAR is working to strengthen mechanisms to curb mineral smuggling with the ambition to be able to re-allow all production into the legal chain. Also, the CAR authorities will focus on the implementation of the reforms envisaged in CAR's new Mining Code. These reforms include: much stricter regulations of the operations of diamond collectors, who will be obliged to affiliate themselves with only one buying house under yearly renewable contracts; stricter regulations on exports by cooperatives; adding diamond and mining experts to USAF, CAR's anti-mining-fraud unit; stronger repressive measures and monitoring mechanisms, such as the creation of a Mining Inspection service, and the strengthening and deployment in 18 zones of local KP monitoring committees, which are comprised of government, industry and civil society representatives; enhanced cooperation between Interpol, customs, USAF, airport management and other relevant services.

Finally, **the representative of Cameroon** described the current context of diamond production in the country, which is still exclusively artisanal despite a first industrial mining permit issued in 2010 and which is currently the subject of a cartographic project. He listed the following challenges and priorities: registering and formalizing miners; the task of the newly created parastatal company SONAMINES to conduct exploration activities, extract diamonds and capture all diamond production for further commercialization; the development of a database on mining sector actors, suited also for data sharing within the regional cooperation; awareness raising and training in diamond valuation among miners; enhancing production methods through SONAMINES, which will provide institutional, material and financial support to miners and oversee the redistribution of the share in revenues to diamond mining communities, as stipulated in the mining and fiscal laws; taking measures to improve security on sites in terms of labor conditions and conflict prevention related to industrial (mining and exploration) licenses and ASM; creating cutting and polishing facilities in Cameroon; increasing human resources and cooperation concerning controls in trading hubs and airports, including the creation of a technical unit specialized in the fight against diamond fraud. The speaker concluded by highlighting

the cooperation with the authorities from CAR in the fight against rebel insurgencies and on mechanisms to retrocede confiscated minerals.

In **the plenary discussion** following these panel presentations, ideas were exchanged on subjects such as: the necessity to add a political framework to existing legal frameworks and collaboration plans (to make sure such plans have political support, momentum and follow-up, and hence increase the chances of successful implementation); the importance of the Washington Declaration although it is often overlooked; the benefits and challenges of installing a regional mechanism to fight fraud; the need to regionally harmonize diamond export taxes as a way to combat illicit diamond flows and fraud motivated by taxation; the financing of regional (KP) activities and cooperation, and the need to work towards auto-financing of such efforts in order to guarantee long-term sustainability; the need to merge national databases on fraudulent actors into a regional database; the problem of the involvement of high-ranking military or political elites in the minerals business; the need to exchange best practices and to learn from expert agencies already in place; and the necessity to not only consider improved collaboration and cooperation at regional, but also at national levels.

2.2 Module 4 – Physical cross-border transport of cash and other negotiable bearer instruments / Role of financial intelligence units

The two expert presentations in this module elaborated on key recommendations by the Financial Action Task Force (FATF) and their relevance in the fight against the cross-border smuggling of cash and other negotiable bearer instruments, as well as on the role of customs officers in the fight against diamond smuggling, with particular attention to experiences in Cameroon.

Module 4 was moderated by **Mr. Bernard Kamdoun**, representative of the Agence Nationale d'Investigation Financière (ANIF)⁹ of Cameroon.

2.2.1 Customs control of diamonds: experiences from Cameroon

Presentation by **Mr. Willy Bessalo**, Senior Customs Inspector and Head of the Customs Litigation Unit of Cameroon – full presentation in [Annex 13](#).

After a short introduction on Cameroon's accession to the KP, Mr. Bessalo sketched out the international framework of cooperation with the World Customs Organization with regard to the KP, and the regional and domestic legal framework (CEMAC Customs Code; Cameroon's Mining Code and Finance Laws; pertaining regulations) under which Cameroon's customs services operate. He specified that the controls carried out by the Customs Administration on the national territory or at the borders are carried out within the framework of its fiscal missions, among others in assistance to other administrations. The objective of these controls is to oversee diamond flows, imports and exports, collect the associated revenues and contribute to the collection and processing of import/export statistics.

The speaker also provided information on the activities of customs agencies in Cameroon, which include diamond valuation based on the expertise of the KP Secretariat, collecting duties on diamond exports and imports, taking charge of diamond parcels and verifying their accompanying documentation. Customs controls in Cameroon according to Mr. Bessalo are carried out on the national territory and at border-crossing points. The former category of controls revolves around the

⁹ ANIF, transcribed in English the 'National Agency for Financial Investigations', is the financial intelligence unit of Cameroon. In some French speaking countries the local FIU is also called 'Cellule de Renseignement Financier', which is a more literal translation of the term FIU.

fight against illicit trade and is based on risk analyses. Border controls are based on declarations of importers/exporters, passenger surveillance and luggage checks, customs intelligence, and risk analysis based among others on passengers' behavior, their provenance and destination. As to controls on cash and negotiable bearer instruments, the speaker mentioned declaratory obligations for importers and exporters above certain monetary value thresholds, and the cooperation with CMR's financial intelligence unit and FATF style regional body (GABAC).

The difficulties faced by the Cameroonian Customs Administration with regard to rough diamond controls mostly relate to the difficulty to access diamond exploitation areas, a lack of information on actors in the diamond sector, and the lack of an international customs coordination tool that would allow for efficient exchanges of information and best practices including setting up joint operations across borders.

2.2.2 FATF Recommendation 29 and the role of financial intelligence units

Presentation by **Mr. Bernard Kamdoug**, representative of ANIF, Cameroon's financial intelligence unit – full presentation in [Annex 14](#).

The speaker first explained that diamond fraud generates so-called dirty money and that these cash proceeds can be concealed through other negotiable bearer instruments, such as traveller's cheques, promissory notes and others. Such instruments can be carried across borders with less risk than cash and, obviously, present a considerable risk with regards to ML-TF. To tackle problems of this nature, the FATF through recommendation 29 calls on countries to set up a financial intelligence unit. This recommendation lays out the organizational framework, while implementing states retain the liberty to choose the type of FIU they wish to install. Examples are administrative FIUs or FIUs as part of the police force.

Further, the presentation offered an overview of tasks of FIUs, which include: receiving raw financial information in the form of declarations of suspicious activities, on the use of cash and on electronic payments; operational and strategic analyses of suspicious activities reports; spontaneous or on-demand dissemination of the processed financial intelligence to investigative, prosecuting and other authorities, and to FIUs abroad. While the independence of FIUs is of the utmost importance, their mandate allows them to have access to additional information from declaring entities, information from other sources, from other countries under the umbrella of the Egmont Group, and to suspend the operations of entities. FIUs further must adhere to the obligation to secure information and ensure confidentiality where needed, for example by not publicly disseminating suspicious activities reports.

As to the contribution of FIUs in tackling the issue of cross-border cash and other negotiable bearer instruments (NBIs) transportation, the speaker made a distinction between their investigative role and their role in the cooperation with other agencies. The audience learned that transactions in cash or NBIs above 5 million CFA must be reported to ANIF, and that it cooperates with customs and the fiscal inspection service.

By way of final **recommendation**, Mr. Kamdoug proposed to refine and strengthen cooperation between ANIF and other administrations in charge of illegal cross-border cash and NBI movements.

2.3 Module 5 – Synergy of actions of financial intelligence units and authorities responsible for criminal investigations and prosecutions

The final module of the workshop was dedicated to the theme of national cooperation and coordination in the fight against illicit trafficking of precious stones and metals.

2.3.1 National cooperation and coordination in the fight against illicit trafficking of precious stones and metals

Presentation by **Mr. Konan Djaha**, law enforcement officer at the Intergovernmental Action Group against Money Laundering in West Africa (GIABA) – full presentation in [Annex 15](#).

This presentation by Mr. Djaha focused on the responsibility of states, per FATF recommendation 2, to have national anti-ML/TF policies in place¹⁰ and to dispose of a designated authority ('taskforce') or a coordination mechanism. This mechanism should enable the cooperation between the FIU and investigative and prosecuting authorities. Said policies should be based on an evaluation of risks, which should determine a country's priorities with regards to AML/TF. This means that if diamond fraud in a given country constitutes an elevated risk, measures against it should be prioritized in the AML/TF policy of that country. The speaker added that AML/TF policies should be revised on a regular basis to adapt them to emerging risks as identified in the ongoing process of risk evaluation. He also (non-exhaustively) listed possible stakeholders to the pertaining national policies, such as charity organizations, civil aviation and railway authorities, export control agencies, industry bodies, KP authorities and civil society organizations.

The presentation further offered insights into the multi-disciplinary investigative methods needed in the fight against illicit diamond trafficking, both within the FIUs and within the investigative and prosecuting authorities. It was also noted that frameworks for collaboration between different services should draw inspiration from existing platforms and projects., such as Project Tentacle. Tentacle is a capacity building project for customs, FIUs (under the umbrella of the Egmont Group) and law enforcement agencies (united under Interpol) in the field of AML/TF that is led by the World Customs Organization and financed by the US State Department. He concluded that the global flow of crime-related products and terrorist financing, with an estimated annual value between 1,600 and 4,000 billion USD, is a major threat to global security and the stability of the global financial system.

2.3.2 Module 4 and 5 Questions and answers

The presentations of the 4th and 5th modules again sparked off lively discussions on the following subjects among others: the use of the term risks instead of vulnerabilities; cooperation in the region with Interpol, the WCO and the Economic Community of Central African States (ECCAS); the settlement of litigation in case of confiscations of minerals; risks related to the Hawala system; national coordination between FIUs, police, magistrates and others.

¹⁰ Although the necessity to establish such national policies may seem obvious, the speaker, without citing examples, noted that many countries actually fail to meet this basic criterium.

2.4 Module 6 - Report preparation

The sixth workshop module was dedicated to the discussion and formulation of principal recommendations for regional cooperation in the fight against fraud and diamond smuggling in Central Africa. Held in plenary session and animated by lively discussions, this participative and consensus-seeking process allowed for the emergence and consolidation of ownership among attendants with regard to the priorities and avenues for action for law enforcement agencies, customs agencies, KP focal points and other relevant stakeholders to the Regional Cooperation in the Central African region.

Recommendations were formulated in **four thematic areas**:

- 1) National and regional cooperation;
- 2) Capacity building;
- 3) Internal KP controls;
- 4) Political action.

Recommendations were further detailed and finalized on day 3 of the workshop (see 3.1).

Workshop Day 3 (22 December 2021)

3.1 Finalizing the workshop's key recommendations

The final version of the workshop's key recommendations was discussed and agreed upon by all participants.

Key recommendation 1: Strengthening the collaboration between the structures responsible for the fight against fraud and smuggling related to the mining sector

- *At the national level:*
 - Strengthening a multi-stakeholder consultation framework ('taskforce') where it already exists;
 - Creating taskforces involving all relevant stakeholders where they do not yet exist.
- *At the regional level:*
 - Creating a regional consultation framework that integrates national taskforces.
- *At the national and/or regional levels:*
 - Promoting to share sensitive information in real time, through an early-warning-system at the national and regional level;
 - Carrying out concerted actions both at the national and regional level;
 - Exchanging data on licensed and/or registered buyers such as buying houses¹¹, depending on the system in place, with the aim to facilitate access to information on persons involved in diamond sales and purchases ('Know your Customer');
 - Disseminating quarterly reports to the KP Working Group on Artisanal and Alluvial Production that highlight achievements concerning the fight against diamond fraud and smuggling;

¹¹ In French: bureaux d'achat or comptoirs.

- Promoting, under the tutelage of the Working Group on Artisanal and Alluvial Production, the signature of Memoranda of Understanding between Central African countries and diamond importing countries in order to ensure the follow-up of cases of declarations of suspicion and the identification of mafia-like networks;
- Conducting investigative missions in the neighbouring countries of the Central African Republic that are not members of the Kimberley Process in order to combat the illicit diamond trade that is developing there;
- Establishing a secured regional database.

Key recommendation 2: Strengthening the capacity and skills of taskforce members

- Organizing general trainings on the requirements of the Kimberley Process in relation to the monitoring and control of material and financial flows;
- Strengthening the skills of law enforcement officers and other taskforce members in investigative techniques;
- Evaluating the risks associated with the diamond sector at the national level;
- Training border control officials in the identification of precious stones, particularly diamonds;
- Providing the services controlling and monitoring the mining sector and the actors in the penal system with the necessary working tools (IT-equipment, means of transportation, mission fees, etcetera).

Key recommendation 3: Strengthening the implementation of the requirements pertaining to KP internal controls

- Facilitating access to information on actors in the diamond supply-chain;
- Establishing credible tools to capture production figures and strengthening the traceability of diamonds to the point of exit;
- Encouraging companies in the diamond supply-chain to apply the OECD due diligence guidelines.

Key recommendation 4: Obtaining the political support required for the activities of the Regional Cooperation in Central Africa

- Advocating with government authorities to combat the interference of unwarranted services in diamond sector activities;
- Seeking sponsorship for the creation of a commission of Mining Ministers of the member countries of the Regional Cooperation in Central Africa to provide a framework for the activities of the Kimberley Process Regional Cooperation;
- Soliciting political support from the Ministers of Mines with the objective of obtaining institutional tutelage from the Economic Community of Central African States (ECCAS);
- Encouraging the government of Gabon to accelerate the procedure leading to the export of its diamonds.

3.2 Presentation of the workshop report and closing remarks

The workshop report was presented by **Mr. Daniel Mackaire** to the excellencies and the audience present and was then handed over to the State Secretary who represented the Minister of Mines, Industry and Technological Development of Cameroon.

After this, the chairman of the workshop, **Mr. Maurice Miema**, offered his closing words. He thanked all participants for the hard work put in to ensure the workshop was a success and actionable recommendations were formulated. He also expressed his gratitude once more to the Ministry of Mines, Industry and Technological Development of Cameroon for the excellent organization of this workshop. Mr. Miema reminded all present that this workshop is only the beginning and that only a framework to start regional cooperation in Central Africa was formulated. For this cooperation to be successful, political support will be needed. He urged the ministers present to lobby with their peers to get involved and offer their support as well. He repeated some of the key recommendations from the workshop on ensuring political support. Mr Miema concluded with highlighting two cases in the Central African region that require special and urgent attention: (1) the case of the CAR and the existing conditions under the partial KP embargo, which are causing a lot of hardship for mining communities and are preventing the legal export of large quantities of CAR diamonds, and (2) the administrative delays in the export of diamonds from Gabon.

Finally, the **State Secretary of the Ministry of Mines, Industry and Technological Development of Cameroon** presented his closing words. He thanked all participants for their participation in the workshop and for making progress in the fight against crimes that are hurting the region's economies and communities. Collaboration will be essential in this matter and strengthening collaboration through a workshop like this a crucial step. He concluded that the workshop's recommendations illustrate the need to put in place national and regional strategies to fight against diamond fraud and smuggling in the Central African region.