

United States 2021 Annual Report to the Kimberley Process

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A. INSTITUTIONAL FRAMEWORK

Part A: Constant

The Clean Diamond Trade Act (Public Law 108-19) (CDTA) established a Kimberley Process (KP) Implementation Coordinating Committee to coordinate implementation of the CDTA. Provisions of the CDTA are implemented by several United States government agencies and the private non-profit United States Kimberley Process Authority (USKPA). The United States Department of State (State) and the United States Department of Commerce’s Census Bureau (Census), have a Memorandum of Understanding (MOU) with the USKPA, providing a formal structure for government oversight of the private sector’s implementation of the CDTA. Additionally, there is a dedicated seat on the board of the USKPA for a United States Government employee to serve as a liaison and improve coordination and oversight. United States entities involved in implementation of the CDTA and points of contact include:

United States Kimberley Process Focal Point

George Cajati
Acting United States Focal Point for the KP
United States Department of State Bureau of Economic and Business Affairs
2201 C Street, NW Washington DC 20520
(202) 647-6116
USKimberleyProcess@state.gov

Alternate United States Kimberley Process Focal Point

Daniel S. Katz
United States Department of State
Bureau of Economic and Business Affairs
2201 C Street, NW
Washington DC 20520
(202) 647-6116
USKimberleyProcess@state.gov

Exporting Authority

Carolyn Francis
United States Census Bureau
4600 Silver Hill Road
Washington, DC 20233
(301) 763-7016
carolyn.t.francis@census.gov

Importing Authority

Part B: Variable

The point of contact for the United States Kimberley Process changed in 2021 and is now George Cajati, Acting United States Focal Point for the KP.

The United States government seat on the USKPA board is currently vacant as a result of staff transitions.

Mark S. Ziner, Director United States Customs and Border Protection Office of Trade
 1400 L Street, NW
 Washington, DC 20229
 (202) 325-6106
mark.s.ziner@cbp.dhs.gov

United States Kimberley Process Authority

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 801 Second Avenue, Suite 303
 New York, NY 10017
 (212) 997-2002
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Advance Notifications should be sent to:
USKimberleyProcess@state.gov and
KPMAILBOX@cbp.dhs.gov

Confirmations/Reconciliations should be sent to:
ftdkpc@census.gov

B. LEGAL FRAMEWORK

Part A: Constant

The CDTA provides the legal framework pursuant to which the United States implements the Kimberley Process Certification Scheme (KPCS). It is available at:
<http://www.gpo.gov/fdsys/pkg/BILLS108hr1584enr/pdf/BILLS-108hr1584enr.pdf>

Part B: Variable

Updated lists of KP Participants are published periodically in the United States Federal Register. The most recent list was published April 6, 2022 to reflect the addition of Kyrgyz Republic, Mozambique, and Qatar:

The CDTA is further implemented by Executive Order 13312 (July 29, 2003). Pursuant to this Executive Order, Treasury's Office of Foreign Assets Control (OFAC) issued the Rough Diamonds Control Regulations, on September 23, 2004 (31 CFR Part 592). The regulations have subsequently been amended, most recently on June 19, 2018. The Final Rule is available at: <https://www.govinfo.gov/content/pkg/FR-2018-06-19/pdf/2018-12887.pdf>.

The amendments clarified several reporting requirements and removed another; clarified which entity may issue KP certificates for the export of rough diamonds from the United States; clarified the steps necessary to validate a KP certificate; added two definitions that define rough diamond packaging requirements and what constitutes a KP voided certificate; and made certain technical and conforming changes to the penalties section of the regulations. The complete text of the Regulations can be accessed at: <https://www.ecfr.gov/cgi-bin/textidx?SID=02aa5d789d8d91836b303edb85d16c05&mc=true&n ode=pt31.3.592&rgn=div5>

The United States Census Bureau issued regulations on Automated Export System (AES) reporting requirements for rough diamond shipments in October 2003 (15 CFR Part 30). The complete text of the regulations can be accessed at <http://www.census.gov/foreign-trade/regulations/index.html>.

These regulations were amended most recently on April 24, 2018 in a Final Rule titled Foreign Trade Regulations (FTR): Clarification on the Collection and Confidentiality of Kimberley Process Certificates that was published in the Federal Register. The rule amends the FTR to clarify that the data collected from the KP certificates are collected in accordance with the CDTA.

United States Customs and Border Protection (CBP) in the Department of Homeland Security (DHS) amended its regulations in 2013 to set forth the prohibitions and conditions applicable to the importation and exportation of rough diamonds. In addition to restating pertinent provisions of the Rough Diamonds Control Regulations, the amendments (added at 19 CFR 12.152) clarify recordkeeping requirements for KP certificates.

<https://www.federalregister.gov/documents/2022/04/06/2022-07312/list-of-participating-countries-and-entities-in-the-kimberley-process-certification-scheme-known-as>

C. IMPORT AND EXPORT REGIMES

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| <p><i>Part A: Constant</i></p> <p>CBP is designated as the Importing Authority in the CDTA and implementing regulations, and has the authority to enforce import provisions relating to the KP, including verification of KP Certificates. Primary investigative responsibilities and duties are under United States Immigration and Customs Enforcement, Homeland Security Investigations (ICE/HSI).</p> <p>Census is designated as the KP Exporting Authority in the United States. Census collects, compiles, and publishes trade data, including KP statistical data and export reporting requirements for all shipments of rough diamonds.</p> <p>The USKPA establishes and maintains licensing agreements with entities under which such entities (licensees) are authorized to issue KP certificates for individual exports of rough diamonds</p> | <p><i>Part B: Variable</i></p> <p>In 2021, most rough diamonds imported into the United States entered through CBP’s New York Field Office. John F. Kennedy (JFK) International Airport had the highest volume of imported rough diamonds of any United States port of entry.</p> <p>CBP recognized the need to promote a greater understanding of the rough diamond trade and in 2021 worked to revamp the training provided to field personnel. In the upcoming fiscal year, training will be offered virtually to local ports and field offices. The goal of the training is to enhance the knowledge and expertise of CBP field personnel involved in the processing of imports and exports and the enforcement of the KPCS. The training provides an opportunity for CBP field personnel to learn the fundamental requirements related to rough diamond importation into and exportation from the United States, ask questions about the CDTA, and learn how to discern authentic KP certificates.</p> |
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C/1. OUTGOING SHIPMENTS

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| <p><i>Part A: Constant</i></p> <p>Shipment information must be reported to Census through the Automated Commercial Environment (ACE), AES, or a successor system. The Internal Transaction Number (ITN) generated by the AES is assigned to a shipment, which confirms the Electronic Export Information was accepted and is on file in the AES. The ITN must be documented on the United States KP certificate, which completes the validation process for the exportation of rough diamonds from the United States, per federal regulations 31 CFR 592.301. A copy of the KP certificate must be faxed by the United States Principal Party in Interest (USPPI) or United States authorized agent to Census, or provided by other secure methods as permitted by Census immediately after export or import of the shipment from or into the United States in accordance with 15 CFR 30.7 (c). Census continues to reconcile United States Kimberley Process Certificate (KPC) data</p> | <p><i>Part B: Variable</i></p> <p>Pursuant to the United States government objective to review every USKPA licensee at least once in a five-year period, in 2020, State visited three licensees to review their procedures, ensure they were meeting the KP minimum requirements, and recommend any needed improvements. No visits were conducted in 2021 due to COVID-19.</p> |
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reported by exporters via the ACE system, export KPC data reported by our international trading Partners on exports from the United States via the KP Rough Diamond Statistical website, and export data reported by the licensees via the USKPA website. We continue to provide outreach and education to exporters regarding the statistical reporting of rough diamond shipments.

USKPA licensees that issue United States KP certificates for export of rough diamonds include four firms that are common carriers and can issue KP certificates to third parties. Several licensees undergo on-site performance reviews each year and under the MOU all licensees should be reviewed at least once every five years by the USKPA. United States government agencies also conduct licensee reviews. In accordance with the MOU, all licensees actively exporting rough diamonds using KP certificates acknowledged in writing they are in compliance with their licensing agreements with the USKPA. The USKPA also maintains a database used by licensees to report issuance of KP certificates.

In 2018, State concluded work to ensure the effectiveness of the database containing information related to the KP certificates and other information concerning licensees. The project upgraded and replaced the existing USKPA website, upgraded database security protocols and procedures, provided additional information safeguards, and limited the opportunity for user error when preparing KP certificates for export, in addition to other improvements.

To complement existing activities, DHS, through CBP, continues to conduct examinations of targeted rough diamond export shipments.

C/2. INCOMING SHIPMENTS

Part A: Constant

As the Importing Authority, CBP is responsible for implementing, enforcing, and monitoring provisions of CDTA. In order to ensure adherence to the CDTA, CBP undertakes a number of actions, including:

Part B: Variable

In 2021, CBP utilized risk-based methodologies to monitor and refer high risk shipments for examination. CBP officials completed physical inspections on incoming shipments determined to be high risk at numerous ports of entry.

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| <ul style="list-style-type: none"> • Monitoring incoming shipments to assess compliance with the CDTA, • Performing inspections of cargo at United States Ports of Entry, • Developing standard policy and procedures to ensure uniform enforcement of the provisions of the CDTA, • Coordinating with State and international KP authorities to verify the authenticity of KP certificates, • Providing guidance to the importing and exporting community on KP-related issues. <p>Violations of the CDTA are addressed through seizure and civil or criminal penalties.</p> <p>Census continues to reconcile United States Kimberley Process Certificate (KPC) data reported by importers via the ACE system, KPC data reported by our international trading Partners on imports to the United States via the KP Rough Diamond Statistical website. We continue to provide outreach and education to United States importers regarding the statistical reporting of rough diamond shipments.</p> | <p>In 2021, CBP worked to assess rough diamond trade data and identify potential risk areas. Additionally, CBP conducted outreach with the trading community, in partnership with other government agencies and foreign counterparts, to develop intelligence associated with illegal importations.</p> |
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D. SYSTEM OF INTERNAL CONTROLS AND INDUSTRY SELF-REGULATION

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| <p><i>Part A: Constant</i></p> <p>In order to strengthen implementation of the KP, many entities involved in the diamond industry have implemented a system of warranties (SOW) for rough and polished diamonds and jewelry containing diamonds, established by the World Diamond Council (WDC). Under this system, all buyers and sellers of rough and polished diamonds make the following statement on their invoices:</p> <p>“The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions and corresponding national laws. The seller hereby guarantees that these diamonds are conflict free and confirms adherence to the WDC SoW Guidelines.”</p> | <p><i>Part B: Variable</i></p> <p>United States officials engaged with USKPA representatives on multiple occasions in 2021, including board meetings.</p> <p>In 2021, United States government agencies virtually attended sessions of the OECD’s 14th Forum on Responsible Mineral Supply Chains and participated in various industry events and meetings to support efforts to increase transparency in the diamond and jewelry sector supply chains.</p> |
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Several major United States -based jewelry retailers publish policies on conflict diamonds and responsible sourcing on their websites. State strongly supports and promotes industry’s enhanced due diligence and related voluntary efforts.

United States government agencies and the USKPA often interact on issues related to the responsibilities of licensees. Additionally, there is a dedicated seat on the board of the USKPA for a United States Government employee to serve as a liaison and improve coordination and oversight.

E. STATISTICS

Part A: Constant

Since 2009, the United States has served as the Chair of the KP’s Working Group on Statistics (WGS). India has been Vice Chair of the WGS since 2016. In its capacity as Chair of the WGS, the United States leads efforts of the WGS to improve the submission and analysis of statistical data. This position is delegated to the Census, which continues to maintain the statistical website it constructed to host global KP statistical data and works to develop other functions for the WGS. These efforts include the implementation of the 2019 Administrative Decision for the submission of production data by type and the modification to the Rough Diamond Statistical website to add the statistical reporting of the United Kingdom statistics separate from the European Union statistics. In 2021, the KP Rough Diamond Statistical website was modified to add the statistical reporting of Mozambique, Qatar, and Kyrgyz Republic. Also, in conjunction with the Chair of the Working Group on Alluvial and Artisanal Production (WGAAP), Census conducted a four day training session for members of the Mano River Union countries in an effort to provide information on the data collection and statistical requirements of the KPCS. Census collects, analyzes and publishes United States rough diamond trade and certificate count statistics on the KP statistical website quarterly. Data reported to the website contains information reported on the KP certificates. Census conducts bilateral reconciliation with CBP, the USKPA and its trading Partners up to five years from the date of issuance on a KP Certificate and export from the United States in addition to the allocation and preparation of statistical country analysis for members of the KPCS.

The United States has met all of the statistical reporting requirements in accordance with Annex III of the Kimberly Process Certification Scheme’s Core document for the current reporting period. The tables below indicate the United States statistical reporting from 2018-2021.

Part B: Variable

Imports 2021 Overview

As of data reported on March 21, 2022 (Q3 2021 statistics), the United States imported approximately 1.04 million carats of rough diamonds valued at \$382 million. The average price was \$367 per carat. When comparing these statistics to 2020 this constitutes a decrease of approximately 1.43 percent in volume, an increase of 37.10 percent in value and an increase of 39.09 percent in average price. The 2021 statistics includes quarter 3 data as of March 21, 2022. Final tables for Q4 2021 statistics are not available as all Participants have not yet provided them.

Exports 2021 Overview

United States KP rough diamond exports for 2021 as of March 21, 2022 (Q3 2021), shows a total of 924,889 carats valued at approximately \$273 million with an average price of \$295 per carat. When comparing these data to the 2020 statistics, this

UNITED STATES OVERVIEW OF IMPORT AND EXPORT TRADE STATISTICS FOR THE LAST 4 YEARS

| United States of America Statistical Reporting 2018 - 2021 | | | | | | |
|--|--------------|------------------|----------|--------------|------------------|----------|
| Year | Import | | | Export | | |
| | Volume, cts | Value, US\$ | US\$/cts | Volume, cts | Value, US\$ | US\$/cts |
| 2018 | 2,196,062.17 | \$642,062,587.58 | \$292.37 | 1,621,700.05 | \$508,559,217.02 | \$313.60 |
| 2019 | 2,287,348.64 | \$340,952,517.37 | \$149.06 | 1,210,231.80 | \$303,823,009.32 | \$251.05 |
| 2020 | 1,056,051.02 | \$278,552,330.20 | \$263.77 | 973,153.06 | \$271,086,312.52 | \$278.56 |
| 2021 * | 1,040,969.62 | \$381,903,882.24 | \$366.87 | 924,889.31 | \$272,982,996.75 | \$295.15 |

Source: Kimberley Process Certification Scheme 03/21/2022
 Data for 2018-2020 is based on Q4 data
 * Data based on Q3 2021 (03-21-2022).

UNITED STATES OVERVIEW OF IMPORT AND EXPORT KPC COUNT STATISTICS FOR THE LAST 4 YEARS

| United States of America Statistical Reporting 2018 - 2021 | | | |
|--|------------|--------|-------|
| Year | KPC Counts | | Total |
| | Import | Export | |
| 2018 | 944 | 939 | 1,883 |
| 2019 | 873 | 878 | 1,751 |
| 2020 | 534 | 564 | 1,098 |
| 2021 * | 458 | 477 | 935 |

Source: Kimberley Process Certification Scheme 03/21/2022
 Data for 2018-2020 is based on Q4 data
 * Data based on Q3 2021 (03-21-2022).

TOP 3 UNITED STATES IMPORT TRADE ON VOLUME AND VALUE BY COUNTRY OF PROVENANCE FOR 2021

| Top 3 KP Participant Imports 2021 by Volume (cts) | | |
|---|---------------------|-------------------|
| Participants | Volume (cts) | % of Total Volume |
| Botswana | 445,061.53 | 42.75% |
| India | 351,515.86 | 33.77% |
| European Union | 133,612.77 | 12.84% |
| Total top 3 | 930,190.16 | 89.36% |
| All Others | 110,779.46 | 10.64% |
| Total U.S. Imports by volume (cts) | 1,040,969.62 | 100.00% |

Source: Kimberley Process Statistical Rough Diamond Website
 Data as of March 21, 2022 (Q3 2021)

reflects a decrease of 4.96 percent in volume, an increase of 0.70 percent in value and a 5.95 percent increase in average price. The 2021 statistics includes quarter 3 data as of March 21, 2022. Final tables for Q4 2021 statistics are not available as all Participants have not yet provided them.

Kimberley Process Certificate (KPC) Count 2021 Overview

As of Q3 2022 statistics (March 21, 2022), the United States received a total of 458 KPCs and issued 477 KPCs for the period.

This represents a 14.23 percent decrease on import KPCs and a 15.43 percent decrease on exports when compared to 2020 totals. The 2021 statistics includes quarter 3 data as of March 21, 2022. Final tables for Q4 2021 statistics are not available as all Participants have not yet provided them.

In 2021, the United States imported rough diamonds from 22 KP participants. The top three exporters of rough diamonds to the United States by volume (Botswana, India, and EU) accounted for 89.36 percent of the total volume of rough diamond imports into the United States. The top three exporters of rough diamonds to the United States by value (Israel, EU, and South Africa) accounted for 46.97 percent of the total value of

| Top 3 KP Participant Imports 2021 by Value (US\$) | | |
|---|-------------------------|------------------|
| Participants | Value (US\$) | % of Total Value |
| Israel | \$70,471,252.32 | 18.45% |
| European Union | \$60,077,524.55 | 15.73% |
| South Africa | \$48,849,083.60 | 12.79% |
| Total top 3 | \$179,397,860.47 | 46.97% |
| All Others | \$202,506,021.77 | 53.03% |
| Total U.S. Imports by value (US\$) | \$381,903,882.24 | 100.00% |
| Source: Kimberley Process Statistical Rough Diamond Website | | |
| Data as of March 21, 2022 (Q3 2021) | | |

TOP 3 UNITED STATES EXPORT TRADE VOLUME AND VALUE BY COUNTRY OF DESTINATION FOR 2021

| Top 3 KP Participant Exports 2021 by Volume (cts) | | |
|---|-------------------|-------------------|
| Participants | Volume (cts) | % of Total Volume |
| Canada | 190,855.58 | 20.64% |
| Israel | 175,781.87 | 19.01% |
| European Union | 163,374.97 | 17.66% |
| Total top 3 | 530,012.42 | 57.31% |
| All Others | 394,876.89 | 42.69% |
| Total U.S. Imports by volume (cts) | 924,889.31 | 100.00% |
| Source: Kimberley Process Statistical Rough Diamond Website | | |
| Data as of March 21, 2022 (Q3 2021) | | |

| Top 3 KP Participant Exports 2021 by Value (US\$) | | |
|---|-----------------------|-------------------|
| Participants | Volume (cts) | % of Total Volume |
| European Union | 84,070,724.29 | 30.80% |
| Israel | 71,220,267.86 | 26.09% |
| South Africa | 48,839,360.43 | 17.89% |
| Total top 3 | 204,130,352.58 | 74.78% |
| All Others | 68,852,644.17 | 25.22% |
| Total U.S. Imports by value (US\$) | 272,982,996.75 | 100.00% |
| Source: Kimberley Process Statistical Rough Diamond Website | | |
| Data as of March 21, 2022 (Q3 2021) | | |

TOP 3 IMPORTS FROM THE UNITED STATES ON VOLUME AND VALUE BY COUNTRY OF DESTINATION FOR 2021

rough diamond imports to the United States.

In 2021, the United States exported rough diamonds to 22 KP participants. The top three importers of rough diamonds from the United States by volume (Canada, Israel, and EU) accounted for 57.31 percent of the total volume of United States exports. Additionally, the top three exporters of rough diamonds from the United States by value (EU, Israel and South Africa) accounted for 74.78 percent of the total United States exports by value.

The United States received 458 certificates for Q3 2021 as of March 21, 2022. The major imports of the KPCs were from the EU, Israel, and Botswana, which consisted of 58.08 percent of the total import certificates. The United States issued 477 certificates to KP participants for Q3 2021 as of March 21, 2022.

The top three countries importing United States export certificates were EU, Canada, and Japan which consisted of 49.06 percent of the total export KPCs.

Unsorted (7102.10) rough diamonds imported to the United States consisted of 0.11 percent of the total import volume and 0.09 percent of the total import value for 2021 statistics. The United States did not export unsorted rough diamonds as of Q3 2021 (March 21, 2022).

| Top 3 KP Participant Import Certificate Counts for 2021 | | |
|---|--------------------|------------------|
| Participants | KPC Count (Import) | % of Total Value |
| European Union | 143 | 31.22% |
| India | 70 | 15.28% |
| Botswana | 53 | 11.57% |
| Total top 3 | 266 | 58.08% |
| All Others | 192 | 41.92% |
| Total U.S. Imports by value (US\$) | 458 | 100.00% |

Source: Kimberley Process Statistical Rough Diamond Website

Data as of March 21, 2022 (Q3 2021)

| Top 3 KP Participant Export Certificate Counts for 2021 | | |
|---|--------------------|------------------|
| Participants | KPC Count (Import) | % of Total Value |
| European Union | 118 | 24.74% |
| Canada | 62 | 13.00% |
| Japan | 54 | 11.32% |
| Total top 3 | 234 | 49.06% |
| All Others | 243 | 50.94% |
| Total U.S. Imports by value (US\$) | 477 | 100.00% |

Source: Kimberley Process Statistical Rough Diamond Website

Data as of March 21, 2022 (Q3 2021)

For the same period, industrial (7102.21) rough diamonds made up 39.34 percent of the total volume and 0.92 percent of the total value of United States rough diamond imports. Exports of industrial diamonds from the United States were 53.16 percent of the total volume and 2.21 percent of the total value of United States exports.

Lastly, the United States imported non-industrial (7102.31) rough diamonds in 2021 that made up 60.54 percent of the total volume and 98.99 percent of the total value of rough diamond imports to the United States. Exports of non-industrial (7102.31) diamonds from the United States made up 46.84 percent of the total volume and 97.79 percent of the total value of United States rough diamond exports.

THE UNITED STATES REPORTED IMPORT/EXPORT ROUGH DIAMOND VOLUME AND VALUE BY COMMODITY CLASSIFICATION FOR 2021

| HS Codes | Import 2021 Commodity Classifications | | % Total Imports by Volume, cts | % Total Imports by Value, US\$ |
|--------------|---------------------------------------|-------------------------|--------------------------------|--------------------------------|
| | Volume, cts | Value, US\$ | | |
| 7102.10 | 1,195.66 | \$352,640.98 | 0.11% | 0.09% |
| 7102.21 | 409,538.90 | \$3,508,814.01 | 39.34% | 0.92% |
| 7102.31 | 630,235.06 | \$378,042,427.25 | 60.54% | 98.99% |
| Total | 1,040,969.62 | \$381,903,882.24 | 100.00% | 100.00% |

Source: Kimberley Process Statistical Rough Diamond Website

Data as of March 21, 2022 (Q3 2021)

| HS Codes | Export 2021 Commodity Classifications | | % Total Exports by Volume, cts | % Total Exports by Value, US\$ |
|--------------|---------------------------------------|-------------------------|--------------------------------|--------------------------------|
| | Volume, cts | Value, US\$ | | |
| 7102.10 | 0.00 | \$0.00 | 0.00% | 0.00% |
| 7102.21 | 491,629.19 | \$6,035,274.20 | 53.16% | 2.21% |
| 7102.31 | 433,260.12 | \$266,947,722.55 | 46.84% | 97.79% |
| Total | 924,889.31 | \$272,982,996.75 | 100.00% | 100.00% |

Source: Kimberley Process Statistical Rough Diamond Website

Data as of March 21, 2022 (Q3 2021)

F. IMPLEMENTATION OF RECOMMENDATIONS OF KIMBERLY PROCESS REVIEW VISITS

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| <p><i>Part A: Constant</i></p> <p>The United States continues to implement various recommendations of the 2012 KP Review visit, including improving internal coordination, strengthening oversight of licensees, and expanding law enforcement efforts. As noted above, the United States enhanced oversight of the USKPA when it added a dedicated seat for a United States government employee on the USKPA Board of Directors. United States efforts to replace and upgrade the USKPA website and database, enhanced training for import and export experts at importation points, reviews of licensees, and visits of a United States government delegation to Crater State Park are all reflections of the United States effort to implement KP review visit recommendations.</p> | <p><i>Part B: Variable</i></p> <p>The United States notified the KP of its intention to host a KP peer review visit in 2020. While the visit was initially planned for May 2020, it has been postponed pending further discussions with the WGM due to COVID-19.</p> |
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G. INFRINGEMENT AND COOPERATION WITH RESPECT TO ENFORCEMENT

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| <p><i>Part A: Constant</i></p> <p>In 2009, State coordinated a process with CBP and the Smithsonian Institution to transport all forfeited diamonds to the Smithsonian for storage and, consistent with applicable law, possible research determined to be in United States’ government interests.</p> | <p><i>Part B: Variable</i></p> <p>CBP was active in Kimberley Process enforcement and, while investigations and administrative proceedings are ongoing, CBP’s enforcement actions increased from 2020 to 2021.</p> <p>In 2020, CBP seized one rough diamond as the result of a passenger search. CBP officials determined the KPC to be fraudulent and seized the diamond under the Clean Diamond Trade Act. This seizure is currently pending completion of administrative forfeiture process.</p> <p>In 2020, HSI, with the assistance of the State and CBP, prosecuted the first ever case under the Clean Diamond Trade Act. The prosecution resulted in a guilty verdict and sentencing is pending. More information can be found at https://www.justice.gov/usao-mdfl/pr/ohio-manpleads-guilty-violation-clean-diamond-trade-act.</p> |
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H. MISCELLANEOUS

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| <p><i>Part A: Constant</i></p> <p>Central African Republic (CAR) The USGS serves as the leader of the KP CAR Monitoring Team (CAR MT) and represents the</p> | <p><i>Part B: Variable</i></p> <p>Technical Assistance</p> |
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CAR MT in the KP Working Group on Monitoring. This work has consisted of holding teleconferences and video conferences, representing the CAR MT at relevant KP working body meetings, evaluating and monitoring all exports from “compliant” sub-prefectures, which are permitted to export rough diamonds from the CAR under the Revised Operational Framework of 2019, and providing technical expertise required to assess newly proposed compliant zones. There are currently a total of eight compliant zones in the CAR.

West and Central African Diamond Database

Since 2007, the USGS has been maintaining and updating a comprehensive diamond database of West and Central Africa. At present, the database includes the countries of Mali, Ghana, Guinea, Côte d’Ivoire, Sierra Leone, Liberia, Burkina Faso, CAR, and some parts of Cameroon. This database is in the form of a Geographic Information Systems (GIS) geodatabase, containing known primary and secondary diamond occurrences in West and Central Africa. It includes information on the geographic location, deposit type, and characteristics of the diamonds. USGS updates the database frequently as new deposits and mining areas are discovered and as artisanal miners move to new locations. Researchers continues to compile information on other countries in the region. In addition to information on diamond deposits, geologic and base map features have also been compiled as part of the diamond database at a scale of 1:1,000,000.

In 2021, State, USAID, and USGS cooperated to provide technical assistance related to the CAR, as well as the KP CAR MT.

In 2020 USAID’s Artisanal Mining and Property Rights (AMPR) Project assisted in formalizing the CAR KP Permanent Secretariat, which implements KP requirements in CAR, and in the formal adoption of a Road Map or Action Plan on needed reforms with the aim to increase the legal export of diamonds. In partnership with the CAR government, AMPR continues to support the national monitoring committee, the local monitoring committees, and the peace and reconciliation committees within the compliant zones.

Other KP Activities

The Census Bureau continues to represent the United States as Chair of the WGS. The WGS mandate is to deal with statistical matters pertaining to rough diamonds, particularly with respect to the production and trade in rough diamonds, and to ensure the effective implementation of the KPCS across its membership, in line with Annex III of the KPCS core document. The United States, in its role as the leader of the KP CAR MT, led the CAR MT in its post-export evaluation of data related to shipments for compliant zones in the CAR. CAR has eight compliant zones. The USGS published a study “Diamond Mining and Conflict in the Central African Republic” in April 2019 that provides an updated national assessment of diamond mining and production capacity from compliant and non-compliant sub-prefectures in CAR.

DOL International Child Labor and Forced Labor Reporting, and other tools and resources: Sweat & Toil App, Comply Chain, and the Better Trade Tool

The Department of Labor’s Bureau of International Labor Affairs publishes three reports on international child labor and forced labor that serve as valuable resources for research, advocacy, government action, and corporate responsibility. These reports are the annual [Findings on the Worst Forms of Child Labor](#); the biannual [List of Goods Produced by Child Labor or Forced Labor](#); and the periodic [List of Products Produced by Forced or Indentured Child Labor](#). Each of these reports has a distinct mandate, focus

and set of implications, but taken collectively they document the current situation of child labor, forced labor, and forced child labor globally.

The *Findings on the Worst Forms of Child Labor* report focuses on the efforts of certain United States trade beneficiary countries and territories to eliminate the worst forms of child labor through legislation, enforcement mechanisms, policies and social programs. This report includes information on child labor in diamond production by country. The *List of Goods Produced by Child Labor or Forced Labor* comprises 156 goods from 77 countries, as of June 2021. DOL maintains this list primarily to raise public awareness about forced labor and child labor around the world and to promote efforts to combat them. This list serves as a catalyst for more strategic and focused coordination and collaboration among those working to address these problems; it is not intended to be punitive. This list includes diamonds mined with child labor in Angola, CAR, the DRC, Guinea, Liberia, and Sierra Leone, and diamonds produced with forced labor in Angola and Sierra Leone. The *List of Products Produced by Forced or Indentured Child Labor* is intended to ensure that United States federal agencies do not procure goods made by forced or indentured child labor. Under procurement regulations, federal contractors who supply products on the list must certify that they have made a good faith effort to determine whether forced or indentured child labor was used to produce the items supplied. The list includes diamonds from Sierra Leone produced by forced child labor.

DOL also produces several free and easily accessible digital tools and resources. All three reports on international child labor and forced labor are available on DOL's [Sweat & Toil](#) app, which contains over 1,000 pages of research from these reports. DOL's [Comply Chain](#) app and web-based tool targets companies and industry groups seeking to address child labor and forced labor in their global production. Comply Chain provides a practical, step-by-step guide on critical elements of social compliance, and is designed for companies that do not have a social compliance system in place or those needing to strengthen their existing systems and includes many examples of specific good practices. Finally, the [Better Trade Tool](#) empowers users to advance efforts in

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| | <p>supply chain transparency as well as strategic sourcing priorities. This innovative tool integrates existing reporting developed by DOL with United States import trade data, including Harmonized Tariff Schedule codes. As a new data driven initiative launched in 2021, the current version of the Better Trade Tool is available as a beta release.</p> |
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