PRESS RELEASE OF SECRETARY OF MINES, ENERGY AND HYDRAULICS

CONCERNING THE RECENT REPORT "GAME OF STONES" PUBLISHED BY THE NGO GLOBAL WITNESS

Bangui, June 26th 2017

The Minister refutes the broad allegations in the Report which is fundamentally based on a few testimonies from those involved in the fraud and which lacks substance in the several claims made against the Central African Republic.

For just one year now - since June 2nd 2016 exactly - the country has been able to recommence exports after having been blacklisted since 2013, while the resumption of exports was decided a year earlier in June 2015 in Luanda after a successful Review Mission lead by the Republic of Angola, which assumed the presidency of the Kimberley Process (PK).

The due diligences processes which the country had to follow according to an Operational Framework established in Luanda 2015 were of a kind to cause substantial delays to recommence normal business. Despite this, the Government of the Central African Republic was patient patient and worked closely together with the Kimberley Process to avoid misconceptions or any wrongdoing.

Deliberately and with the intent to harm, the GW Report quotes a 2015 UN Report mentioning that "armed groups are present at several diamond mining sites in western Central African Republic, some of which are both inside and outside the proposed Kimberley Process green zone".

As a matter of fact in 2015 there were no proposed KP green zones as the first proposed green zone of Berberati was only confirmed on March 18 2016!

Since this date five (5) green zones have been recognised by the KP, all in the western part of the country : Berberati, Nola, Boda, Carnot and Gadzi.

These decisions were taken after a consensual decision of the CAR Monitoring Team in which also representatives from the World Diamond Council and the civil society coalition participate. Moreover the decisions were preceded by field trips of members of the Monitoring Team to make sure all due diligence processes had been respected.

In fact, the reforms implemented by the Government make possible to control rough diamonds from the production site in compliant zones, transfer of
diamonds in tamper-resistant bags to Bangui, verification of exhaustiveness of
the documents, sending all shipment data to the Monitoring Team for
confirmation of export, etc. These reforms are being carried out with the
assistance of the PRADD (Property Right and Artisanal Diamond
Development Project) funded by the United States Agency for International
Development (USAID).

Exports have been re-commencing little by little and went along with
combating illegal trafficking in collaboration with the neighboring countries. To
this end the Government worked together with officials from DRC and
Cameroon during a Regional Meeting of the Ministers of Mines in Bangui on 3-
5 August 2016.

The Government recognizes that cross-border smuggling of rough diamonds is
a criminal activity that has always existed. It was exacerbated by the effects of
the KP suspension from May 2013 to May 2016, and certainly with the use of
new technologies and social networks. However, the Government declares that
this phenomenon is clearly declining at present further to the courageous
measures that have been taken to ensure better control of the green zones
recognized by the KP in the western part of the country.

It is in the interest of the country that diamonds that leave the country are
taxed. Lifting of sanctions and fighting illicit trade should go hand in hand. It is
through the payment of these taxes that the Government can reinforce the
Special Anti-Fraud Unit (USAF) who have the duty to combat illegal trafficking
in the country’s mineral resources.

The government hopes that despite the non-factual allegations in the GW
Report the resumption of exports will continue since as of today and for the
period of a full year only 21,369.28 cts of diamonds have been considered
ready for export whereas the total for the five green zones could be in excess
of 175,000 if and when full confidence within the diamond communities is
reinstated.

As the Government was preparing to deploy in the eastern part of the country
(Bambari, Bria, Nzako, Sam Ouandjia, Ndélé and Dimbi) with the assistance
from MINUSCA and PRADD Project, and unfortunately occurred the last
murderous events that we deplore.

The Government also regrets the GW singles out one exporter Sodiam which
has stood by the Government in difficult times while respecting KP rules
and. The contribution of SODIAM was crucial, as it has exported 76 % of total exports since the resumption.

In this respect, it is important to remember that one (1) family out of four (4) in the country indirectly lives from artisanal and alluvial mining.

The Government of the Central African Republic therefore expresses the wish that any proposal at present should help it to extend its control on diamond production zones in the East and to promote the restoration of peace in the country.

Bangui, June 26th 2017

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