



## **Raising community voice in the Extractive Sector**

### **Press Statement on Marange Diamonds.**

#### **Centre for Research and Development and Zimbabwe Natural Resource Dialogue Forum**

The potential of diamonds in Marange to accrue the much needed revenue that could resuscitate the ailing Zimbabwe economy and uplift the living standards of vulnerable communities has been stifled by the perpetuation of well calculated and deliberate practices by responsible authorities in government that has been seen in the eyes of progressive voices of Zimbabwe, Civil Society and summed up by the World Bank as lack of due process in the allocation of mining rights, concealment of beneficial ownership, opaque financial terms of joint ventures and leakages of revenue to treasury.

Civic Society in Manicaland reflects on the recent two Antwerp diamond sales in Belgium where government received a paltry 11.5 million to fiscus out of the 80.5 million United States dollars realised from the sale of 1 239.654 million carats which is a clear confirmation that revenue generated from Marange diamonds was never meant for the people of Zimbabwe as 3 quarters of this revenue is lining the pockets of unscrupulous foreign investors and individuals and their relatives who are scooping diamonds in Chiadzwa.

Civic Society in Manicaland is appalled that government for the past 6 years has parceled and shared such a strategic national resource to individuals and flight by night investors at the expense of the ailing economy and the affected communities. It also dampens our spirit to realise that government spent millions of tax payers' money from the over strained economy to support the anti sanctions lobby whilst covertly parceling national resources to negative entities who have no interests in the socio-economic upliftment of the Zimbabwean people.

The vilification of civic society working in the extractive sector by government functionaries is regrettable but it has not distracted people from realising that only a few individuals, none from the communities are benefitting from Marange diamond proceeds. Insinuations being made by mining companies of resource depletion in Marange are coming at the backdrop of human rights violations which has seen instant displacements of communities without secured alternative livelihoods and environmental degradation. The possibility that we may be part of a generation that has failed to manage and secure our natural resources for our next generation is imminent and responsible authorities in government must now roll their heads in shame.

## **Zimunya Marange Community Share Ownership Scheme**

The recent appearance before the Parliamentary portfolio committee on Indegenisation and economic empowerment by mining companies after 6 years of mining alluvial diamonds in Chiadzwa to proffer ignorance over the existence of Zimunya-Marange Community Ownership Scheme further exposes the complicity and complexity between government functionaries and mining companies in employing exclusionary tactics to deny the rights of communities to benefit from the exploitation of natural resources found in their locality.

### **Government fumes over Marange diamonds.**

Civic Society in Manicaland welcome continued remarks by some of the progressive voices in government against poor corporate governance practices taking place in Marange diamond fields. Recently the minister of mines was reported saying that government "will rather halt mining operations if mining companies continue to fleece government through understating of the stones" and both the minister of mines and finance in their recent interview with the Sunday mail admitted that they do not know the production figures of diamonds coming from Marange. However Civic society is perplexed by the failure on the part of government who are perceived to be majority shareholders in these mining ventures to take decisive action and end the hemorrhage in Marange diamond fields.

Civic Society is following with keen interest plans by government to merge mining companies mining in Marange into one as a measure to promote transparency and accountability. According to Chidhakwa plans to overhaul chiadzwa diamond mining operations were triggered by alleged pillage and graft. Civic Society has been calling for government to review mining contracts for companies mining in Marange for the past 6 years in order to stop natural resource plunder and promote sustainable mining but was largely ignored.

It is against this background that civic society working in the extractive sector in Manicaland makes the following demands.

1. Immediate cessation of all mining operations in Marange to allow independent comprehensive auditing of all diamond mining companies and ensure that the findings are made public.
2. Government must immediately take corrective action to address commitments that were not fulfilled by mining companies for affected communities including relocated families at Arda Transau.
3. Government must immediately engage experts to undertake geological mineral survey of Marange diamond fields in order to ascertain the quantum and value of what remains of Marange diamonds. This survey will be an important negotiation tool for any future engagements with foreign partners.
4. Government must expeditiously enact a new mineral policy that enshrines accountability and transparency at the same time safeguarding community rights.
5. The parliament of Zimbabwe must play an oversight role to scrutinise and recommend mining contracts for strategic national resources like diamonds.

6. Government must ensure that the new mining venture in Marange undertake human rights impact assessment in order to identify, prevent, mitigate and account for adverse human rights impacts. Human rights due diligence must be initiated in the early stages of business development and it must be integrated in all business functions and internal processes.
7. Revisit the Indegenisation and Economic Empowerment Act on Community Share Ownership Schemes to plug the existing gaps and loopholes that mining companies have been exploiting to subvert their obligations and compliance.
8. Government must work with other established community based organizations in Marange and allow communities to choose their own representatives to the community ownership schemes. Civic society is ready to work with government in capacity building CSOT to ensure that resources meant for the communities are handled in a transparent manner.
9. Government must engage local civil society and community based organisations for consensus building on developmental issues and human rights monitoring in Marange diamond fields.
10. Harmonise the roles of ministry of mines and indeginisation to avoid inconsistencies and overlaps of responsibilities impacting negatively on the communities.