

Building International and Regional Consensus Policy Dialogue Report

Zimbabwe in Transition:

Special Focus on Diamond Exploitation and the Kimberley Process

On 21st January 2010 the Southern African Liaison Office (SALO) convened a 'Building International and Regional Consensus policy dialogue' on Zimbabwe's transition, with a special focus on diamond exploitation and the Kimberley Process. The policy dialogue sessions bring together national, regional and international stakeholders, including civil society, policymakers and diplomats, to encourage greater North/ South policy dialogue and to discuss ways they can engage moving forward.



Panelists in the session outlined the scope of the problem of diamonds in Zimbabwe, spoke on recent developments in the Kimberley Process discussions, highlighted the steps that the Zimbabwean government is taking to restore basic services and the role of the region, and finally made some recommendations of things that need to be done to move towards a solution to the issues.

Diamonds in Zimbabwe: Outlining the problem

Despite significant progress made by the Government of National Unity (GNU) over the past year, much of the country's infrastructure remains devastated. **Mr. Valentine Sinemani, Principal Director in the office of the Prime Minister of Zimbabwe**, commented that '... those who have been [to Zimbabwe] ... truly understand the damage and decay that has happened in infrastructure ...we are restoring services in health, education, water, roads, bridges, transportation infrastructure, telephones. Just restoring is a top priority in government and respective ministries.'



Zimbabwe's potentially vast wealth from diamond exploitation in Marange and elsewhere could help alleviate much of the poverty and inequality that Zimbabwe faces. **Ambassador H.E. Xavier Marchal, Ambassador of the EU/EC to Zimbabwe**, observed that the diamonds in Marange could 'potentially...sort out, positively,

Zimbabwe - by giving Zimbabwe all the monetary resources it needs, so that Zimbabwe would not have to go around the world and ask for money to recover its economy'. However, it is clear that this is not happening. Ambassador Marchal says 'It is very clear that smuggling continues, illegal trading is there and what should enter into the coffers of Zimbabwe is not present.



The problem is not unique to Zimbabwe alone. **Mr. Deprose Muchena, Economic Justice Programme Manager for the Open Society Initiative for Southern Africa (OSISA)**, highlighted the fact that the 'vast majority of Africans still live below the poverty datum line, trying to eke out a living in a narrow no-mans land between malnutrition and starvation' even though Africa holds large percentages of the world's resources, including gold, diamonds, titanium, cobalt, chromium, platinum, phosphate, manganese and bauxite, to name a few. 'There is a dichotomy: on the one hand you have resource rich countries in Africa and Southern Africa; on the flip side you have immense and massive poverty that does not correspond with the size and development of resources we have. It is a scourge that we need to talk about and interrogate more closely because the actors that cause that are to be found on this continent but they are also to be found in Europe.'

Echoing this, **Ms. Sinikka Antila, Ambassador of Finland to Harare**, noted that '...the resources of the continent should benefit the people of the continent... to alleviate poverty, bring services to the people and uplift the living standards of people. We know the devastating consequences of not using the resources of the country for the common good. These examples have been cited in Sierra Leone, Angola and the DRC and so on.'



Compounding the issue of misuse of revenues are the human rights violations in the diamond fields that organizations like the Centre for Research and Development (CRD) have brought to light. **Mr. Farai Maguwu, Director of the CRD from Zimbabwe**, recalled the scene in the Chiadzwa diamond fields in 2008 when 'the Zimbabwean government deployed the national army into the Chiadzwa field' as 'a state of warfare, the government versus the people'. According to the documentation of abuses catalogued by the CRD, in the military operation that followed hundreds of people were shot and killed in the diamond fields. The army also entered Mutare City and abducted people to fill up the open gullies left by the panners, with their elbows. Those who were abducted were often tortured, beaten or raped.



Ms. Venitia Govender, South African solidarity activist and founder member of SALO, summarized the larger danger that the diamond situation presents to the stability of the GNU and the continued progress of Zimbabwe's transition. 'The diamonds issue provides some insight into the complicity of the public and the private sector...It is an unholy economic and political alliance in many ways. The diamonds will hinder what progress can and should be

made in the transition. For one, it is a resource which will be used and has been used, to manipulate and threaten violence or the resurgence of violence. The diamonds have been used to undermine and undo some of the gains which have been made in the transition.'

Zimbabwe and the Kimberley Process

The Kimberley Process (KP) was established to help regulate the diamond industry and certify that countries are in compliance with these regulations and that rough diamonds are 'conflict-free'. A recent KP summit meeting held in Namibia looked at the issue of Zimbabwe's compliance with the KP regulations. **Ms. May-Elin Stener, Minister Counsellor of the Royal Norwegian Embassy in Pretoria**, reported that while the 'suspension of Zimbabwe from the Kimberley Process was discussed; they decided not to



suspend Zimbabwe.' There was however, as Ambassador Marchal highlighted, 'recognition by the KP members that Zimbabwe is not fully complying with KP standards and rules.' As a compromise, 'a KP monitor was to be deployed to Zimbabwe in order to monitor the implementation of the action plan as well as the movement and exploitation of the diamonds in Marange.' In addition, Zimbabwe had to regularly inform the KP of any legal issues related to the mines and a review of Zimbabwe's progress was to be carried out before the end of March 'to assess the implementation of the work action plan.'

While there was acknowledgment that Zimbabwe is not fully compliant with the KP protocols and regulations, there was concern amongst some panellists that not suspending Zimbabwe and only appointing a KP monitor was not going far enough. The concern was that the grave human rights concerns were not being addressed by this course of action. Mr. Muguwu said that during the Namibian meeting 'friends of Zimbabwe, especially Namibia...have been advancing the idea that the human rights issue has nothing to do with Kimberley. They said there are enough international instruments monitoring human rights issues, not the KP - an argument which was found to be very ridiculous in that the reason why the KP came into existence was to stop the wars that were been funded by diamond sales and the gross human violations that were

being experienced in countries like Liberia, Sierra Leone, Angola and some other 'hotspots' in the world.'

Issues around the monitor itself have also cropped up. Speaking to the issue of Zimbabwe having demanded the appointment of a monitor acceptable to them, Ambassador Marchal asserted that 'Zimbabwe has no right to nominate unilaterally a KP monitor so if they do that, they are in breach [of] KP positions and the work plan.'

One breakthrough was the inclusion of civil society in the KP sessions in Namibia. That the CRD was able to attend the meeting and, Mr. Muguwu pointed out, was important in that they were able to 'present the other side of the story' of the version as narrated by the Government of Zimbabwe's deputy minister of mines. He claimed that 'not a single person has been killed in the diamond fields and all the human rights abuses which are been alleged are a figment of our [CRD] imagination', to which the CRD was able to respond and 'set the record straight' through pictorial evidence and affidavits from doctors who had conducted post-mortem reports. Ms. Govender states that 'those from Zimbabwe and others had some difficulty with our presentation. There were many challenges. However the building of local infrastructure in Zimbabwe will remain when we have walked out of there. It is made up of people who will maintain a watchful eye over their resources, their government and their issues.'

While the inclusion of civil society in the KP meeting was a step forward for civil society engagement on this important issue, it was not enough to achieve the aim of the CRD to have Zimbabwe suspended from the KP until the diamond fields are demilitarized. Mr. Muguwu 'note[d] with concern that there is basically no change of doing things before and after the Namibian plenary. There has been no appointment of a monitor to go and investigate or to monitor how the diamonds are being mined, how the diamonds are being transported from the field, [or] how the diamonds are been stored in Zimbabwe in preparation for export.'¹

There is some disagreement on whether the best path is to demand the suspension of Zimbabwe from the KP and the cessation of diamond exploitation until all human rights concerns are addressed, as put forward by Mr. Muguwu, or whether, as Mr. Muchena argues, 'we need to use the proceeds, especially from diamonds, to fund the national budget' recognizing that it is unlikely that the GoZ will halt diamond mining. Ms. Govender looks to the diamond issue as a potential issue that can create substantial leverage and pressure, but recognizes that any threats have to have teeth and that 'enforcement measures have to be put in place and they have to be monitored. There have to be some sanctions measures if they are to effectively apply. Simple calling will not work.'

¹ At the time of drafting these meeting notes a monitor for Zimbabwe had been appointed.



Ms. Joan Fubbs, ANC MP, Chair Portfolio Committee of Minerals and Energy (Formerly National Union of Mineworkers)

spoke of the hypocrisy in the application of the KP process. She explained that Zimbabwe could not 'exploit the easy liquidity to be obtained through diamond selling' if it was not in part for the willing buyers of the diamonds, of which she candidly stated the final buyer is 'very often sitting in a European capital.' Diamonds cannot be processed to a high degree within the region, she pointed out, and require outside assistance. Therefore it is not enough only to penalize Zimbabwe, and she said that 'We are of the opinion that the KP may also need reform as well, that particular institution as it currently stands is not necessarily exactly the kind of instrument as perfect as we would like in the same way the WTO is not.' She went on to explain that South Africa's position with respect to the KP and Zimbabwe was that of 'dialogue and support and assistance' in the first instance, instead of harsh measures. She stated that 'suspension only needs to be pursued when all else fails'. Ms Fubbs asserted clearly that there had been some progress within Zimbabwe in the last two years, she said: '[t]he reality is that Zimbabwe in transition has made progress, however limited, that progress has been made.' However, she noted that Zimbabwe still needed progress to be made in terms of civil society, institutional capacity and good governance.

Diamonds and Zimbabwe's transition

Most would agree that, as Ambassador Marchal noted, there has been some relative progress in Zimbabwe as a result of the signing of the Global Political Agreement (GPA) by the Zimbabwean transitional government. The ambassador gave the example of how present day Zimbabwe is 'very different to the Zimbabwe of say 28 June 2008 or 14 September 2008... the Zimbabwe of today is like another country compared to the Zimbabwe prior to the GPA. There is an inclusive government going to work towards moving the country back to prosperity'.

One way in which the Government of Zimbabwe is attempting to address the economic challenges it faces is through the creation of a comprehensive government work programme which, according to Mr. Sinemani, 'derived and comes from the GPA and the government of Zimbabwe through cabinet'. The programme contains the 'priorities, targets, objectives' which the Zimbabwean government seeks to achieve, which commits the GoZ itself to five major objectives, including the restoration of the economy and economic growth and ensuring food security, as set out in GPA Article 3, and the restoration of basic services, particularly education and health. Mr. Sinemani asserted that the diamond issue in Zimbabwe presented an opportunity for the country to use the highly valuable natural resource to restructure and restore infrastructure and fund these government objectives. '...The issue of diamonds represents an opportunity

for the reconstruction of the country and of what could come if we fully utilise the resources that we have’.

However, Ambassador Marchal believes that smuggling continues, aided by ‘the particular way the diamonds exist in Marange, which in my understanding is about 4 to 5% of very high value. Then it is those 4 to 5 % that can easily be smuggled out. And so here is the danger, the way forward in a nutshell: Zimbabwe must implement the action plan, get back to full compliancy and this is not the task of one part of the government or the other. ‘

Deprose Muchena agrees that the shortfalls created by this siphoning off of state resources will negatively impact Zimbabwe’s ability to recover. ‘Marange, according to Gideon Gono...in 2008 was producing US\$150 million a month’ and revenue from taxes was US\$66 million in May 2009. The challenge is ‘how to channel natural resources that are coming from the extractive industries into a coherent macro-economic development strategy’and where to find the US\$8.3 billion required for the recovery program ‘when in fact we can finance [it] from local resources, if there is transparency in the extraction of natural resources.’

External assistance could also be in jeopardy if the diamond issues are not addressed. Significant external assistance from donors like the EC has been committed, ‘around 300 million Euro in Zimbabwe’ in order to support health, basic education and food security initiatives within the country, reported Ambassador Marchal. However, if donors do not see progress made towards the full implementation of the GPA they will likely withhold further assistance. Ensuring that the rights of all Zimbabweans are protected is an integral part of the GPA, thus the exploitation occurring at the mines needs to be addressed.

Recommendations for Next Steps

The panellists had between them a number of recommendations about what roles various actors, including regional actors and civil society organizations, can play going forward to influence and assist the Government of Zimbabwe to address the issues emerging from the diamond debate.

Regional players: SADC and South Africa

As with the transition in general, SADC and South Africa in particular have important roles they can play in the resolution of the diamond-related issues in Zimbabwe. Muchena points out that ‘when we discuss Zimbabwe recovery including diamonds, the complicity of South African private capital and also public capital must also be on the table. South Africa must, then, play a part in assisting Zimbabwe to address the issues around diamonds.’

The South African media can be a potentially powerful actor in influencing change in Zimbabwe, said **Sisa Njikelana (ANC MP, Member Pan African Parliament, ANC Parliamentary Committee on International Relations)**. But they need to be careful not to engage in 'partial and even at times biased or excessive reporting of atrocities by ZANU-PF as compared to misdeeds by other groups' which could do more harm than good. He also highlighted the role that South Africa can play in supporting Zimbabwe's economic recovery programme, but again cautions 'against opportunistic behaviour by certain sectors of business. This diamond issue has exposed that. I trust and hope that the business sector will be encouraging and robust on that.'



SADC can also play a more forceful role in helping Zimbabwe to deal with the diamond issue and to effectively transition. According to Mr. Njikelana, SADC and some member countries have offered a rescue package of assistance, and while limited, this shows 'a commitment of contributing towards finding a solution to the Zimbabwe crisis' which should be continued. Mr. Muchena, however, believes SADC can go even further than offering a rescue package, as 'these revenue streams will not be able to reduce poverty and unless Zimbabwe begins to turn to its natural resources, which have produced these type of amounts that we are told by the Governor of the Reserve Bank, then we will be here until the second coming of Jesus. People are poor, inequality is getting higher, social distress is taking place and we have nowhere to go.' **Bishop Rubin Phillip, Chair of SALO's board**, argued that South Africa and SADC both must rediscover the 'language of challenge' rather than only dialogue. He believes that there needs to be a 'strength and firmness in calling the parties to live up to the terms of the Agreement [GPA].'



Civil Society

Civil society also has an important role to play in ending the human rights abuses and misdirection of diamond revenues. A main role that Zimbabwean civil society can continue to play is that of provision of on-the-ground, real time information to outside actors. Ms. Govender believes that In order for South Africa and SADC to use their leverage to pressure the government, they 'need the information and Zimbabwe organisations have to find this information...they need to package it and they need to come out and make a call for leverage and pressure.' In the long run, 'building that local capacity is extremely important. It makes very little impact when interested organisations are the only ones talking about these issues. There is a lot more resonance when local organisations talk about these issues.' Raising the awareness outside of

Zimbabwe of the 'level of humanitarian disaster that was unfolding in Zimbabwe' is a critical role that only Zimbabwean civil society can effectively play, according to Mr. Muguwu.



Strengthening civil society is also key to increasing their ability to impact on the transition in Zimbabwe. Swazi solidarity activist **Mr. Solly Mapaila (SACP Central Committee Member, National Chairperson Swaziland Solidarity Network)** believes that one of the problems is that 'solidarity movements, the NGOs, political parties and so on...are fragmented movements and organisations that are unable to confront corrupt power and that is a major problem facing us.' The political nature of the Zimbabwean struggle also has to

be recognized, he says, and a political struggle initiated to confront it, even though it can sometimes be difficult to confront political power.

Some believe that the South African government has not played as proactive a role as it could have. South African civil society has an important role to play in holding their government accountable, addressing the diamond exploitation issues. Mr. Njikelana is concerned, however, about 'the extent to which even the South Africans are engaged with their Parliamentarians, challenging them as to what role they are playing... whether they have ensured that the executive has been consistent with the Bill of Rights and all other values and constitutional obligations in handling the Zimbabwe situation.'

Conclusion

As noted by Mr. Mapaila, the continuing exploitation of diamonds and abuse of human rights of Zimbabwean citizens illustrates clearly that there is a 'lack of transformation of the power...Just a mere transfer of power is not enough'. Ms. Govender reiterated the dire economic situation that remains in the country, despite strides forward, calling on the GNU to recognize that 'between 500-600 people who come across the border every day often with dire consequences. The majority of women face the prospect of being raped in order to arrive at the shores of South Africa to try to find possible jobs to survive.' The diamond issue, she suggests, is a window into larger issues within the state, which can help us to 'begin to understand who runs the country and how they do it. We will then find out points of leverage, which will allow us to hold them to account.'

Ultimately, Mr. Muchena sums up a consistent theme of the panel when he says he believes what is required is a full transition of Zimbabwe into a truly developmental state. This would require 'a complete democratic reform of the State so that governance and the State are reformed in a manner that serves poverty reduction so that the State is accountable to its people, so that the State is accountable to the Constitution and the State is an instrument used by government to achieve national developmental goals -

not an instrument or a vehicle used by the government and its elite to achieve narrow parochial private interests. A developmental state is...a State that on a day-to-day basis is committed to crafting development programmes that address the most burning questions of the day in that particular country and in Zimbabwe it is poverty. It is the poverty that is killing a lot of the households that need to be in a state of well-being.' Mr. Njikelana echoed Mr. Muchena's recommendations, specifically highlighting the role that Parliament can play in the transition to a more developmental state. Zimbabwe cannot be expected to make this transition alone, however, and will require the assistance of external actors like SADC and internal civil society.



A list of participants can be made available upon request. The analysis and recommendations included in this Policy Dialogue Report do not necessarily reflect the view of SALO or any of the conference participants, but rather draw upon the major strands of discussion put forward at the event. Participants neither reviewed nor approved this document. Therefore, it should not be assumed that every participant subscribes to all of its recommendations, observations, and conclusions. The contents of the report are the sole responsibility of SALO and can under no circumstances be regarded as reflecting the position of the donors who provided financial assistance for this policy dialogue session.

About the Southern African Liaison Office:

The Southern African Liaison Office (SALO) is a non-governmental organisation which promotes informed process and debate about regional conflicts and crises. SALO does this by organising dialogue events and forums for informed discussion amongst key government and civil society actors from South Africa, the SADC region and internationally, as well as through lobbying and advocacy, documentary media production, and research and analysis.

SALO would like to thank the generous contributors to this project:

Swedish Embassy in Harare * Norwegian Embassy Pretoria * European Commission in Harare * Finnish embassy in Pretoria * Irish Aid and the Irish Embassy in Pretoria * Olof Palme International Centre * Southern Africa Trust

