



Raising the Community Voice in the Extractive Sector

CRD's Response to Chidakwa's statement at the mining indaba

Government lacks sincerity in implementing reforms in the diamond sector

The recent statement by mines and mining development minister Chidhakwa that mining companies are resisting consolidation and that they misrepresented their investment plans to government is frivolous and cannot be accepted as an explanation for government failure to transform the diamond industry. The government of Zimbabwe adopted the Zimbabwe Diamond policy in June 2014 in order to close existing policy gaps and regulate the diamond industry. The diamond policy provided the framework for the development of the diamond act to legally effect reforms in the sector. Three years have passed since the adoption of the diamond policy but no diamond act has been availed by the ministry of mines. If it had been enacted the diamond act would have adequately dealt with issues of accountability, contracting, marketing, revenue disclosure, security, local beneficiation among other issues. The move by Chidhakwa to merge mining companies in the absence of a legislative diamond policy framework is like putting the cart before the horse. It is also disturbing to note Chidhakwa is giving more priority to mergers without overhauling the mines and minerals act to improve on transparency and accountability in the mining industry.

The government of Zimbabwe has overwhelming evidence that mining companies in Marange have failed to account for revenue to treasury and committed serious human rights violations on their workers and surrounding communities. These malpractices were captured in the findings submitted to government by the Parliamentary Portfolio Committee on mines and development in 2013. The CRD is on record for calling on government to suspend mining operations in Marange to allow due diligence process. The government ignored the call and instead promised to set up what Chinamasa in his budget statement of 2014 described as "a joint task force" to manage diamond revenue to fiscus. The mining situation in the diamond fields of Marange has now deteriorated and government is squarely to blame for allowing it to happen. The statement made by Chidhakwa that mining companies have duped government or are resisting mergers must never be taken serious by the people of Zimbabwe as long as government is failing to institute legal reforms in the sector. Instead Chidhakwa must realise that it is a violation of the country's constitution and citizens's rights for a government to protect the interests of unscrupulous individuals exploiting diamonds in Marange for personal enrichment.

On going panning activities in Marange diamond field signal the demise of the diamond industry.



Diamond extraction areas in Marange increasingly becoming sources of organised illegal diamond panning

In his mid term 2015 policy review, finance minister Chinamasa expressed disappointment in the decline of Marange diamond output and set the trajectory by calling upon relevant government ministries and departments to expedite mining reforms. When he delivered his keynote address at the recently held mining indaba, the minister of mines was widely expected to update the nation on the progress made in implementing reforms not to take the nation backwards by raising the same issues that he is already aware of. Minister Chidhakwa complained on the lack of accountability and transparency in diamond mining companies without proffering tangible solutions. According to him "people are now buying private jets because of our diamonds".

The CRD continues to monitor the situation in the diamond fields with hope of seeing improvement in operational standards critical for local communities to benefit including the general mass of Zimbabwean citizens. However, the continued influx of illegal panners in mining concessions in Marange is a telltale sign of a diamond industry that is spiraling out of control

One Tichaona Mlambo an illegal diamond panner,told CRD that it was now easier to pick diamonds in the mining concessions because workers and company guards direct them to extraction zones.Another one walter Kaparadza also told CRD that he avoided detection on the diamond scan by hiding several pieces of diamonds right in the diamond field upon seeing the reaction squad of the security guards.He vowed to return to the diamond fields to retrieve them.The security situation in Marange has become porous because workers are not receiving regular salaries.Meanwhile the biting economic hardships continue to drive hundreds of unemployed youth from the surrounding communities to illegally pan for diamonds inspite of the inhuman conditions met on them by mining officials.The local community has nothing to show from diamond mining in Manicaland.

Ministry of mines ignored advocacy campaigns to reform the diamond industry.

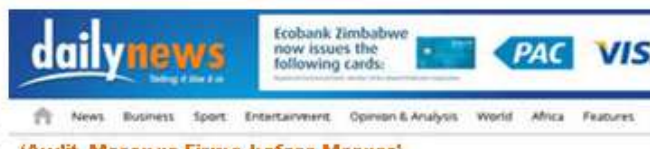


Tendai Bti's advise to Zimbabwe's new minister on mines

Firstly, a Diamond Act is long overdue in Zimbabwe that must delink diamonds from both the Precious Minerals Act as well the Mines and Minerals Act. The new Diamond Act must among other things deal with the following issues that are a fundamental prerequisite of making Diamonds play their key role in this economy

- 1) the Act must deal with the question of reassertion of State control and dominion over diamonds.
- 2) it must then deal with a transparent mechanism of the parcelling out of joint venture diamond mining rights. The old order where concessions where opaquely given out to all kinds of smelly immoral characters some of whom have been looting this country since 1890 is not legal or sustainable.
- 3) it must delink and take out State Diamond mining from the ZMDC, which is loaded with other minerals to a Diamond Agency of Zimbabwe.

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'Audit Marange Firms before Merger'

HARARE - Mines minister Walter Chidhakwa must produce audited reports on the operations of diamond mining companies in Marange before rushing to merge them, civil society pressure groups have said.

In a joint statement yesterday, the Centre for Research and Development (CRD) and Zimbabwe Natural Resource Dialogue Forum (ZNRDF) said they were deeply concerned about the arbitrary decision taken by government.

This comes as Chidhakwa directed the seven diamond mining companies to merge under a two-year phased programme for the State to centralise its oversight on the exploitation of the diamond rich Marange area in Manicaland.

"We are deeply concerned that prior to the merger, government has not instituted independent audits on all operations in Marange where government is a major shareholder," read the statement

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Shut down Chiadzwa: civic society groups

CIVIL society groups in Manicaland have demanded the immediate cessation of diamond mining operations in Marange to pave way for an independent and comprehensive audit of all companies operating there, whose findings must also be made public.

"It also dampens our spirit to realize that government ... covertly parcelled out national resources to negative entities who have no interest in the socio-economic upliftment of the Zimbabwean people," reads a joint statement released in Mutare Monday by Centre for Research and Development (CRD), Zimbabwe Natural Resources Dialogue Forum (ZNRDF) and Marange Development Trust (MDT).

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Corruption affects diamond security

MARANGE diamond field security is deteriorating amid an influx of illegal and corrupt activities involving guards manning the area and illegal panners, a leading extractive sector research institution has said.

Centre for Research and Development (CRD) says the situation is being worsened by government delays in instituting reforms in the diamond sector.

"The security situation in Marange has deteriorated," a CRD report released this week noted.

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Report exposes abuses at Chiadzwa

CENTRE for Research and Development has released a report chronicling human rights abuses in mining areas of Chiadzwa while calling upon the ministry of mines to urgently amend the existing mining laws



The report titled, Challenges and future prospects in the mining sector, raises questions of transparency and accountability.

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Diamond Mining in Zimbabwe: The Chininga Report



(c) Legal and Policy Framework

Government has been procrastinating in introducing a comprehensive law to regulate the operations of the diamond sector. Such a law is critical in that it will clearly highlight the financial system to regulate the industry and to hold any offenders accountable. The Committee noted with concern that there was divided discourse within the Executive on whether to introduce a Diamond Bill or to amend the Precious Stones Trade Act as the principle law to govern the diamond sector.

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