



*Raising the Community Voice in the Extractive Sector*

## **CRD PRESS STATEMENT ON**

### **MANICALAND PROVINCIAL CIVIL SOCIETY DIALOGUE ON DIAMONDS IN PREPARATION FOR THE ZIMBABWE DIAMOND CONFERENCE 4 November 2014**

#### **VENUE: AMBER HOTEL, MUTARE**

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 not materialized due to lack of transparency in the allocation of mining rights, beneficial ownership, opaque financial terms of joint ventures coupled with diamond leakages.

The first quarter of 2014 saw Zimbabwe earning 99 million out of the 1 342 000 carats of Marange Diamonds sold in Antwerp and Dubai respectively. Of the two diamond sales in Antwerp government got a paltry 10.4million out of 69 million dollars of revenue generated according to official sources. In his own words after this sale minister Chidhakwa said that: I quote "given the tokenistic payments made to treasury since operations in Marange commenced, it is evident that there is something terribly wrong either with the way the Zimbabwe Revenue Authority is operating or the way mining contracts are negotiated." In May 2014 CRD and Zimbabwe Natural Resource Dialogue Forum (ZNRDF) released a statement calling upon government to cease mining operations in Marange to allow independent audits of mining operations a move widely expected to address transparency and accountability concerns in Marange. The government did not hid the call and preferred mergers instead.

No mergers have taken place in Marange 6 months after government announced the plan and no concrete measures have been put in place by government to address accountability and transparency gaps in the management of Marange diamond resource to address;

- Secretive shareholding structures of beneficiaries.
- Security and human rights violations that remain prevalent in Marange
- Exclusionary mining practices violating socio-economic and environmental rights of communities.
- Unfulfilled commitments to displaced villagers at Arda Transau.

The vilification of civic society working in the extractive sector by government functionaries over 5 years of mining of diamonds in Marange 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. Today revenue generated out of these diamond sales is no longer trickling to Marange to sustain smooth mining operations let alone meet the development expectations of the mining community. In some mining ventures machines have irretrievably broken down, and several mining plants have been shut down due to lack of maintenance. Some workers have gone for more than 5 months without salaries and others have had their salaries arbitrary slashed by their executive.

In its contribution to civil society position to be presented at the incoming Zimbabwe Diamond conference, CRD reiterates the following demands.

1. Review current mining contracts in Marange and allow the parliament of Zimbabwe to scrutinise and recommend mining contracts for strategic national resources like diamonds.
2. 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.
3. Government must expeditiously enact a new mineral policy that enshrines accountability and transparency at the same time safeguarding community rights.
4. Revisit the Indeginisation 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.
5. Government must engage local civil society and community based organisations for consensus building on developmental issues and human rights monitoring in Marange diamond fields.
6. Create employment in the diamond industry by investing in the diamond cutting and polishing Industry.