



# Zimbabwe's Marange Diamonds and the Need for Reform of the Kimberley Process

### RECOMMENDATIONS

- The Kimberley Process should amend its definition of conflict diamonds to include governments. A clearer definition of conflict diamonds could be 'rough diamonds used by rebels, their allies or governments to finance conflict that undermines good governance'.
- The Kimberley Process should establish permanent, local, focal-point monitoring mechanisms in member states that include government, business and civil society to monitor diamond production and sales.
- The Kimberley Process should request transparency from its members in the awarding of mining licences.
- The Government of Mozambique should take action to halt the flow of illegal diamond trading from Zimbabwe into its territory.

Tyanai Masiya<sup>1</sup> & Alex Benkenstein<sup>2</sup>

### EXECUTIVE SUMMARY

In November 2011 the Kimberley Process (KP) approved the sale of diamonds from Zimbabwe's Marange region. The decision follows two years of contention and debate regarding human rights abuses perpetrated in the mining area and the question of whether Marange's diamonds should be classified as 'conflict diamonds'. The KP's definition of conflict diamonds refers only to the role of 'rebel groups and their allies', and thus proved inadequate in describing the situation in Marange, where Zimbabwean police and military forces were widely implicated in human rights abuses and diamond smuggling. This policy brief suggests that, if the KP is to retain its legitimacy, its definition of 'conflict diamonds' should be amended to include the potential role of governments in using diamond revenues to finance human rights abuses.

### BACKGROUND

Conflicts in Africa have been notoriously associated with mineral resources. Diamonds historically provided rebel groups with illicit sources of income to purchase weapons and finance paramilitary operations. Such conflicts were often associated with widespread human rights abuses such as the use of child soldiers, mass murder and rape. Diamonds played a part in financing destructive, protracted wars in Angola, Liberia, Sierra Leone, the Democratic Republic of Congo, Central African Republic, and the Ivory Coast. The KP was established to prevent the trade in such 'conflict diamonds', which were defined in the context of these historical conflicts as 'rough diamonds used by rebel movements or their allies to finance conflict aimed at undermining legitimate governments'.<sup>3</sup>

Prospecting for diamonds in the Marange area in eastern Zimbabwe was initially undertaken by the global diamond producer, De Beers, which held an Exclusive Prospecting Order in the area from 1994 to 2006. De Beers claims that it discovered only alluvial diamonds, which it did not mine as it was seeking to exploit kimberlite deposits. In 2006 De Beers sold its mining rights in Marange to African Consolidated Resources (ACR), citing the nature of the deposits, a dispute regarding the allocation of a second concession, and a deteriorating relationship with the Zimbabwean government as reasons for its withdrawal. The government later cancelled the ACR licence and took control of the concession area through the Minerals Marketing Corporation of Zimbabwe (MMCZ), a state-owned company.

During the time of De Beers' withdrawal and MMCZ's eventual takeover of the Marange diamond fields, artisanal mining of the area's alluvial diamonds increased rapidly, accelerated by Zimbabwe's rapid economic deterioration. By 2007 an estimated 35 000 artisanal miners were operating in Marange.<sup>4</sup>

In November 2006 the police were deployed to control the diamond fields. The police presence in Marange, however, proved ineffective in controlling artisanal mining and reports emerged that the police themselves were involved in corruption, extortion and diamond smuggling in the area. In October 2008 the army was dispatched to Marange in an operation named '*Hakudzokwi kumunda*' ('You will not return'). The operation has been associated with significant loss of life and human rights abuses including torture, rape, beatings and forced labour.

#### THE TRADITIONAL CONCEPT OF 'CONFLICT DIAMONDS'

The role of diamonds in financing conflicts received increasing attention in the 1990s, particularly as a result of the conflicts in Angola and Sierra Leone. Diamond sales were an important source of financing for the anti-government UNITA<sup>5</sup> forces in Angola and the Revolutionary United Front forces in Sierra Leone. In May 2000 the UN Security Council banned all

sales of diamonds from Sierra Leone until the government established a certification system for legal exports. At the same time the chairperson of the Security Council sanctions committee, Canadian Ambassador Robert Fowler, began encouraging the diamond industry to establish traceability measures to ensure that rough diamond sales did not contribute to conflicts. In the context of the conflicts in Angola and Sierra Leone, the UN General Assembly adopted Resolution 55/56 in December 2000, which defined conflict diamonds to be 'rough diamonds which are used by rebel movements to finance their military activities, including attempts to undermine or overthrow legitimate Governments.' It was this definition that was to form the basis of the KP's conception of conflict diamonds.

#### MARANGE – THE NEW FACE OF 'CONFLICT DIAMONDS'?

The role of the Zimbabwean state security forces in perpetrating human rights abuses in Marange was first highlighted in June 2009 through a Human Rights Watch report.<sup>6</sup> In collaboration with local civil society organisations, including the Centre for Research and Development, Human Rights Watch documented numerous human rights abuses as well as evidence of corruption, extortion and diamond smuggling. The security forces present in Marange had formed syndicates with key public officials and buyers in order to smuggle diamonds, while some private sector actors and relatives of high-ranking officials have also been implicated in diamond smuggling.<sup>7</sup> These smuggled diamonds have been intercepted in the diamond markets and trade routes of India, the United Arab Emirates, Israel and Lebanon, among others. Marange diamonds mostly entered international markets via Mozambique, leading to an economic boom in certain Mozambican towns, such as Manica.

In response to civil society reports of human rights abuses in Marange, the KP sent a review mission to the area which confirmed human rights abuses by authorities. In November 2009 the KP agreed on a joint work plan under which the Zimbabwean government would undertake

various actions such as the demilitarisation of the diamond fields, curbing smuggling and legalising small-scale mining. Under the agreement, sales of Marange diamonds were to be strictly controlled, with the KP approving two auctions in 2010.

The first auction sold 900 000 carats of diamonds, at \$72 million. The government received \$30 million in royalties.<sup>8</sup> The second auction of 400 000 carats was conducted in secret but is likely to have raised no more than half of the first auction, given the volume of sales. Despite these sales, Zimbabwe's finance minister, Tendai Biti, has repeatedly claimed that his treasury received almost no diamond-based revenue at all, and millions of dollars' worth of diamonds remain unaccounted for.<sup>9</sup> The finance ministry is headed by a member of the Movement for Democratic Change in Zimbabwe's coalition government and there have been frequent allegations that revenues from diamond sales are retained within the Ministry of Mines and Mining Development – which is controlled by the Zimbabwe African National Union–Patriotic Front (Zanu–PF) – or channelled directly to the presidency. There is widespread concern that diamond revenues are being used to train and deploy pro-Zanu–PF militias as well as to fund state security agents.

In March 2011 the Stockholm International Peace Research Institute reported that Zimbabwe had bought arms from countries such as China, Ukraine, Russia and Libya over the past decade.<sup>10</sup> There are also concerns about the construction of a military college outside Harare funded through a \$98 million loan from China. It has been reported that the loan will be repaid largely through the proceeds of diamond sales from Anjin Investments, a 50–50 Zimbabwe–China joint venture that is mining diamonds in Marange.

#### THE KIMBERLY PROCESS – A CALL TO REDEFINE 'CONFLICT DIAMONDS'

The KP is a joint government, industry and civil society initiative initially established to stop illegal sales of conflict diamonds benefiting rebel movements and their allies to fund wars aimed

at overthrowing legitimate governments. Its definition of conflict diamonds has left the KP in a quandary over the Zimbabwe situation, hence the urgent need to reformulate it. There are also concerns about the decision-making process within the KP. After the supervised auctions of the Marange diamonds in 2010, the KP failed to reach a consensus on how to deal with the Zimbabwean issue. The KP Plenaries in Jerusalem (June 2010), St Petersburg (July 2010), Brussels (January 2011) and Kinshasa (June 2011) all failed to reach a consensus. Zimbabwe's case became a matter of negotiating for consensus based on modifying KP draft texts to accommodate it. The KP's decision in November 2011 to approve the sale of diamonds from Zimbabwe's Marange region led to the subsequent withdrawal of Global Witness, one of the founding civil-society partners of the KP, and widespread criticism of the KP's effectiveness.

In February 2012 the new KP chairperson, US diplomat, Gillian Milovanovic, recognised that the KP would require 'a certain amount of revision and reform' if it is to stay relevant.<sup>11</sup> A review committee under the leadership of Botswana has been established, which will report its findings in November 2012. South Africa, as chair of the KP in 2013, will therefore have a key role to play in ensuring that the KP remains relevant and legitimate. As the review process unfolds, it will be essential that the KP addresses the challenges presented by the Marange experience.

#### CONCLUSION

Marange diamonds from eastern Zimbabwe are still associated with the vices of poverty, killings, torture, corruption, rape, forced labour and other human rights problems reminiscent of rebel conflict situations. The case of Zimbabwe highlights that human rights abuses in the exploitation of diamonds can be committed by sovereign governments in much the same way as illegitimate rebel groups. Human rights abuses in diamond mining by sovereign states such as Zimbabwe constitute a new challenge for the KP. There is thus an urgent need for the KP to reform its definition of conflict diamonds in order to be more relevant to these circumstances.

## ENDNOTES

- 1 Tyanai Masiya is a former regional co-ordinator and first chairperson of the Centre for Research and Development (CRD). The CRD is a member of the Governance of Africa's Resources Research Network.
- 2 Alex Benkenstein is a senior researcher in the Governance of Africa's Resources Programme at the South African Institute of International Affairs (SAIIA). SAIIA is a member of the Governance of Africa's Resources Research Network.
- 3 The full text of the KP's definition of conflict diamonds: 'CONFLICT DIAMONDS means rough diamonds used by rebel movements or their allies to finance conflict aimed at undermining legitimate governments, as described in relevant United Nations Security Council (UNSC) resolutions insofar as they remain in effect, or in other similar UNSC resolutions which may be adopted in the future, and as understood and recognised in United Nations General Assembly (UNGA) Resolution 55/56, or in other similar UNGA resolutions which may be adopted in future.'; Kimberley Process, 'KPCS document', [http://www.kimberleyprocess.com/documents/basic\\_core\\_documents\\_en.html](http://www.kimberleyprocess.com/documents/basic_core_documents_en.html).
- 4 Katsaura O, 'Socio-cultural dynamics of informal diamond mining in Chiadzwa, Zimbabwe', *Journal of Sustainable Development in Africa*, 12, 6, 2010, p. 101.
- 5 UNITA stands for União Nacional para a Independência Total de Angola (the National Union for the Total Independence of Angola).
- 6 HRW (Human Rights Watch), *Diamonds in the Rough*, 26 June 2009, <http://www.hrw.org/reports/2009/06/26/diamonds-rough>.
- 7 HRW, *Deliberate Chaos – Ongoing Human Rights Abuses in Marange Diamond Fields of Zimbabwe*. New York: HRW, 2010, p. 7.
- 8 *The-african.org*, 'Mining diamonds in Zimbabwe', 9, 2010, p. 37.
- 9 Nyon P, 'Diamonds cash has been looted', *The ZimDiaspora*, 12 June 2011.
- 10 Jeuck L, 'Arms transfers to Zimbabwe: Implications for an arms trade treaty', Stockholm International Peace Research Institute, [http://books.sipri.org/product\\_info?c\\_product\\_id=422](http://books.sipri.org/product_info?c_product_id=422).
- 11 MacKenzie J, 'Kimberley Process must stay relevant and credible', *BusinessLive*, 8 February 2012.

The Governance of Africa's Resources Programme is funded by the Norwegian Ministry of Foreign Affairs. SAIIA gratefully acknowledges this support.

© SAIIA 2012 All rights reserved. Opinions expressed are the responsibility of the individual authors and not of SAIIA.