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Government Unwilling to Reform the Diamond Sector in Order to Curb Diamond Leakages and Human Rights Violations in Manicaland

The CRD raises concern on the continuous looting of diamond revenue by government agencies. The concern follows the arrest on Wednesday of Zimbabwe Consolidated Diamond Company (ZCDC) Chief Executive Officer (CEO) Dr Morris Mpofu on allegations that he recommended to the Minerals Marketing Corporation of Zimbabwe (MMCZ), a blacklisted convict to buy diamonds weighing 358.58 carats for US\$258 224.66 according to a state media report.

Yesterday ZCDC announced the firing of the entire mining executive including Dr Mpofu. According to the MMCZ Act Chapter 21:04 the corporation is duty bound at all times to act in a manner that will best promote the efficient marketing, exporting and sale of all minerals in the national interest of Zimbabwe. The act also requires the Minister of Mines to be advised on all matters connected with the marketing of minerals in and outside Zimbabwe. It is appalling to realise that MMCZ accepted buyers recommended by a CEO of a diamond company when they knew that there was conflict of interest. Needless to say there was no due diligence conducted by MMCZ on the blacklisted buyer prior to the diamond auction. The failure by MMCZ to account for its actions is coming at the backdrop of suspected billions of Marange diamond revenues that were lost to transfer pricing in auctions conducted by the corporation. Reliable sources at ZCDC highlighted that the decision to expose the rot was triggered by power struggles between Dr Mpofu and securocrats in senior positions at ZCDC who are closely linked to the top brass in government. They further indicated that the firing of the entire executive yesterday was a smokescreen to conceal opacity in the diamond value chain.

The CRD is on record for highlighting that government is in complicity in the plunder of diamonds by deliberately failing to implement policies and practices that promote accountability in the diamond industry. There is no diamond piece of legislation to regulate the industry 6 months after the Minister of

Mines, Winston Chitando, had made an announcement that the policy was going to be ready by end of November 2018.

President Mnangagwa refused to assent to amendments to the mines and minerals bill in 2018. There is no political will by his government to process the bill to ensure that the mining sector is governed by an act of parliament that is aligned to the constitution ever since the bill was returned to parliament. In January 2019 the MMCZ announced to the nation that it was going to conduct 10 diamond auctions this year. There is no public disclosure on diamond sales by the Minister of Mines as was the case before the harmonised elections of July 2018. In 2018 the government through ZCDC outlined a diamond mining vision that was premised on accountability and transparency with a view of ensuring sustainability of communities impacted by diamond mining.

As part of that vision government made an undertaking to regularise artisanal diamond mining in order to create employment for locals whilst curbing human rights violations of artisanal miners and other members of the local community. That vision has not materialised because there are no accountable policy frameworks and transparent practices in the governance system. As diamond mining remains exclusionary, incidences of diamond digging and looting are spiraling out of control in Marange amid worsening human rights violations and loss of human life at the hands of the same state institutions involved in opaque mining practices.