

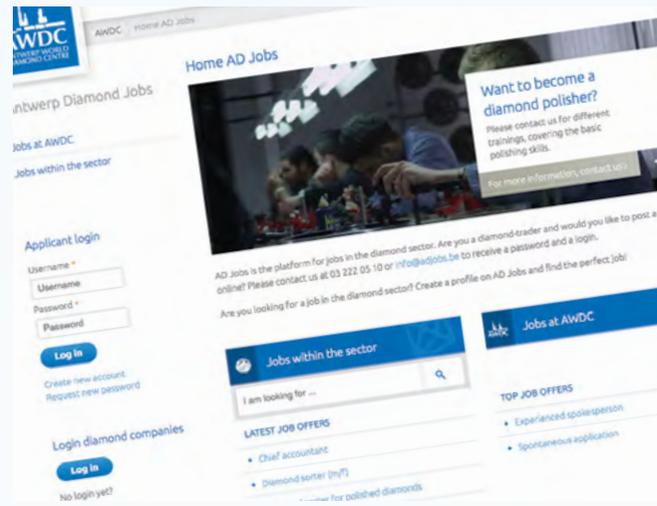
CHAPTER 4

# TRANSPARENCY



The general public often sees the Antwerp diamond sector as a closed sector. It is one of the biggest challenges of AWDC to make the sector more accessible to the general public so they can see firsthand how the industry works.

AWDC does this through various initiatives such as the provision of information, participation in Open Company Day, organization of tours and visits and much more.



## Balanced reporting

AWDC endeavors to inform all those interested in the diamond sector about the latest developments in the sector and makes the following publications available:

- Press releases
- Newsletters
- Monthly reporting on trade figures
- Website
- Annual report

In addition to annual reports, AWDC and consulting firm Bain & Company published three reports concerning specific aspects of the diamond industry. *'Lifting the Veil of Mystery'*, published in 2011, sheds light on the fundamentals of the diamond business. The 2012 report *'Portrait of Growth'* investigates the demand fundamentals that will shape the diamond industry's near- and medium-term future.

The third report entitled, *'Journey Through the Value*

*Chain'* was published in 2013 and focuses on the value of diamonds. For the first time it demonstrates through which sales mechanisms rough and polished diamonds are marketed and sold. In addition to the mapping of the diamond value chain, the report also explores the impact of the continuing uncertain economic climate on the diamond industry. The report also highlights the recent trend of mergers and acquisitions in the segment of diamond producers.

# Responsible advocacy: AWDC outreach to third parties on behalf of the sector

At AWDC, the Public Affairs department promotes the interests of the diamond sector vis-à-vis policy makers on all levels. This ranges from the local government (Antwerp district and the City of Antwerp) to regional, federal, European governing bodies and governments of other countries. In addition to governments, AWDC activities are also geared towards other key stakeholders, such as NGOs and representatives of the diamond industry itself. AWDC is a politically neutral organization. We are not affiliated with any political party or government nor do we have financial ties to these entities.

Recognizing that numerous local, regional, national and supranational policies affect the diamond sector, AWDC strives to foster transparent and productive relationships with policy makers. We support policy makers in making decisions based on complete and fact-based input from our side.

*“AWDC manages to maintain neutrality in conflicts of interest, and to lead a constructive dialogue with all communities, which is crucial for Antwerp as a trading center,”* said Iris

Vander Veken, Manager Corporate Affairs Global at Rosy Blue.

AWDC's adherence to international transparency norms is demonstrated, for example, by being registered in the EU Transparency Register, since 2012. The purpose of the register is to enable the European institutions (European Commission, European Parliament, Council of the European Union) to oversee their interaction with businesses, trade and professional organizations, NGOs, citizens' associations and the like.

According to the Transparency Register homepage, *“Citizens have a right to expect this process to be transparent and to take place in compliance with the law, as well as in due respect of ethical principles, avoiding undue pressure, illegitimate or privileged access to information or to decision makers. All registered parties are bound by a code of conduct. Registration therefore implies ‘playing by the rules’ and acting with full transparency towards the European institutions.”*





Photo Courtesy of The Diavik Diamond Mine

# Steering the Kimberley Process

AWDC and its predecessor, HRD, have been involved in the Kimberley Process from the beginning (May 2000). The technical expertise built up in Angola and Sierra Leone, with the elaboration of certificates of origin, added value to the Process. Moreover AWDC has been leading the technical Working Group of Diamond Experts (WGDE) since the start of the KPCS in 2003. This group is mainly concerned with solving trade barriers due to conflicting measures taken by different member states. Finally AWDC works within the WGDE to improve the techniques of origin recognition, including the preparation of statistical 'footprints' of diamond production from conflict areas, and commissioned by the UN Sanctions Committee in connection with the Ivory Coast, the research on forensic identification techniques ('fingerprinting').

The AWDC Diamond Office plays an exemplary role within the KPCS in connection with the issuance of KP certificates. Of a worldwide total of about 55,000 KP certificates issued, about half of them are issued within AWDC Diamond Office, through the FPS Economy and the European Commission.

The Kimberley Process requires good coordination procedures and communication

between the participating parties, also to ensure transparency towards the general public. As member of the World Diamond Council, AWDC was appointed to co-host the Administrative Support Mechanism (ASM). ASM must ensure continuity through permanent support of the organization, communications and logistics of the KP. AWDC is the central contact point and is responsible for the 'Knowledge management and Institutional memory' of the KP, which entails updating of the website, among others. The following information is available on the KP website and contributes to the transparency of the KP and thereby also to that of the diamond sector.

Statistics concerning diamond production and trade

- Annual reports of KP-participating countries
- Reports of review visits in participating countries
- Documents and reports from various workgroups
- Meeting agendas
- Meeting minutes



## Other transparency initiatives

AWDC also engages in a number of smaller scale initiatives to foster transparency in the diamond sector.

**VISITS & TOURS:** In 2013, AWDC conducted 147 visits and tours. The visits vary, from a tour of AWDC to a visit to Diamond Office or the entire sector (lab, polisher, diamond bourse).

**FLANDERS OPEN COMPANY DAY (*Open Bedrijvendag*):** More than 4,000 visitors took part in a tour of the Antwerp diamond sector, a thousand more than in 2012. Visitors experienced a look into this sometimes seemingly inaccessible industry, with tours of the Bourse for Diamond Trade ('Beurs voor Diamanthatel), HRD Antwerp and AWDC.

**ANTWERP DIAMOND LUNCHEON:** In February 2013, in the framework of the diplomatic days in Brussels, AWDC organized an Antwerp Diamond Luncheon. Ambassadors to Belgium as well as Belgian ambassadors stationed abroad were present. During the luncheon, guests were informed about the importance of Antwerp as the world's most important diamond trade centre.

While AWDC is making a considerable contribution to promoting a transparent diamond sector and applying this principle in its own operations, we do acknowledge that there is still progress to be made.