

# PERSPECTIVES

Political analysis and commentary from Africa



## POLITICS, PRINCIPLES AND PRACTICE:

ZIMBABWE'S DIAMONDS  
AND THE KIMBERLEY  
PROCESS

HEINRICH  
BÖLL  
STIFTUNG

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# Editorial

In 2003 the Kimberley Process Certification Scheme (KP) was created to prevent rebel groups from using the trade in diamonds to finance violent conflict against legitimate governments. Notable progress has been made: the percentage of so-called “conflict diamonds” in the total diamond trade has fallen from an estimated 4 to 15 percent at the end of the 1990s to less than 0.2 percent today. Nonetheless, the scheme has come under severe criticism, due to perceptions of a widening gap between its principal goals and practical application. Zimbabwe’s Marange diamonds, in particular, have been tainted by reports of violence, human rights abuses and smuggling, fuelling doubts about the scheme’s credibility and sparking debate about its definition of “conflict diamonds”. The issue has highlighted deep divisions among KP member states, and has paralysed the scheme through lack of consensus.

Recently, the battle over Zimbabwe’s Marange diamonds and the KP entered a new round. In October 2011 the KP civil society coalition announced its intention to boycott a KP plenary meeting scheduled for November in Kinshasa, DRC. Civil society, along with government and industry, constitutes one of the three pillars of the KP. The civil society delegation walked out of the last KP intersessional meeting in June to protest the approval of Zimbabwe’s rough exports by current Chairman Mathieu Yamba without the required consent of all member states. In his reply to the civil society boycott, Mr. Yamba stated that the plenary meeting will go ahead, and that he would “continue to work with those who wish so”.

Can the KP survive Marange? Alan Martin, one of the leading activists in the KP civil society coalition, is convinced that should the scheme fail to modernise and commit to a higher set of standards, it will ultimately become irrelevant. In contrast, Stéphane Chardon, chairman of the KP Working Group on Monitoring, argues that the Marange issue has, to some extent, demonstrated the scheme’s capacity to tackle new challenges, enabling it to contribute to real improvements on the ground.

The security and human rights situation has

indeed improved since the violent 2008 upsurge, when the Zimbabwean government deployed the military in the area. However, human rights activist Farai Maguwu cautions that the Marange diamond fields remain volatile. More importantly, the issue needs to be understood in the context of Zimbabwe’s political crisis, which remains unchanged. Instead of uplifting the Zimbabwean economy after years of turmoil, and despite the formation of a government of national unity, patterns of ownership and opacity regarding revenue streams suggest that the Marange diamonds serve as an important income source for the ruling ZANU-PF elite and its military allies. It is because of this alleged link between ZANU-PF’s brutal grip on power and the control of the Marange diamonds that some observers argue they should be classified as “conflict diamonds”.

However, whether this - and consequently, Zimbabwe’s suspension from the KP - would lead to the desired results is subject to controversy. Claude Kabemba argues that continued trade of the Marange diamonds under the KP would help ensure at least minimal transparency and accountability.

The contributions brought together here clearly show that the solution to the Marange issue ultimately lies within Zimbabwe. There is, however, little doubt that the KP and Zimbabwe’s neighbouring states should play a more critical role in resolving the situation. We hope that this edition of *Perspectives*, which was inspired by robust discussions at a roundtable seminar co-hosted by the foundation, will stimulate further debate on how to make the Marange diamonds work for the benefit of all Zimbabweans.

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ZAMBIA

MOZAMBIQUE

HARARE

Mutare

**Marange  
Diamond  
Fields**

BOTSWANA

SOUTH AFRICA

## Interview

# “The Marange Diamond Fields Remain Volatile”

Since the 2006 discovery of alluvial diamonds in Marange, eastern Zimbabwe, the area has experienced serious stresses in form of violence, social instability and environmental degradation.

Activist Farai Maguwu took some time out to share his assessment of the current situation around the Marange diamond fields. Here, he offers his views on what needs to change in order to put the country's diamond industry on the right track.

### **HBS: How has the security and human rights situation developed since the upsurge in violence in 2008?**

**Maguwu:** The Marange diamond fields remain volatile, and the situation is likely to remain so for the foreseeable future. There have been many twists and turns in the pattern and methods of violence in Marange since the launch of Operation Hakudzokwi in November 2008, during which [according to conservative estimates] two hundred people were killed – most of them gunned down.

Violence by the military has slowed down since. Based on information obtained from community monitors, the CRD [Centre for Research and Development] estimates that at least twenty people were killed in Marange in 2011, fewer than five of them by state security agents.

Generally, violence by state security agents has become more sporadic. During times when high-ranking international and government officials are expected to tour the diamond fields, the military turns violent against the panners in desperate attempts to clear the fields of artisanal miners. Between March and April 2011, more than four hundred artisanal miners were severely assaulted by state security agents ahead of a visit by the Africa Diamond Producers Association [which had been invited by the Zimbabwean government to witness that mining operations in Marange comply with international standards]. There was another

violent upsurge at end of May, ahead of a June visit by President Mugabe.

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Private security guards have become the main perpetrators of human rights abuses in 2011. In particular, private security of the Mbada Diamonds mining company has gained notoriety over its practice of setting dogs on panners. In June 2011, the CRD reported the death of John Manono, who was severely mauled by dogs near the Mbada claim as guards watched. In May, two artisanal miners were shot dead by private security guards at the Pure Diamonds claim. More cases go unreported due to the inaccessibility of Marange to civil society.

With regard to violence against women, a similar trend can be observed. Since the 2008 upsurge in violence, reports of rape in the diamond fields have diminished. Nevertheless, the scourge has not ended. The CRD frequently encounters cases of women being assaulted by soldiers or private security guards. In July, the CRD assisted a seventy-two-year-old granny and her two-year-old granddaughter who had dogs set on them by Mbada security guards. The guards operate outside the law, and are immune to prosecution due to the politicisation and militarisation of the Marange diamond fields.

### **HBS: So the military is still present in the area. What role has it played since 2008?**

**Maguwu:** Yes, the military is still present in Marange, but has been significantly downsized. We



**Farai Maguwu**

Farai is the founding director of the Mutare-based Centre for Research and Development (CRD). The CRD was instrumental in exposing gross human rights abuses and illicit deals in the Marange diamond fields, which led to intervention by the Kimberley Process in 2009. It also forms part of the Kimberley Process Local Focal Point (LFP), established in 2010 and comprising six Zimbabwean civil society organisations. Through monitoring, lobbying and research, the CRD and the LFP aim to improve human rights, accountability and transparency in the country's diamond sector. In 2011, Farai received the Human Rights Watch's prestigious Alison Des Forges Award for Extraordinary Activism.

estimate that the number has been brought down from a high of fifteen hundred to two thousand in November 2008 to approximately three hundred to five hundred today. As more claims were awarded to new diamond mining companies, the area under the control of the military also became smaller and smaller. Two military bases remain in the diamond fields. The role of the military is to protect resource areas that have not yet been allocated to mining companies. However, the military is involved in coordinating diamond mining syndicates throughout that area. It is also involved in diamond smuggling – supplying local and international dealers with diamonds.

**HBS: What mining companies were awarded the claims? And how has the commercialisation of mining affected the lives and livelihoods of the people of Marange?**

**Maguwu:** Five companies are now mining in Marange: Anjin, Pure Diamonds, Marange Resources, Mbada Diamonds and Sino Zimbabwe. Most of the companies are joint ventures with the Zimbabwean government.

The mining operations have had adverse effects on the Marange community. Four thousand families are set to be relocated from Marange. Three hundred families have already been resettled at Arda Transau, about 40 km north of Marange. The majority of these households are headed by women. Each family was given a US\$1000 disturbance allowance and maize meal for three months. Frequent visits by the CRD show that these families are now starving. The plots people were given measure a mere one hundred square meters, meaning they have no land for farming. The absence of farming land is a major blow to the relocated families, since they are all subsistence farmers. The fact that the families were moved in the midst of the agricultural season deprived them of their 2010–11 harvest.

The families remaining in Marange remain insecure, as they do not know when they will be relocated. In practice, companies are mining and prospecting at the same time, always expanding their concessions into the villages. With no government official coming to the defence of the Marange villagers, there is an ever-growing challenge of human insecurity. This is also leading to low agricultural output, as villagers are no longer planting due to pending relocation. Because the mining area has been sealed off, families have

been separated. The CRD has interviewed Marange residents who no longer return to their villages due to security concerns.

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Forced relocation has also caused cultural violations by omitting plans to rebury the dead. One elderly woman at Arda Transau told the CRD that she is troubled about having left her three sons in Marange. Later in the interview, it emerged that she was referring to three dead sons, whom she wants reburied near her new homestead at Arda Transau.

**HBS: The government of Zimbabwe has argued that the Mbada Diamonds and Marange Resources mines are compliant with the minimum standards of the Kimberley Process Certification Scheme, and that therefore the country should be allowed to export diamonds from these mines. What's the CRD's position on this?**

**Maguwu:** The Kimberley Process [KP] is a country-level certification scheme. For that reason, the KP founding document calls on states to draft legislation to enforce the KP minimum standards. This means governments should create a homogenous legal and operational framework for diamond mining companies. The norm would have been for the entire Marange diamond fields to comply with the KP minimum standards by meeting certain benchmarks set by the government of Zimbabwe. Allowing for mine-site compliance is an admission of failure by government to play its part in meeting the KP minimum standards. More so, since government holds 50 percent of the shares in four of the five companies mining in Marange.

Nevertheless, the CRD acknowledges that the KP allowed mine-site compliance, hoping that this would motivate Zimbabwe to work harder in implementing the KP minimum standards. In our view, since certain elements of the Joint Work Plan<sup>1</sup> remain unimplemented, it is critical that the KP continues supervising exports from Zimbabwe. The outstanding elements include bringing an end to smuggling; illegal mining; demilitarisation; identification of resource areas in Marange; the creation of a legal

framework for the registration of artisanal miners; the setting up of diamond-buying structures in Marange for artisanal miners; and increased cooperation with Mozambican security to curb smuggling.

Legalising artisanal miners will address many other concomitant problems, such as violence, illegal panning and smuggling, which are depriving the government of much-needed revenue. Artisanal miners have repeatedly vowed never to stop panning, as they see this as the only source of employment available to them. Unemployment in Zimbabwe is estimated at over 85 percent.

**HBS: What does the institutional framework governing the diamond mining sector look like? How has it affected the situation in Marange?**

**Maguwu:** Zimbabwe has relatively good mining laws – which, however, have been flouted to accommodate political deals. The Mining Affairs Board is supposed to assess the suitability of mining investors through a rigorous tender procedure. However, the president also has the power to issue special grants to whomsoever he pleases. In such

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cases, he does not necessarily have to consult the Mining Affairs Board. This limited consultation process may result in underhand deals that may be of political significance, but that are devoid of tangible benefits to the people.

Herein lies the Marange problem. All the companies mining diamonds in Marange were awarded special grants by the president. It is now common knowledge that there was no due diligence in selecting these investors. For instance, in October 2010 the government took over a 100 percent stake in Canadile Miners, a joint venture between a South African company, Core Mining and Minerals Resources, and the Zimbabwe Mining Development Corporation [ZMDC]. Government alleged that Canadile's directors had fraudulently acquired its diamond licence by lying that the company had the financial resources to embark on the mining project.

Six Canadile directors, who included one former and two serving ZMDC board members, were arrested and charged with fraud. According to newspaper reports, during his defence one of the Canadile directors, Lovemore Kurotwi, accused Minister of Mines Obert Mpofu of demanding a \$2 million bribe in exchange for a diamond license.

In cases of special grants, the ministry of mines should recommend suitable investors to the president. The fact that some of the individuals and companies recommended by the minister ended up being arrested for fraudulently acquiring mining licenses means that the ministry ill-advised the president.

There is also a challenge in the way Zimbabwe diamonds are being marketed. The Minerals Marketing Corporation of Zimbabwe [MMCZ] is responsible for marketing all minerals in Zimbabwe, on behalf of either government or private investors. Since 2010 Marange diamonds have been seized in Dubai, Belgium, Israel, and recently, in India, indicating that the marketing process is less than legitimate. The official smuggling of diamonds may be an indication that the MMCZ, in the absence of unanimous approval by the Kimberley Process Certification Scheme, is struggling to market and sell Marange diamonds. Official smuggling is also prejudicing Zimbabwe in that diamonds sold without KP certificates are undervalued.

The ZMDC is responsible for the development of the mining sector in Zimbabwe. It has its own subsidiary companies, and is also itself involved in mining. For this reason, the ZMDC has a 50 percent shareholding in all the diamond joint ventures, except in Marange Resources, where it has a 100 percent stake. As a state-controlled entity, the ZMDC has exhibited the corruption and inefficiency characteristic of most government-run institutions in Zimbabwe. In June 2011, the company used diamond funds to pay civil servants a salary increment. The increment came against a backdrop of serious fighting between President Mugabe and Finance Minister Tendai Biti [MDC-T], with the former accusing the latter of denying civil servants a salary hike for political reasons. This shows how the ZMDC is politically compromised, and may consequently not be remitting profits generated from diamond sales to the treasury.

**HBS: What do you think the government needs to do to put the diamond industry on the right track?**

**Maguwu:** Zimbabwe needs a stronger legislative

framework for the diamond mining sector. The law should inform the process of creating a diamond policy that clarifies the negotiation of contracts, the issuing of licences, and revenue collection; and that spells out the duties and responsibilities of all stakeholders involved. During the opening of parliament in September 2011, President Mugabe

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urged parliament to speed up the formulation of a diamond policy. But can a good diamond policy function where there is no political will? In my view, the challenges in Marange are directly linked to the country's political crises. Without resolving the political impasse, it is very unlikely that government will work towards improving transparency and accountability in managing the Marange diamonds.

**HBS: Lastly, a lot of attention has been paid to the Marange mining area. Do think the problems there are unique, or do they represent a wider trend in the extractive industries sector of Zimbabwe?**

**Maguwu:** The Marange diamond fields are simply the tip of an iceberg. The CRD is conducting research on gold mining in Penhalonga, about 20 km north of Mutare. The Development Trust of Zimbabwe is working in partnership with a Russian mining company, DTZ-OZGEO, whose operations in the area have negatively affected the community. Some women interviewed by the CRD said that their crops were destroyed by bulldozers, and that they were never compensated by the company. Using open cast mining, the company has destroyed vegetation over 5 square kilometres. Mining operations have further resulted in the community living under a cloud of dust, thereby exposing them to diseases.

The CRD is also investigating activities in another DTZ-OZGEO site in the Chimanimani District, in the southern part of Manicaland Province. Local chiefs complain that apart from participating as cheap labour, their people are not

benefiting from the mining operations. Mining in this area is causing environmental degradation at a scale that has not been seen in Marange or anywhere else in the province.

As is the case in Marange, foreign companies receive protection from government in exchange for kickbacks. Generally, communities are scared to speak out about the problems being created by mining companies. They fear victimisation by state security agents, as the companies are connected to the country's political elites. There is also no communication between companies and the surrounding communities.

In exceptional cases, where communities raise their concerns with local politicians, they are promised that government will act. A good example is a speech made by President Mugabe in May 2011 in reference to the operations in Penhalonga. The president had been cornered by traditional leaders who wanted to know why DTZ-OZGEO was operating as if there was no law. The president distanced himself from the company, claiming that he, too, was very disappointed with the clandestine nature of their operations. The company, however, continued with business as usual, despite strong words from the president. If the president was sincere in his admonition, he should have followed his words with strong action.

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#### Endnote

- 1 The Joint Work Plan, initiated in November 2009, brought the KP and the Zimbabwean government together in an effort to address noncompliance issues in Marange. See "The Kimberley Process and the Marange Diamond Fields: A Timeline" elsewhere in this issue.



# Zimbabwe's Political Economy and the Marange Diamonds

## Introduction

Despite the formation of an inclusive government<sup>1</sup> meant to spearhead economic recovery after a decade of political and economic crisis, Zimbabwe's economic prospects appear uncertain. The introduction of a basket of foreign currencies has brought price stability. Mining growth, particularly in gold, diamonds and platinum, has been impressive. Agricultural revival has been sluggish, however, with only tobacco registering significant growth. Manufacturing has been far from impressive, recording a meagre 2,7 percent<sup>2</sup> growth in 2010 after a decline in 2009. Political uncertainty, tight fiscal space, lack of liquidity in the domestic market and a massive public debt overhang are among the biggest constraints. Employment creation remains suppressed.

Due to these challenges, public discourse has turned to the potential role of the extractive sector – in particular, diamond revenue – in driving economic development. There appears to be a consensus (at least publicly) among the political parties in Zimbabwe's ruling coalition that revenue from diamonds must be used prudently in order to contribute to economic recovery.

The “resource curse” thesis postulates that an abundance of natural resources, such as oil and diamonds, has often worked against peace and development. The dominant commentary surrounding Zimbabwe's sizable Marange diamond field has been informed by the resource curse approach; and those in charge of the diamond fields have behaved accordingly. The perception or expectation that diamonds may contribute to Zimbabwe's development represents a departure of sorts from the resource curse fixation.

Generally, natural wealth in Africa has coexisted with civil/military conflict and abject poverty. Two dominant strands in the resource curse discourse, in particular, can be singled out. One emphasises the pitfalls of over-reliance on

natural resource endowments as an economic driver<sup>3</sup> (Dutch disease<sup>4</sup>), and the other focuses on the preponderance of conflict in resource-rich societies.<sup>5</sup>

Where popular legitimacy no longer exists, control of natural wealth can become central for political formations.

Using a political economy approach, this paper argues that Zimbabwe's present political context makes it highly unlikely that diamonds can contribute meaningfully to the country's economic recovery. Specifically, an enormous political and economic challenge consists in the intersection of two loaded situations: on the one hand, a crisis of legitimacy for an entrenched and highly militarised authoritarian political regime battling for political survival; and on the other, the discovery of alluvial diamonds in Marange.

## Popular Legitimacy, Patronage and Diamonds

Why have the diamonds in Marange triggered so much contestation? To answer this question, we need to examine the relationship between the ruling elite's legitimacy and the likelihood that resources might trigger a conflicted political economy.

Where popular legitimacy no longer exists, control of natural wealth can become central for political formations. According to Phillipe Le Billion, resource rents allowed ruling groups during the civil war in Angola “to dispense with economic diversification and popular legitimacy”. This resulted in “rent seeking, poor economic growth, and little social mobility outside politics and state patronage”.<sup>6</sup> Most of these trends have carried on in Angola until today.



Showers Mawowa

Showers is a Ph.D. candidate at the School of Development Studies, University of KwaZulu-Natal, Durban. His experience spans university lecturership, economic policy research, analysis, and both regional and international advocacy. Showers's research interests include mining and development, public finance management, public debt, domestic resource mobilisation, taxation and aid.

Something similar can be observed in the case of post-2000 Zimbabwe. Since a referendum defeat in early 2000 and the subsequent disputed elections, it may be argued that ZANU-PF could no longer sustain its political project through popular legitimacy. Clearly repressive laws, violence and patronage politics around land became new instruments of political survival. Access to diamonds can enable political elites to sustain politics of patronage and rule without popular consent.

In the wake of growing opposition since the late 1990s, ZANU-PF grew more emasculated, authoritarian and militant.<sup>7</sup> This authoritarian militarism has not been restricted to the political sphere, but is even more evident in the appropriation of economic goods. Zimbabwe's Central Bank, headed by Gideon Gono, has been accused of triggering the country's hyperinflation through the printing of money and quasi-fiscal activities in support of ZANU-PF patronage and violence.<sup>8</sup> But the takeover of the finance ministry by the former opposition MDC might have shrunk the space for ZANU-PF's patronage accumulation.<sup>9</sup> Despite failing to remove Gono from his position, the MDC has succeeded in reforming the bank's operations, making it highly difficult for ZANU-PF politicians to abuse it. In addition, the bank's weak financial position and the adoption of foreign currencies make printing money impossible. Consequently, Zimbabwean lawyer and author Petina Gappah argues that "diamonds represent an opportunity to loot again".<sup>10</sup>

### Looting, Militarisation and Impunity

Smuggling has consistently been singled out as a big challenge in Marange. The fields are reportedly dominated by the military, who are also accused of abusing the rights of villagers and "illegal panners". The finance ministry has consistently complained about not receiving its dues from diamond revenue. As of July 2011, no payment had been made to the treasury for the 2011 sales, while 2010 payments were still outstanding. Based on declared sales between January 2010 and June 2011, at least US\$79 million out of an estimated total of US\$104 million was unaccounted for, representing a variance of 68 percent.<sup>11</sup>

While smuggling might have intensified, this phenomenon cannot be said to be entirely restricted to the current political dispensation. Neither is the smuggling restricted to diamonds. The Reserve

Bank of Zimbabwe estimated that in 2007, diamonds worth US\$800 million were smuggled out of the country. An amount of equal proportion was lost through the smuggling of other minerals.<sup>12</sup>

A national pattern characteristic of "crisis accumulation" is observable in the post-2000 period.<sup>13</sup> This trend finds expression in the highly informal and unregulated system of wealth accumulation that has dominated post-2000 Zimbabwe. The Zimbabwean government's approval of farm invasions set the tone for this often violent, unregulated and free-for-all form of accumulation – which has spread to threats to take over foreign firms in the name of indigenisation and economic empowerment of black Zimbabweans.

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This mode of wealth accrual relies on selective and discretionary enforcement of laws by the state, the only institution with an official monopoly on violence. Consequently, there has been increased reliance on a partisan security force. This might partially explain why ZANU-PF has strongly resisted the MDC's demand for security sector reform.

A cursory glance at Zimbabwe's economic, political and social structure reveals how pervasive the military and security sector has become, from the monitoring of elections to the hosting of beauty pageants.<sup>14</sup> But it is in the resource sector that this trend has been more visible. The little that is known of the involvement of Mbada and Canadile (now Marange Resources) – the two private mining companies in joint venture with the Zimbabwe Mining Development Corporation (ZMDC) in Marange – suggests a heavily militarised business outfit. Newspapers have proposed a possible conflict of interest in the appointment of Robert Mhlanga, a former Zimbabwe Air Force pilot, as the ZMDC's representative on the Mbada board.<sup>15</sup> Mhlanga is reported to have interests in Grandwell, Mbada's parent company.<sup>16</sup>

Rival mining company Africa Consolidated Resources (ACR) has been contesting for the rights

to Marange diamonds. However, its prospecting license has been withdrawn. ACR reportedly has among its shareholders former military chiefs and senior members of ZANU-PF said to belong to a faction jostling to succeed Robert Mugabe as president. It is difficult to imagine that the victimisation of ACR is unconnected with ZANU-PF's internal politics.

Under current arrangements, where the state is involved in diamond extraction through the ZMDC, "proceeds to the Zimbabwe Government from the Marange diamonds should be at least 75% of the gross proceeds".<sup>17</sup> This has not been happening. For this reason, some have argued that Canadile (Marange Resources) and Mbada were formed to disguise looting and to hoodwink the Kimberley Process Certification Scheme (KP), an international agreement intended to prevent the funding of conflict through the diamond trade.

Impunity seems to reign when it comes to the Marange diamonds. Court orders deemed unfavourable have been disregarded – among them, one to free a diamond activist accused of accessing and sharing secret state information concerning the Marange diamonds with a KP monitor. ACR has not been able to resume operations in the area, despite a court ruling in its favour.

### Policing and Zimbabwe's Diamonds

*"We will sell our stones to countries where they are welcome. We have countries like China, Malaysia, Russia, India and other Asian countries where we can market our diamonds."*<sup>18</sup>

It appears that the Zimbabwean state has not been able to consistently and effectively arrest the smuggling of diamonds from Marange. This is partly because the mining sector has become a critical battle zone for key business and political factions related to ZANU-PF's internal power struggles. The country's police force appears compromised with respect to Marange, much as it is in curbing the continuing willy-nilly land occupation by the military and government officials.

The policing of Zimbabwe's diamonds can be interrogated in two ways. The first question is whether or not Zimbabwe has adequate internal checks to ensure that extraction, trade and earnings are properly managed and accounted for. Secondly, an important element has been external monitoring mechanisms – in particular, the Kimberley Process.

From the foregoing, the limitations of internal mechanisms are apparent. The Parliamentary Portfolio Committee on Mines has shown some determination to demand accountability and transparency in the sector, but has been frustrated. The leader of the Mines Parliamentary Committee, Mr. Chindori-Chininga, has pointed out that within the current legislative framework, Parliament has no authority to enforce its views and decisions.<sup>19</sup> The Ministry of Finance's attempts at legislative

Impunity seems to reign when it comes to the Marange diamonds. Court orders deemed unfavourable have been disregarded.

reforms for the sector have been resisted as an encroachment on the Ministry of Mines' mandate.

The case of Zimbabwe's diamonds has exposed the limitations of the Kimberley Process. Critics have accused the KP of ineffectiveness. Several of its assessments of Zimbabwe's KP compliance have been questioned by civil society groups and activists. For example, a May 2007 review team concluded that though the smuggling situation in Marange had become a concern, the Zimbabwe government had brought it under control. This review also judged Zimbabwe's KP compliance satisfactory.<sup>20</sup> Several of the KP's conclusions have shocked many activists, who expect a tougher stance given reports of human rights violations. Questions have thus been raised regarding the credibility and suitability of the KP in monitoring Zimbabwe's Marange diamonds.

The KP's challenge, relative to Zimbabwe, appears to be its definition of "blood diamonds". The 2000 UN resolution governing the KP's interpretation defines "conflict diamonds" as those that are mined in territories controlled by rebels, and used to finance conflict intent on overthrowing legitimately elected governments.<sup>21</sup> The resolution goes so far as to identify Angola, Liberia and Sierra Leone as countries where conflict diamonds originate. It is difficult to apply this definition to a ruling elite accused of looting diamonds and human rights violations. Restricting the trade of diamonds from

Marange has thus had to rely on moral and political judgment, rather than on a technically nuanced application of what constitutes conflict diamonds.

This lack of clarity has left KP member countries too divided and weak to improve the efficacy of the system. The view that “Zimbabwe can sell its diamonds elsewhere”, as the quote above suggests, may derive its inspiration from this definitional challenge and lack of consensus. The KP’s weakness may thus be that its creed derives from old notions of peace and security, which are state-centric. It is not premised on civil and political, let alone socio-economic, justice.

### Diamonds and Zimbabwe’s Recovery

*“Civil servants have suffered for too long, and the discovery of the diamonds should give us a chance to restore our dignity at the workplace. The PSA [Public Service Association, which represents government employees] should ensure that we get most of the money.”<sup>22</sup>*

Given Zimbabwe’s current fiscal limitations, the use of diamond revenues has become highly politicised. Civil servants have demanded that money from diamonds be used to increase their below-poverty-line salaries. In July 2011, the ZMDC deposited additional funds from diamond revenues into civil servants’ accounts without the knowledge of the treasury.<sup>23</sup> As of August 2011, it was uncertain whether the government would be able to sustain these increases. The finance ministry threatened to cut salaries if diamond revenue flows failed to cover a US\$80 million monthly deficit created by the pay rise.<sup>24</sup> Civil society groups have called for the money to be spent on other social welfare needs, such as health, food and education.<sup>25</sup>

The dominant view, however, is pessimistic. The following quote captures this mood: “It would be folly for civil servants to think that the diamonds would improve their lives ... there are sharks out there who want to line their pockets first and, as it stands, there is a lack of clarity on how much the diamonds would give to our economy by way of job creation, and the value of the diamond deposits is not known.”<sup>26</sup>

This opacity makes it difficult to estimate the potential contribution of diamonds to Zimbabwe’s recovery. The Zimbabwean government projects that US\$10 billion is required in ten years to resuscitate the economy to 1997 peak levels, while the African Development Bank estimates that US\$14 billion is

needed for public infrastructure rehabilitation. If 75 percent of the US\$313 million declared sales for 2010 went to government, as should be the case according to the Ministry of Finance, this translates to US\$235 million. Of this, only less than 40 percent, or US\$90 million, was actually remitted.

Given Zimbabwe’s fiscal requirements of US\$11,3 billion a year (according to submitted bids for the 2011 budget), one wonders what impact US\$235 million a year would make. Further to this, the burden to service the country’s US\$8 billion public debt (approximately US\$6 billion of which is in arrears) will reduce the marginal impact of diamond revenue. Media reports have suggested that the government of Zimbabwe has pledged revenue accruing from Marange diamonds as surety for a Chinese loan to construct a defence college. It is of course true that if it were not for smuggling, returns from Marange would have been much higher. This stresses the need for transparency if much is to be derived from Marange.

Another challenge to be factored in is the volatility and unpredictability of diamond prices. But the same can be said of donor support. Only a third of the nearly US\$1,5 billion donor pledges has been met since the inception of Zimbabwe’s new government. The volatility of commodity prices requires the Zimbabwe government to make the most of the current mineral prices boom. The first

There is a need to establish mechanisms for transparency and public accountability – which, unfortunately, the present political context does not allow.

public auction in 2010 anticipated a selling price of US\$400 to US\$500 per carat, but only around US\$80 per carat was achieved. The government had hoped to make US\$1,7 billion (nearly half of the 2010 budget) but had to settle for less. This situation is, of course, worsened by lack of transparency in the way the sales were conducted.

The Zimbabwe Environmental Lawyers Association (ZELA) has argued that mining contracts need to be public knowledge if the country is to

maximise its mining revenue. Mines minister Obert Mpofu claims that all diamond companies are crooks, and that it is “virtually impossible” to get clean people in the industry.<sup>27</sup> For the minister, it is not about transparency or justice; “it’s just the way it is”. Testifying before the Parliamentary Portfolio Committee on Mines, Mpofu is said to have admitted that he did not go according to the book in granting licenses to Mbada and Canadile.<sup>28</sup>

## Conclusion

From the above, it is clear that the sustainable use of Zimbabwe’s diamond revenues is dependent on the politics of the country. There is a need to establish mechanisms for transparency and public accountability – which, unfortunately, the present

political context does not allow.

Some believe that the potential role of diamonds is exaggerated. One economist has argued that platinum, nickel and gold have greater potential to contribute to the country’s recovery efforts.<sup>29</sup> Unfortunately, the opacity characteristic of the diamond sector also prevails in gold and chrome mining. The country’s indigenisation and empowerment laws, along with other policy inconsistencies, threaten an otherwise impressively recovering mining sector. It is plausible to conclude that reliance on patronage and violence, as twin power retention strategies by Zimbabwe’s political and military elites, make it unlikely that much positive issue will be derived from Zimbabwe’s Marange diamonds.

## Endnotes

- 1 On 15 September 2008, Zimbabwe’s three main political parties – the former ruling party, the Zimbabwe African National Union-Patriotic Front (ZANU-PF) and two formations of the then-opposition Movement for Democratic Change (MDC) – signed an agreement known as the Global Political Agreement (GPA), which culminated in a coalition government in February 2009. This agreement was brokered by the Southern African Development Community (SADC) after an inconclusive election. The MDC, formed in 1999, split in 2005 into two formations. The main wing is led by the founding president, now Zimbabwe’s prime minister in the inclusive government, Morgan Tsvangirai. A smaller faction is led by Arthur Mutambara, now deputy prime minister. The two factions will be referred to jointly in this paper as the MDC.
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- 3 Sachs J.D et al, *Working Paper 5398: Natural Resource Abundance and Economic Growth*, 1995.
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- 6 Le Billion P, “Angola’s Political Economy of War: the Role of Oil and Diamonds 1975–2000”, *African Affairs*, 100, 2001, pp. 55–80.
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- 15 Because of Mbada and Canadile’s joint venture with the state-run ZMDC, the law empowers mines minister Mpofu to appoint the chairperson and deputy chairperson of the board.
- 16 *The Zimbabwean on Sunday*, Vol. 3, No. 11, 21 March 2010, p. 1. The newspaper alleges that Mhlanga has strong links to the president.
- 17 Minister of Finance, Hon. Tendai Biti, *The 2011 Mid-Year Fiscal Policy Review; Riding the Storm, Economics in the Time of Challenges*, 26 July 2011, p. 57.
- 18 Minister of Mines Obert Mpofu quoted in: *Newsday*, 23 August 2010.
- 19 Mr. Chindori-Chininga said this during a meeting on the Extractive Industries Transparency Initiative (EITI) organised by the Zimbabwe Environmental Lawyers Association (ZELA) on 22 September 2010.
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# Resolving the Marange Impasse: What Role for Zimbabwe, its Neighbours and Other Stakeholders?

## Introduction

Zimbabwe's minister of finance, Tendai Biti, has openly complained that revenues from Marange diamonds do not enter the state coffers. Meanwhile local, regional and international civil society organisations have campaigned against the Zimbabwean government for its human rights abuses in the Marange diamonds fields. Despite internal efforts and external support to ensure that Zimbabwe adheres to minimum requirements of the Kimberley Process (KP), there is still no consensus inside or outside the scheme on whether Zimbabwe should be allowed to sell its Marange diamonds.

This paper argues that political contestation ahead of the planned elections does not allow for clean and transparent management of the Marange diamonds and their revenues. Using all manner of justifications, ZANU-PF has resisted any attempt to introduce good internal controls over the abundant diamonds. While formal companies have been given mineral rights in the past two years, smuggling of diamonds continues unabated and the government cannot account for all diamond revenues.

Control of the Marange diamonds and their revenues has become a political issue. Its resolution therefore might need extra KP measures and interventions from neighbouring countries, both producing and non-producing. This paper discusses the role that Zimbabwean neighbours have played and could play to help stabilise the Marange diamond trade.

## Politics, Business and the Control of the Marange Diamonds

### Politics and the Marange Diamonds

It is impossible to discuss the question of the exploitation and trade of Marange diamonds without placing it in its political context. Zimbabwe's diamonds are not conflict diamonds,<sup>1</sup> but they have the potential to become such. Considering the violence that has accompanied past elections in

Zimbabwe, it is possible that the abundant revenues from the Marange diamonds will be used to finance violence during and after the planned elections. Past elections in Zimbabwe have been marred by extensive violence. If violence is again allowed to take place during the election, Zimbabwe could become a classic mineral conflict state, in which one group will certainly use diamond revenues to suppress the other. This must be avoided at all costs. Zimbabwe needs a decisive break from the cycle of violence in order to enable economic and social development of the country.

At the moment, the extraction of diamonds and diamond revenues are in the hands of ZANU-PF-controlled structures. The fact that the diamond sector is not under the control of the the Global Political Agreement (GPA), which led to the current power-sharing arrangement in Zimbabwe, poses a serious governance problem. Maybe the biggest weakness of the negotiations that led to the GPA was the failure to consider the economic dimension of the transition. The GPA remains essentially a political arrangement. Other political forces in the GPA have literally no say on how key sectors, especially the mining sector, are run. Hence there is a complete lack of transparency and accountability mechanisms in the sector.<sup>2</sup>

Discussions and decisions within the KP on the Marange diamonds have been conducted without serious consideration of the economic implications. If this dimension is considered, the futility of not allowing Zimbabwe to sell its diamonds will become apparent. By leaving Zimbabwe to sell its diamonds outside the KP, the revenues from those diamonds are being allowed to escape the GPA's control. This clearly works to the advantage of those individuals who are benefiting from the illicit trade in diamonds. Allowing Marange diamonds to enter the market through the KP would give partners in the GPA at least minimal access to information. For this reason, the majority in the opposition MDC is in agreement



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with ZANU-PF that Zimbabwe should be allowed to sell its diamonds.

Whether Zimbabwe is allowed to sell or not, however, it is clear that it will not be possible to achieve proper governance of diamonds in the current political atmosphere. The control of diamond revenues is at the centre of ZANU-PF's survival. The point is that until politics have been regularised, it will not be possible to regulate the diamond trade. In the current political context, with ZANU-PF's finances dependant on access to resources, resolving the Marange diamonds issue is beyond the scope of the KP.

Civil society participants and observers in the KP have argued that the stalemate does not turn on whether Zimbabwe should sell its diamonds, but on whether it has complied with international standards that ensure diamond revenues benefit all Zimbabweans, not merely an elite.<sup>3</sup> If the KP is seeking to address the governance of revenues on the basis of this argument, it has to apply the same standard consistently to all of its members. Very few countries on the African continent will pass the

The Zimbabwe problem is also a reflection of the growing competition between the industrialised East and West for the control of Africa's solid and liquid mineral resources.

test (Angola, the DRC and Lesotho will certainly fail). By not allowing Zimbabwe to sell, the KP is contributing to conflict rather than preventing it. The international community could allow Zimbabwe to sell and still keep pressure on the government to improve its transparency and accountability mechanisms.

### Business and the Marange Diamonds

The Marange fields are too rich for business to ignore. Experts say that if diamonds are extracted at optimum levels, sales could yield two billion dollars a year, making Zimbabwe one of the world's top diamond producers and export earners. The real issue surrounding the Marange diamonds, therefore, has not been about the Zimbabwean

people, and even less about the KP itself. It has been about competition among the world's leading diamond cartels for control of the global trade in diamonds. Those who have been left out of the deals in Marange have worked hard to influence the KP to restrict the sale of the Zimbabwean diamonds.

The Zimbabwe problem is also a reflection of the growing competition between the industrialised East and West for the control of Africa's solid and liquid mineral resources. The demand for rough diamonds is rising. According to the *Mining Journal*, "the annual global demand for industrial diamonds [is at least] ten times the total world production of natural diamonds". Most Marange diamonds are industrial grade. Given the shortage of rough diamonds in the world today, the competition for market control, especially in emerging market economies like India and China, is palpable. Western governments are under pressure from their own business sectors because they are now losing out to these countries. As China looks to overtake India as the world's center for cutting and polishing, the two countries are vying for a steady supply of rough stones. Both India and China have pushed for unconditional certification of the Marange diamonds. China has two joint ventures with the Zimbabwean government to develop portions of the Marange mining area.<sup>4</sup>

Because of this business competition, the KP has also contradicted itself. In August and September 2010, the KP permitted Zimbabwe to hold two supervised sales of an estimated US\$1,7 billion stockpile of gems from the Marange mines. There was little international condemnation; however, this unprecedented act undermined the KP's credibility. Critics argued that the KP was contradictory in agreeing to auction what it called conflict diamonds while simultaneously opposing further exports. The perception that the KP has become a prisoner of business must be reversed if it is to remain relevant.

We are also witnessing a push from the African Diamond Producers Association (ADPA) to have the Kinshasa Decision implemented. In June 2011, at the KP intercessional meeting in Kinshasa, current KP Chairman Mathieu Yamba Lapfa Lambag, of the DRC, circulated a notice allowing Zimbabwe to sell its diamonds. The notice reads: "The Plenary endorses export of production from the compliant mining operations of Marange Resources and Mbada [the two companies mining Marange] with immediate effect."<sup>5</sup> The major southern African

ADPA players support Zimbabwe and uphold Yamba's decision.

It is in the interest of business that only clean and conflict-free diamonds enter the market. It is also in the selfish interest of Zimbabwe that diamond sales are transparent, and that revenues go directly into the consolidated revenue fund under the supervision of the treasury, like all revenues, to finance the national budget and critical development needs. Hence, business can help Zimbabwe by exerting pressure on the KP to authorise the country to sell its diamonds, while at the same time establishing a business monitoring and evaluation team to visit the Marange diamond fields and report regularly on the state of Zimbabwe's diamond industry. These reports could then be used to engage the Zimbabwean government in areas that need improvement.

### What Role Should Zimbabwe Play?

The ultimate solution to the Marange diamond tumult lies within Zimbabwe. The KP, like any other external strategy, can only function as a supportive mechanism. The most essential requirement in fighting the illegal exploitation and trade of Marange diamonds and controlling the revenue flow is the existence of a suitable and enforceable national legal framework, supported by institutions capable of implementing the KP minimum requirements. Existing mechanisms for contract negotiation, tax and revenue collection need to be reformed.

It is necessary to develop more widely shared norms and standards for good practice in mining concessioning, and to craft mechanisms that prevent politicians from signing bad and corrupt contracts, now and in the future. Improved access to information, effective civic participation and appropriate parliamentary oversight could immunise the process against executive backsliding. The complexities of establishing these prerequisites and putting in place all of the proposed measures will require decisive leadership and dialogue between all political forces in the GPA.

In the process of designing key instruments, there will be a need for planning committees composed of key stakeholders: government, companies, civil society and communities. As things stand, it is not clear who in Zimbabwe is in control of the Marange diamonds: ZANU-PF, or simply individuals in ZANU-PF. In this kind of situation, the underpaid and politically divided army will inevitably

take advantage of the vacuum and get involved in the illegal trade and smuggling of precious minerals (the example of the DRC speaks volumes in this regard).

Zimbabwe is a dysfunctional state. In any dysfunctional state, commodities that are not controlled are exposed to looting by local and outside actors. Smuggling can't be prevented, particularly given the added complication of serious political tension.

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Against this background, Zimbabwe should consider implementing the following measures:

1. Improve internal communications and judicial follow-up:

Zimbabwe has not yet developed sufficient internal communication methods to ensure that illegal behaviour involving natural resources is properly communicated to all relevant government agencies. Consequently, no prosecutorial efforts are taking place to stop illegal practices. Not a single judicial proceeding has been reported.

2. Strengthen institutions:

- *Put in place reliable inventories of diamonds.* Zimbabwe has not yet developed comprehensive national inventories of its diamonds. The inventories or partial inventories that do exist are not reliable.
- *Promote comparative data between state institutions.* Currently, it is impossible to find statistical comparative data from state agencies charged with extracting data on the extraction, processing and exportation of natural resources. These would usually include the managing and supervisory agencies for mining activities, the border control authorities, the fiscal and revenue collection authorities and the central bank. Currently, either data is collected with insufficient consistency throughout a particular industry and is therefore



incomplete, or data collection is conducted at different stages of the production and value-adding chains. Unless Zimbabwe can provide assurances that it has reliable statistical data to assist in fighting illegal extraction or diversion of diamonds, it will not be able to convince many.

- *Improve geological information.* If there is no clear sense of the location and presence of deposits, governmental authorities will be hard pressed to ensure that no natural resources are being diverted illegally.

### 3. Strengthen parliamentary oversight:

The legislative and oversight role of parliament in general, and relevant parliamentary portfolio committees in particular, should be enhanced. This includes the budget and finance committee, which should now be interested in looking at the revenue generation side and not just the spending side.

### 4. Improve working relations between state and civil society.

The Zimbabwean government must recognise the KP Local Focal Point and work with it closely. It must also allow Zimbabwean civil society visits to the Marange diamond fields.

It is clear that significant capacity constraints prevent Zimbabwe from properly managing its diamond resources. These deficiencies are systemic, and lead to a sense of impunity that is shared by many violators. What will produce transparency and accountability is, first and foremost, political will. The KP and those with expertise should help the government of Zimbabwe to put the appropriate mechanisms in place.

## What Role for Neighbouring States?

Regional actors can be subdivided in to three: KP members; non-KP members; and the SADC as an institution. Zimbabwe has escaped suspension from the Kimberley Process due, in part, to the support it has received from African countries, especially the SADC's KP member states. The problem with this support, even as informed by the 2010 KP monitor's report that Zimbabwe has satisfied the KP's minimum requirements, is that it has failed to condemn the widely reported human rights abuses against artisanal miners and communities in Marange.

For the past three years, the Kimberley Process has struggled to address the complex issues of

human rights and corruption with regards to the Marange diamonds. SADC member states have been conspicuously quiet in this regard. There is no doubt that regional actors could have played a more progressive role in ensuring that Marange's diamonds are extracted in an environment respectful of communities' human rights, and that trade is conducted in a transparent and accountable manner.

## SADC KP Members

Seven SADC countries are members of the KP: Angola, Botswana, the Democratic Republic of Congo (DRC), Lesotho, Mauritius, Namibia and South Africa. Two of these countries – South Africa and the DRC – have played a key role in determining the course of the KP in Zimbabwe.

## South Africa

South Africa has been a key supporter of Zimbabwe in the KP. Since KP Monitor Abbey Chikane found in 2010 that Zimbabwe had met the minimum KP standards and should be allowed to sell its diamonds, South Africa has backed Zimbabwe in all KP fora, arguing that any final decision should be based on the monitor's report. South Africa spearheaded the SADC mediation efforts in Zimbabwe that led to the GPA, and has called for an end to sanctions against Zimbabwe. South Africa is also among those within the KP who ascribe the entire hype around the Marange diamonds to the conflictual relationship between Zimbabwe and Western governments.

In all recent KP meetings, two groups have emerged: a majority in favour of and another (mostly comprising Western countries) against permitting Zimbabwe to sell its diamonds. There is no doubt that a forum where the majority position is defeated by a minority is problematic and cannot work.<sup>7</sup>

South Africa has held the position that Zimbabwe needs a carrot, not a stick, to encourage its leadership to implement the GPA. South Africa wants to see some successes coming out of Zimbabwe, and hopes that diamond revenues could help the country deal with its socio-economic crisis. From South Africa's perspective, diamonds could help revive the Zimbabwean economy and ease the political tension in the country. But what South Africa ignores is that revenues from diamonds are not going to Zimbabwean citizens, but to a small elite. What, then, can South Africa do?

1. If South Africa is serious about allowing Zimbabwe to sell, it should pronounce itself unequivocally in favour of transparent and accountable structures that can manage the revenues for all to benefit. South Africa's own model of diamond extraction is an example. There are no state-driven human rights violations in its mines. All its mines are largely accessible by parliament, state officials and civil society. Locking itself into an ideological position that pleases political elites without resolving Zimbabwe's national problems is hardly a responsible position to take.
2. South Africa could use its position as mediator to discuss this issue with all parties in the GPA. The power-sharing deal was political and did not deal with economic issues, especially how to manage the proceeds from mining; but just as South Africa has used its position to call for the lifting of sanctions, it could pressure parties in the GPA – especially ZANU-PF – to adhere to transparent and accountable management.

Unfortunately, the South African government's foreign policy remains premised (as does Chinese foreign policy) on "non-interference in neighbours' internal affairs".<sup>8</sup>

It is important to point out that South Africa's position has also been driven by pure business interests. South Africa wants to benefit from Zimbabwe's diamonds.

At the same time, it is important to point out that South Africa's position has also been driven by pure business interests. South Africa wants to benefit from Zimbabwe's diamonds. David Kassel, director of Mbada Diamonds (the largest company operating in Marange), told VOA Studio 7 reporter Sandra Nyaira that Mbada has been selling its rough stones, and that South Africa has been the main buyer. "We have sold very small parcels [of Marange diamonds] to customers in South Africa, and we will continue to do so", he said. "And we continue to have people viewing our diamonds for sale at the moment. There are many, many buyers who want to buy, who are

happy to buy. As far as we are concerned, these are not conflict diamonds at all."

Another reason for South Africa's behaviour, like Angola's and Namibia's, is the support that former liberation movements in the region tend to give each other. The Zimbabwean diamond crisis has exposed the struggle for control of African resources by former colonial powers and the refusal by a number of African governments, especially in southern Africa, to allow it to continue. Within this resonance, for South Africa or other African countries to demand that ZANU-PF respects human rights in the management of the Marange diamonds could be seen as siding with those who want to control Zimbabwean resources. Unfortunately this rigid position, again, sacrifices Zimbabwe's much-needed transparency and revenue management of diamonds on the altar of political expediency.

### The DRC

It was under DRC chairmanship that the KP received its biggest blow, when Mr. Yamba circulated a letter allowing Zimbabwe to sell its diamonds. It is clear that this decision was not a unilateral one. The DRC does not have the diplomatic courage to make such a decision on its own. It represented the position of many African and Asian countries that have clearly supported Zimbabwe to sell.

However, Yamba's decision is clearly also a manifestation of the close relations between President Joseph Kabila and President Mugabe. The KP provided an opportunity for President Kabila to showcase his friendship with President Mugabe and ZANU-PF – a liaison that began with Zimbabwe's military intervention to save President Laurent Kabila's regime from Rwanda and Uganda's invasion. It was therefore expected that under the DRC chairmanship, the KP would favour Zimbabwe. So it was not surprising that the DRC took the decision to allow Zimbabwe to sell its diamonds.

In hindsight, the DRC's position might be what saved the KP from collapsing. As it was clear that it was impossible to find consensus, one group needed to impose itself on the other. In this situation, the majority took the lead. Kinshasa was a demonstration of the power of the majority.

Those who are looking to the USA (as the next chair of the KP) to override Yamba's decision might be disappointed. The recent reconciliatory visit of the US ambassador to Zimbabwe, Charles Ray,

to ZANU-PF suggests that the USA is prepared to change its position on many issues regarding Zimbabwe. At a public lecture in Bulawayo, Ray said, “We are working within the Kimberley Process to reach a consensus agreement to allow for Zimbabwe to export certified diamonds from Marange while ensuring that workers and local communities’ rights are respected”.<sup>9</sup>

The rest of the SADC producing and polishing countries – Botswana, Lesotho and Mauritius – do not have enough political weight in the region to influence or improve the situation. As far as Botswana is concerned, relations between President Ian Khama and ZANU-PF have not been good. ZANU-PF would certainly agree with South Africa’s African National Congress Youth League position that Botswana, under the current regime, is a stooge of Western imperialism. Despite being among the shining examples of how best to manage diamond resources, Botswana is therefore not in a good position to provide advice to Zimbabwe.

Together, SADC diamond-producing countries can help Zimbabwe protect its diamond industry from smuggling. All SADC diamond producers are potential transit routes for unauthorised Marange diamonds. Diamonds smuggled from one country can easily use the certification system of another. Congolese diamonds, for example, have been rumoured to have found their way into Lesotho. Thus, Zimbabwean diamonds can enter the international markets using another country’s certificate. This eventuality, fortunately, has not thus far been established in the case of Zimbabwean diamonds.

There are concrete things that SADC’s diamond-producing countries could do to help Zimbabwe. These include:

1. SADC producing countries should create a forum for regular experience-sharing and to design new strategies to strengthen the KP and create other, extra KP measures to deal with the illicit diamond trade.
2. SADC producing countries should join forces to harmonise diamond extraction and trade regulations.
3. SADC producing countries should introduce mechanisms to standardise diamond extraction and commercialisation. To this end, they could agree to:
  - maintain high standards of rules and regulations.

- provide market intelligence on current and forecast international diamond prices.
- promote technical cooperation in the fields of exploration, mining and mineral processing of diamonds.
- coordinate and network the existing mining school systems in order to develop education, skills and training, and establish R&D and centres of excellence in mining.
- facilitate the adoption of best practices, valuations and associated policies available in the minerals industry.
- promote the exploitation of and value addition to diamonds.
- promote partnerships with the business and public sectors.
- put in place diamond statistics to permit cross-border comparisons of export versus import statistics or to evaluate production of individual member states in the region.

4. In addition to these general objectives, the forum participants could also agree to regularly share progress reports about and evaluations of specific diamond projects in their countries. Such activities will help eliminate the serious reputation risk the Zimbabwean diamonds pose to the international natural resource trade.
5. SADC producing countries should develop a common code of conduct for their diamond industry; institute measures against theft and fraud involving their diamond resources; and meet regularly to evaluate the KP certification mechanism.

#### **SADC Non-KP members**

Illegally mined diamonds could be transiting through countries that are not members of the KP. Mozambique, for example, has been identified as a major transit route for illicit Marange diamonds. This is understandable, considering that the Marange diamond fields border Mozambique. The fact that the two governments have not made any effort to stop smugglers using Mozambique as a transit might suggest tacit support of the smuggling by key figures in these governments or their security forces. In normal circumstances, such trade would have created tension between the two countries, or pushed them to design bilateral arrangements to stop the trade. Diamonds that cross illegally into Mozambique are allegedly traded by Zimbabwean Army elements and war veterans allied with their

FRELIMO comrades, who facilitate the business. So the issue is that of corrupt state agents on both sides of the Zimbabwe-Mozambique border.

The lack of effort by the Zimbabwean government to engage the Mozambican government is creating concerns. While diamond smuggling happens in almost all countries in the region – especially in the DRC, Angola and Lesotho – the difference with Zimbabwe is that there is a deliberate predisposition to break the law, while in the other countries, governments are striving to curb illicit trade.

Some specific steps that Zimbabwe and Mozambique can undertake to reduce the illicit diamond trade are outlined here:

- Mozambique should join the KP. The KP should put pressure on that country to speed up the process of joining the scheme.
- Both Zimbabwe and Mozambique must demonstrate the political will to adhere to the KP in the fight against the illegal diamond trade from Marange.
- Mozambique should build robust state institutions to prevent its territory being used as transit for Zimbabwe diamonds.
- State agents from both countries working along the border must be trained in how to police diamond trafficking.
- The two countries must very quickly establish a bilateral commission that meets regularly to evaluate their efforts to combat the illicit diamond trade.
- They must establish a conduit for exchange of intelligence information on diamond activities.

### What Can the SADC do?

The SADC, as an institution, should sign up to the KP and develop principles and guidelines or an SADC protocol on resource governance. This could be used as an advocacy tool, not only with respect to diamonds, but with all commodities. Without a protocol that engages all governments, the issue of sovereignty will always come up. Other governments will invariably be uncomfortable with advising a neighbor that is struggling to manage its resources.

### What Role for Civil Society?

There has been lack of solidarity on Zimbabwe between African civil society organisations in the SADC, especially on the question of human rights violations and diamonds. SADC civil society has not pronounced itself clearly and forcefully on the

atrocities in Marange and the human rights abuses perpetrated against human rights defenders there by ZANU-PF state agents.

While diamond smuggling happens in almost all countries in the region, the difference with Zimbabwe is that there is a deliberate predisposition to break the law, while in the other countries, governments are striving to curb illicit trade.

By refusing civil society access to the Marange diamond fields, the Zimbabwean government has prevented them from acquiring solid data to guide and lead the debate. In many instances, the voice of Western civil society organisations is heard internationally, rather than that of Zimbabweans. While the information thus revealed has been welcomed, and has contributed to such mobilisation as we have seen, it has undermined the independence of African civil society in a seriously charged political context. President Mugabe's regime has often accused civil society organisations of lack of independence, and of being stooges of Western interests.

It is not surprising, therefore, that African civil society has not found space in the KP to lead the discussion on the Marange diamonds. It plays a peripheral role, remaining a passive recipient of Western civil society articulations and positions. Zimbabwean civil society, together with regional organisations, needs to undertake more home-grown advocacy, based on solid and rigorous research. When Zimbabwean civil society starts to lead the debate, I believe that it can produce balanced analysis on the Marange diamonds – analysis that factors in Zimbabwe's political dimension and the geostrategic positioning of key world actors that are compounding the difficulty of finding a lasting solution.

As the KP struggles to fulfill its mission, meanwhile, the situation on the ground in Zimbabwe remains unchanged. This appears to suit those insiders who have little to lose from lack of certification, and much to gain from the KP's absence or reduction to irrelevance.

## Conclusion

Individuals in both government and civil society in Zimbabwe are working hard to ensure that diamonds are properly managed to the benefit of Zimbabwean citizens. Properly managed diamonds could contribute significantly to the national budget. These efforts are, however, often torpedoed by other rent-seeking politicians.

Civil society in Zimbabwe has just launched the Publish What You Pay (PWYP) campaign, and Zimbabwe has also launched the Mining Revenue

Transparency Initiative (MRTI). Neighbouring countries should contribute to these useful efforts by supporting Zimbabwe in making its regulatory system more transparent and accountable. They should create cross-border initiatives to fight diamond smuggling, and they should speak out against human rights abuses in the Marange fields. In the long run, such an approach constitutes a more empowering relationship with Zimbabwe than today's blind support for Zimbabwe to sell its diamonds.

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## Endnotes

- 1 The KP currently defines "conflict diamonds" as "rough diamonds used by rebel movements or their allies to finance conflict aimed at undermining legitimate governments". Conflict is strictly defined as armed conflict – but many African countries are no longer in conflict. Harare and other African KP members say the Marange diamonds are conflict-free because sales are not financing a rebel group. Human rights groups have tried to label Marange stones "conflict diamonds" under a broader definition that includes violence perpetrated by government, which they argue is more true to the spirit of Kimberley's mandate. The Kimberley Process Certification Scheme remains critical to controlling the trade of diamonds, but it might need to be adjusted to include the contentious issues surrounding what is happening in Zimbabwe. Some have proposed a "Kimberley Process Plus": exactly an attempt to broaden the KP beyond an exclusive focus on conflict diamonds. Neither the KP nor those who want it to remain relevant have invested sufficiently in ensuring that the scheme keeps up with time and events.
- 2 The Marange diamonds were discovered in 2006, well before the GPA was discussed and concluded. The discovery saw up to thirty thousand illegal miners invading the area to pan for diamonds. The quantity of diamonds from Marange quickly became a threat to the KP. The government of Zimbabwe reinforced smuggling by stationing security forces in Marange. For the soldiers and police, who were facing serious socio-economic hardship, the Marange diamonds presented an opportunity for self-enrichment. Powerful Zimbabwean politicians are accused of being part of the cartel that controls the illegal extraction and illicit trade of diamonds. Zimbabwe, under pressure from the KP, has introduced many reforms, including the withdrawal of most security forces from the diamonds fields – it has granted mining rights to five companies, each of which has its own private security force. But many consider these efforts insufficient. The KP has failed to reach a consensus on whether Zimbabwe should be allowed to sell diamonds from the Marange fields.
- 3 "Zimbabwe's Marange Diamonds Put Kimberley Process to the Test", *Voice of America*, 21 June 2011, <<http://www.voanews.com/english/news/africa/southern/Zimbabwes-Diamonds-Put-Kimberley-Process-to-the-Test-124310334.html>>
- 4 *Ibid.*
- 5 Canada, Israel and the USA did not support the draft. Due to lack of consensus, the decision was qualified as unilateral.
- 6 Chikane's judgment has been widely questioned, but those questioning it continue to rely on media and individual reports. These critics cannot claim credibility without offering a consistent alternative report.
- 7 The KP should not be used as a tool by globally powerful countries to push for their political interests in Zimbabwe. The Kimberley Process should be seen to be applied in consistent manner in all its member countries. In the case of Zimbabwe, despite the KP monitor's favorable report and the majority of KP members supporting Zimbabwe, the USA, Canada, Great Britain and Australia have opposed the selling of Marange diamonds. This is why some have argued that the KP has been hijacked for political reasons.
- 8 President Jacob Zuma, *City Press*, 13 August 2011.
- 9 Bhebhe N, "US seeks Deal on Marange Diamonds", *Zimbabwe Independent*, 25 August 2011.

## Debate

# Can the Kimberley Process Survive Marange?

Zimbabwe's Marange diamond fields represent a lost opportunity for the Kimberley Process (KP). Faced with one of the worst examples of violence in the diamond fields since Charles Taylor, the KP did nothing for a year. Slow to act, it has spent the intervening three years looking to excuse Zimbabwe's behavior, hoping the world wouldn't notice.

The KP has been incapacitated over the last three years, and not by a lack of information – from NGO reports, reputable media accounts, and even its own Review Mission findings. It has, rather, been undercut by a lack of political will to follow through on the information it had; to firmly say *no* to activity that was, and is, overtly criminal.

Appropriate intervention could have been an opportunity for the KP to protect its “brand”. It could have used Marange to give itself a wakeup call and modernise itself. Instead, it has failed to realise that the original gold standard for multi-stakeholder initiatives is being rapidly overtaken – not only by new kids on the block, like the Extractive Industries Transparency Initiative (EITI), but by an increasingly aspirational and ethical consumer market.

Marange should have been an opportunity for countries, particularly African countries that still bear the scars of diamond-fuelled wars, to act firmly. These governments could have reaffirmed that there is no place for any violence in the diamond supply chain, irrespective of whether the perpetrator is a rebel or a government soldier. Instead, many countries continue to maintain that Marange does not produce “conflict diamonds” because it does not meet the traditional definition: “diamonds used by rebel movements to fuel war against a legitimately elected government”.

The KP has had numerous meetings on Marange. In fact, the topic has consumed KP business for the past two years. Each meeting (there have been at least six in the last 18 months) results in a lowering of the bar of what is expected of

Zimbabwe. Past agreements are forgotten. Zimbabwe takes what it wants from new agreements, and ignores the other commitments they include.

Marange has always been symptomatic of larger structural problems afflicting the KP. The KP has demonstrated over and over again that it cannot stop human rights abuses, or even guarantee the origin of diamonds. It has remained silent on repeated violence against artisanal diamond miners by state actors in Angola; it did little to stop the flow of officially recognised conflict diamonds from Côte D'Ivoire; it has let Venezuela off the hook after that country absented itself from the KP following revelations of widespread smuggling. In the DRC, over 50 percent of diamonds exiting the country are of unknown origin. Clearly, on numerous fronts the KP is failing to deliver on even its most basic promises.

The KP has demonstrated over and over again that it cannot stop human rights abuses, or even guarantee the origin of diamonds.

What are the consequences for the KP of the situation at Marange? For starters, it has shown that the emperor has no clothes. The KP cannot stop violence. It cannot guarantee the origin of diamonds. That is the good news. A hard dose of honesty has been forced on the KP.

The bad news is that the KP's handling of Marange has diminished its own importance. Organisations and governments that care about a conflict-free, sustainably managed diamond supply chain are increasingly looking to other vehicles to achieve the outcomes they want. These measures are going to be less voluntary. They will carry harder penalties for non-compliance, and will

*cont. p24*



Alan Martin

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# A Reality Check?

## The Kimberley Process and Marange

South African diamonds were first discovered towards the end of the nineteenth century in the city of Kimberley. It was here that the Kimberley Process was launched in May 2000, when government officials from more than thirty diamond-producing and trading countries came together with representatives from the diamond industry and NGOs. Their agenda was to initiate a dialogue aimed at breaking the link between the diamond trade and devastating conflicts in Africa: the sale of so-called “conflict diamonds”. Three years later, in 2003, fifty-two countries started to implement the Kimberley Process Certification Scheme (KP), under which they committed to comply with certification requirements for the rough diamond trade. All significant diamond-producing, manufacturing and trading centres now implement the KP, which today brings together fifty participants representing seventy-six countries, including all twenty-seven members of the European Union.

In the first years of its operation, the Kimberley Process proved remarkably successful, to the point that the vast majority of international rough diamond trade now moves through official KP channels. The KP has contributed significantly to curbing the flow of conflict diamonds, bringing it down from an estimated 4 to 15 percent of total trade at the end of the 1990s to less than 0.2 percent today. With the end of the crisis in Côte d’Ivoire now in sight, there may soon be no more conflict diamonds at all.

This achievement can obviously not be attributed to the KP alone; yet it is striking that, less than ten years after its creation, the world has never been so close to getting rid of conflict diamonds. The Kimberley Process has thus emerged as a uniquely innovative international arrangement. It has evolved into a remarkable conflict-prevention and peace-building instrument, to the point that it has become a reference point in discussions involving conflict resources, altogether.

Since its inception, the KP has been confronted with many challenges arising from a rapidly changing economic and political environment. Among the most critical of these is the current impasse surrounding the certification of diamonds from Zimbabwe’s Marange fields. This stalemate has led NGOs to express a vote of no confidence in the KP, and to call for its urgent reform. So has the KP failed in Marange? Has the controversy driven it to its deathbed?

In many respects, the Marange issue has actually demonstrated the KP’s capacity to operate effectively in situations of crisis.

In many respects, the Marange issue has actually demonstrated the KP’s capacity to operate effectively in situations of crisis. It should be emphasised that it was the KP that first exposed the problems associated with militarisation and violence in the Marange area, and that demonstrated strong political resolve to address them. Its critical engagement with Zimbabwe has delivered substantial agreements – most notably, the Swakopmund Decision – providing a solid, constructive and consensual basis for addressing the issues.

In support of these agreements, the KP has mobilised a vast array of tools to monitor developments in Marange. These include satellite monitoring, statistical analysis, expert field missions and mobilisation of local civil society, as well as technical assistance. In a demonstration of effective multi-lateralism, the KP has developed tools for countries around the world to ensure vigilance



Stéphane Chardon

Stéphane joined the European Commission in Brussels in 1996 as a lawyer. He entered the commission’s External Relations Department in 1999, and oversaw economic and political affairs in EU delegations to Moscow and Asmara, Eritrea. Since 2006, Stéphane has been responsible for EU sanctions/restrictive measures under the EU’s foreign and security policy, and for the Kimberley Process in the commission’s External Relations Directorate-General. He has worked in the commission’s Foreign Policy Instruments Service since 2011.

*cont. p25*

focus on a much broader range of actors than just governments and the diamond industry.

The measures that emerge from these developments could include:

- Widening the scope of the US's Dodd-Frank mineral transparency legislation to include diamonds. This would force the global diamond industry to prove due diligence on its supply chain – something it has failed to get around to in the ten years of the KP's existence.
- Making targeted use of US and EU sanctions to leverage listed Zimbabwean entities engaged in diamond illegality – most especially, the principal parastatals engaged in joint ventures with private sector actors in Marange.
- Engaging other multi-stakeholder initiatives, such as the Extractive Industries Transparency Initiative (EITI) and the Voluntary Principles on Security and Human Rights affecting private security companies.
- Focusing efforts at improving implementation at the national and regional levels of the KP, rather than at the international level.

The KP's failures to date also add support for and urgency to the establishment of a "KP Plus", whereby more ethically conscious KP participants subscribe to a higher set of standards. A KP Plus, in the short term at least, has the very real possibility of creating a two-tier system – especially if African countries sit on the sidelines and do not participate in drafting the new standards and terms of reference. In that case, they will be bystanders to the process. Those on the inside, however, will be able to demand a value-added premium on their diamonds. It will be up to African countries to decide how they will respond. Will they continue to pander to the lowest common denominator, and suffer the economic consequences? Or will the economic incentives that come from better governance trump such considerations?

One of the lessons of Marange is that all participants and observers have been too singularly focused on the KP as the only vehicle through which to adjudicate the issues and affect positive change. If there is any encouraging outcome from the last two years of frustration, it is the rethinking of that idea.

Another result of the Marange fiasco has been that civil society groups are re-articulating a more comprehensive and multi-dimensional vision of what we want and expect from the diamond supply

chain. Not only that: we have begun to accept that we will need to embrace multiple tools to achieve the change we want.

This is not an entirely new concept for Partnership Africa Canada, which has always endorsed a more holistic approach to the diamond industry than sole reliance on the KP. Recognising that the KP does not address developmental outcomes in artisanal mining communities, we helped create the Diamond Development Initiative (DDI). We already work with many private sector actors interested in a more equitable and ethical diamond supply, including the Responsible Jewellery Council and Rapaport. We will seek out new alliances as we go. But the focus will be on those partners who demonstrate genuine interest in and support for initiatives that bring us closer to a more equitable, less violent and sustainably managed diamond supply chain.

Some of the new measures mentioned above may have an adverse impact on African diamond producers. One thing that has emerged from this lengthy debacle in Zimbabwe is the growing disconnect between the mostly artisanal and alluvial diamond producing countries in Africa, and those countries that have to retail diamonds to ethically conscious consumers in North America and Europe. These consumers will not buy diamonds that are linked to violence, whether this violence comes at the hands of rebel groups or from state security forces.

There will be far-reaching economic consequences for African diamond-producing countries if Western retailers lose confidence in the KP and move to eliminate artisanal African diamonds from their supply chains altogether. This is a growing trend that countries ignore at their peril.

Furthermore, ethical concern is not only a Western phenomenon. Market research cited in a 2009 Lifeworth Consulting report on corporate responsibility also suggests that high net-worth consumers in India and China (the fastest growing consumer markets for diamonds) are increasingly motivated by ethical considerations.

African diamond producers need to step up their game. Many of the new tools and initiatives to improve governance and outcomes in the supply chain are being directed by political and economic forces that are largely outside Africa. Countries that remain bystanders to these new initiatives, or that continue to pander to the lowest common denominator – as in Zimbabwe today – will do themselves no favours.



against irregular shipments. It has further blocked irregular exports of Marange diamonds and arrested smugglers worldwide.

Interestingly, most of those tools have been developed over the last few years, after the KP had dealt with various implementation challenges. The KP as currently constituted is thus now better equipped than ever before to cope with the challenges it faces.

The KP's mandate, its consensual decision-making and its flexible organisation may need to be reassessed in light of growing demands and greater expectations from consumer markets.

However, even as the KP reaches a peak in terms of technical capacity, since November 2010 the long-lasting impasse over the Marange issue has thrown it into disarray. Participants' previously strong political resolve in support of KP compliance is increasingly diluted by political support for other interests, and the KP's recourse to unilateral actions is threatening its members' commercial solidarity. It is premature to announce the KP's death, as it has shown remarkable resilience to shocks; but the Marange crisis has truly turned into a KP crisis.

What, then, is the solution? Should we reform the KP?

True, the impasse on Marange is revealing the limits of the KP's ability to address acute crisis. The KP's mandate (which is confined to a

narrowly crafted definition of "conflict diamonds"), its consensual decision-making and its flexible organisation may need to be reassessed in light of growing demands and greater expectations from consumer markets. Certainly, some improvements to the KP's administrative infrastructure may be both warranted and achievable; but fundamental changes to consensus decision-making and the scope of the Kimberley Process should be treated with caution. In any event, prospects of or hopes for a better international organisation in the future should not divert attention from the resolution of urgent issues in the present, such as Marange, which can only be tackled with existing tools. At this point, therefore, caution should be exercised lest the KP as a consensual multilateral scheme be replaced by a cycle of unilateral decisions by stakeholders. This alternative would be highly detrimental to the diamond sector – and to all its stakeholders.

In conclusion, the Marange crisis has certainly helped expose the KP's real strengths and weaknesses. Nonetheless, despite continuing issues of economic governance, human rights and violence in Marange, the KP has consistently monitored and raised awareness of the situation there. It has further contributed to gradual and limited, but nevertheless real, improvements to the situation on the ground, as recognised by virtually all stakeholders.

Let's hope that the members of the Kimberley Process will find the political will to empower it as an effective force in creating a better diamond sector.

*The views expressed by the author in this article do not necessarily reflect the position of the institution that employs him.*

# The Kimberley Process and the Marange Diamond Fields

## A Timeline

2006

**March/ April:** De Beers lets its exploration license for Marange expire. British-registered Africa Consolidated Resources Ltd. (ACR) gains control of the exploration rights.

**September:** The diamond rush starts. An estimated ten thousand would-be miners flock to the Marange diamond fields.

**December:** Shortly after operations begin, ACR's license is revoked by the state-owned Zimbabwe Mining Development Corporation (ZMDC). Its mines are shut down. Despite a subsequent court ruling in ACR's favour, police prevent the company from resuming operations. In the same month, Zimbabwean police move into Marange to take control of the diamond fields. By mid-2007, illegal mining is thought to have been brought under control.

2007

**May/June:** The Kimberley Process Certification Scheme (KP) sends a review mission to Zimbabwe. The mission concludes that Zimbabwe meets the required minimum standards.

2008

**March:** Zimbabwe holds parliamentary and presidential elections.

**October/November:** The number of illegal miners in Marange has swelled to an estimated thirty thousand. The government of Zimbabwe launches a military operation coded "No Return". According to some observers, more than two hundred people are killed during the first three weeks of the operation, alone.

2009

**June/July:** The KP sends a review mission to Marange. The mission reports "credible indications of significant non-compliance" and recommends temporary suspension of Zimbabwe as a certified producer of approved diamonds.

**July:** The Zimbabwean Ministry of Mines accepts expressions of interest from companies willing to enter into joint venture mining agreements in Marange.

**August:** Two companies – Mbada Diamonds and Canadile Miners – enter into joint ventures with the ZMDC, which holds 50 percent of the shares.

**November:** A KP plenary meeting is held in Namibia. Zimbabwe and the KP agree on a joint work plan (JWP) to address the indications of non-compliance reported in July. The JWP is to be implemented under the oversight of a KP monitor.

2010

**February:** The KP nominates South African businessman Mr. Abbey Chikane as the KP monitor for Zimbabwe.

**March:** Abbey Chikane undertakes his first visit to the Marange diamond fields to assess progress on the JWP.

**May:** Monitor Chikane visits Marange for a second time. His report concludes that Zimbabwe now meets the KP minimum requirements, and should be allowed to resume diamond exports from the Marange diamond fields.

**June:** A KP intersessional meeting is held in Israel. Civil society participants argue against Chikane's findings. The plenary is overshadowed by the arrest of Zimbabwean civil society activist Farai Maguwu shortly before the meeting. Negotiations on Zimbabwe's progress end in a deadlock.

**July:** KP members reach a compromise decision at the annual World Diamond Council meeting in Russia: Zimbabwe is permitted to hold two KP-supervised sales auctions, but a civil society local focal point is to be established to assist the KP monitor in assessing JWP progress.

**August:** A KP review mission visits Zimbabwe. The mission finds that the Zimbabwean government and the mining companies Mbada and Canadile have made progress in implementing some elements of the JWP. However, the report also points to a number of problems, such as ongoing smuggling activities involving the military and illegal miners' syndicates.

**August/September:** The two sales auctions agreed to in July are held. (In his National Budget Statement of November 2011, the minister of finance refers to a third, unauthorised sale of diamonds, from which the ministry did not receive revenue receipts.)

**October:** The KP Working Group on Monitoring approves the structure of the Zimbabwean KP civil society local focal point, which is to comprise six organisations and be coordinated by Mr. Shamiso Mtisi of the Zimbabwe Environmental Law Association (ZELA). The government of Zimbabwe, however, rejects this formation.

**November:** The KP plenary meeting in Israel fails to produce any agreement. A draft text proposes provisions for supervised exports from Mbada and Marange Resources (formerly Canadile) coupled with an export cessation mechanism, but the government of Zimbabwe rejects it. It argues that it has satisfied the minimum requirements of the KP, and should be allowed to trade without any conditions or supervision. A meeting of the Working Group on Monitoring in Brussels is unable to break the deadlock.

2011

**March:** The 2011 KP chairman, from the Democratic Republic of Congo, issues a notice seeking to allow Zimbabwe to export diamonds from compliant mining companies in Marange – namely, Mbada and Marange Resources. However, other KP participants reject this decision on the grounds that it was reached without consensus.

**April:** A draft agreement is mooted at a Working Group on Monitoring meeting in Dubai. It includes provisions for further monitoring and supervision, as well as measures to cease exports if there are reports of violence in Marange. The government of Zimbabwe rejects the proposed agreement.

**June:** At a KP intersessional meeting in the DRC, the chairman issues a notice, allowing Zimbabwe to export diamonds from compliant mining companies (Mbada and Marange Resources). This notice is rejected by other participants – including the United States, the European Union, Australia, Israel and Canada – on the basis that there was no consensus when the notice was issued. The notice also prompts a walk-out of the plenary meeting by civil society participants.

# OTOBONG NKANGA

Otobong was born in 1974 in Kano, Nigeria and currently lives and works in Antwerp, Belgium. She began her art studies at the Obafemi Awolowo University in Ile-Ife, Nigeria, and later continued in Paris at the Ecole Nationale Supérieure des Beaux-Arts. She has been an artist-in-residence at the Rijksakademie van Beeldende Kunsten in Amsterdam and she finished her Masters at Dasarts, Amsterdam.

Otobong makes use of a broad spectrum of media, including drawing, performance, photography, video and installations to put forward observations and sensations inspired by social developments and changes to environment and culture.

Her work is structured around chains of associations, revealing the complex layering and interwoven histories of society. It refers to autobiographical narratives and social-ecological realities of spaces of her homeland and places she encounters.

For more information and a list of her recent shows go to: [www.otobongnkanga.com](http://www.otobongnkanga.com)



Wim van Dongen

## About the artwork

Title: Social Consequences II: Hostage

Dimensions: 29 x 42 cm.

Technique/Material: Drawing / Round stickers and acrylic on paper.

Year of Production: 2009.

Credits: Courtesy of the Artist and Lumen Travo Gallery, Amsterdam.

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