



KIMBERLEY PROCESS CERTIFICATE SCHEME
ANNUAL REPORT 2021
REPUBLIC OF MOZAMBIQUE

A. INSTITUTIONAL FRAMEWORK

Part A Constant	Part B- Variable
<p>KP Focal Point The Kimberley Process Management Unit is responsible authority for the implementation of the KPCS in Mozambique</p> <p>The contact person(s) and official Coordinator(s) to deal with the implementation of the KPCS are as follows:</p> <p>Mr Castro José Elias - Executive Secretary of Kimberley Process Management Unit Cell phone: +258-849114920 Direct Line: +258-20646020 E-mail: castrojelias@gmail.com Castro.elias@ugpk.gov.mz</p> <p style="text-align: center;">And</p> <p>Mr Francisco Luis Junior Coordinate of Department of Planning and Advisory and Focal Point of Kimberley Process Cell phone: +258-848346182 Email: fluisjunior80@gmail.com francisco.junior@ugpk.gov.mz</p> <p>By Decree Nr. 26/2015 of 20 November, repealed by Decree Nr. 64/2021 of 1 September, the Kimberley, Precious Metals and Gems Process Management Unit, abbreviated UGPK, the technical implementing body of the Kimberley Process, was created.</p> <p>UGPK is a public institution with technical and administrative autonomy, and its main mandate are all aspects related to the implementation of the Kimberley Process, namely: the management of technical and administrative procedures for screening, security and internal control of rough diamonds, in the</p>	

context of the Kimberley process and the marketing of precious metals and gems.

Its Organic Statute has been approved by Resolution Nr. 22/2017 of 14 November.

Thus, within the scope of the materialization of its mandate , this document summarizes the activities carried out by the institution in the year 2021, in the context of compliance with the Plan of Activities scheduled for the same year, we here by highlighting the main activities carried out in the context of the implementation of the Kimberley Process Management Unit, such as dissemination of its role at national level, activities carried out with a view to enable the admission of the country i to the Kimberley Process Certification Scheme, as well as the activities of screening and balance of the production of precious metals and registration of the gems.

Activities Carried out in the Year 2021

Training

Regarding the area of technical training, we are glad to mention that in July 2021, four (4) technicians, were trained, on Kimberley Process including *Due Diligence* at the Lisbon Diamond Exchange in coordination with *the Institute Intelligence Diamond*.

Infrastructure

The rehabilitation of the facilities of the Kimberley Process Management Unit- based in Maputo, as well as the Trade Post of Diamonds, Precious Metals and Gemstone of Maputo, were completed. For the execution of the works, as well as the equipping the office building UGPK benefited of the funds from the Mining and Gas Technical Assistance Project (MAGTAP).

UGPK's Participation in the Kimberley Process Intersessional Meeting

A team of UGPK, headed by the Executive Secretary, participated from 21 to 25 June in the intersessional virtual meeting of the Kimberley Process. At the meeting in allusion His Excellency Max Tonela, Minister of Mineral Resources and Energy, presented on 23 June the actions developed by the country with a view to its admission to the Kimberley Process, and as follow-up actions, an action plan was drawn up on the activities to be carried out for the conformation of the country the minimal requirements of the Kimberley Process and an official invitation was made to the Kimberley Process Review Mission to visit the Country to assess the country's preparedness for admission to the KP in the end of September or early October of 2021.

Kimberley Process Review Mission Visit

A Kimberley Process per review Mission, led by the Republic of South Africa, visited Mozambique from 17 to 19 October 2021, with the aim of assess the country's preparedness for admission to the Kimberley process certification system.

During the mission in Mozambique, they held meetings with the various actors of the Kimberley Process, namely: UGPK, the Central Bank (Banco de Moçambique), the Revenue Authority, the Police of the Protection of Natural Resources and Environment, representatives of companies holding licenses for exploration and prospecting of diamonds and representatives of civil society organizations. The team also visited the Cargo Terminal of Maputo International Airport, the National Institute of Mines, the UGPK office and the Maputo Trading Port.

During the period of meetings and visits, several aspects related to Mozambique's preparedness for admission to the Kimberley Process as per recommendations of were clarified mainly as since during the mission visit in 2016, several issues had been raised and that they were properly clarified.

Mozambique's admission to the Kimberley Process

Mozambique participated in the 17th Plenary Meeting of the Kimberley Process (PK), which took place from 8 to 12 November 2021, in hybrid format, in Moscow, Russia. In this event, the country was represented by the Minister of Mineral Resources and Energy, Dr. Ernesto Max Elias Tonela, accompanied by the Executive Secretary of the Kimberley Process Management Unit, Mr. Castro Elias; the focal point of the PK in Mozambique, Mr. Francisco Júnior; Chairman of the Board of Directors of the National Institute of Petroleum (INP), Mr. Carlos Zacarias; Chairman of the Board of Directors of the National Hydrocarbon Company (ENH), Mr. Estêvão Pale, Advisor to the Minister, Mr. Henrique Cossa; and the Press Officer, Mr. Rafael Bié.

The delegation was received and accompanied by the Ambassador of Mozambique to Russia, Dr. José Mateus Katupa. The Seventeenth Plenary Meeting of the Kimberley Process (KP) took place under the Presidency of the Russia Federation of and was attended by 52 member delegates, 4 observers and guests including the Kyrgyz Republic, the Republic of Mozambique, the State of Qatar and the Republic of Uzbekistan, as well as the World Customs Organization (WCO), the Convention on International Trade in Endangered Species (CITES) and the World Bank.

This session had, among other agenda items, considering requests from new countries to join the Kimberley Process Certification System (KPCS).¹

Mozambique, as a guest, participated in the opening sessions, the Participation committee and presidency, and the closing session.

The Participation and Presidency Committee assists the President of the Kimberley Process in the admission of new participants and their removal from the scheme in the event of non-compliance with the requirements. It also analyzes and evaluates candidates for the vice president position. The committee's conclusions are presented in plenary. The Participant selected as vice-president becomes president the following year.

It was in this forum that, on 11 November 2021, Mozambique was proposed as an effective member of the Kimberley Process, after being approved at the closing session and published in the final communiqué.

B. LEGAL FRAMEWORK

Part A: Constant

The main pieces of legislation are as follows:

- Law Nr.20/14, of August 18, the mining law;
- Mining Law Regulation, approved by Decree Nr. 31/15, of December 31;
- Decree Nr: 63/2021 of September 1, **Regulation for Trading of Diamonds, Precious Metals and Gems** and
- Decree Nr. 64/2021 of September 1 the decree that updated de Decree Nr. 26/15, of November 20 witch reates Kimberley Process Management Unit

Part B- Variable

Those two Drees are change to 63/2021 of 1 September and 64/2021 of 1 September, respectively, and are attached in this annual report.

Is necessary to mentioned that, inside of decrees are several modifications to facilitate the operation and management of mining activity licensing process, and the Minerals Trad oversight.

¹ Kimberley Process Certification Scheme

C. IMPORT AND EXPORT REGIME

Part A- Constant Did not start trading yet as we are getting th company resuming the exploration activities suspended in 2016 and further phases.	Part B- Variable All information regarding to Import and Export are included at Decree n°63/2021 of 1 September
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D. SYSTEM OF INTERNAL CONTROLS AND INDUSTRY SELF-REGULATION

Part A -Constant Did not start trading yet as we are getting the company resuming the exploration activities suspended in 2016 and further phases.	Part B Variable All information regarding to Import and Export are included at Decree n°63/2021 of 1 September
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E. STATISTICS

Part A – Constant Did not start trading yet	Part B-Variable
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F. IMPLEMENTATION OF RECOMMENDATIONS OF KIMBERLEY PROCESS REVIEW VISITS AND/OR REVIEW MISSIONS –

- [Planned several sessions of the Training of the revenue authorities on the KP procedures at the export point;](#)

G. INFRINGEMENTS AND COOPERATION WITH RESPECT TO ENFORCEMENT – only for reporting period

- None

H. MISCELLANEOUS

- [Approved the KP Certificate; and](#)
- [Approved the packaging model for sealing the minerals.](#)

I. Information on irregularities encountered or non-compliance with the KPCS by other Participants

- None

Follow-up to previous annual report assessment.

- None