MARANGE DIAMONDS: A BLESSING OR CURSE

BY FARAI MAGUWU
SCHOOL OF DEVELOPMENT STUDIES
UKZN
MARANGE DIAMONDS: A BLESSING OR A CURSE

“WHEREEVER ROUGH DIAMONDS EXIST AND ARE NOT MANAGED TRANSPARENTLY AND OPENLY, THEY BECOME A MAJOR SOURCE OF SUSPICION, CONFLICT AND NATIONAL DISLOCATION. PUT SIMPLY, THERE ARE TIMES WHEN RESOURCES, INSTEAD OF BEING A BLESSING, BECOMES A CURSE”.

HON T. BITI, MIN OF FINANCE, ZIMBABWE, JULY 2011
A BRIEF HISTORY OF MARANGE DIAMONDS

- DIAMONDS FIRST DISCOVERED BY DE BEERS IN THE EARLY 1960S
- DE BEERS KEEP MARANGE DIAMONDS A CLOSELY GUARDED SECRET
- DE BEERS HAS BETTER GEOLOGICAL KNOWLEDGE OF ZIMBABWE THAN THE ZIMBABWE GVT
A BRIEF HISTORY OF MARANGE DIAMONDS

- 1993: DE BEERS SUBMITS AN APPLICATION FOR AN EXCLUSIVE EXPLORATION ORDER (EPO) FOR MARANGE AND OBTAINS IT
- 2001; DE BEERS EPO ELAPSES
- 2002; DE BEERS EPO RENEWED
- APART FROM MARANGE, IN TOTAL DE BEERS HELD 47 EPOs IN CHIMANIMANI AND CHIPINGE ONLY
A BRIEF HISTORY OF MARANGE DIAMONDS

- 2004 – 2006 POLITICAL PRESSURE MOUNTS FOR DE BEERS
- 2006: DE BEERS RELINGUISHES ITS MARANGE CLAIM IN UNCLEAR CIRCUMSTANCES
- APRIL 2006: AFRICAN CONSOLIDATED RESOURCES TAKES OVER MARANGE, IS BOOTED OUT AT GUN POINT IN DECEMBER OF THE SAME YEAR BY THE ZANU PF GOVT
A BRIEF HISTORY OF MARANGE

- 2006 – 2008: BEGINNING OF ARTISANAL DIAMOND MINING
- 2007: GOVERNMENT GIVES MINERALS MARKETING CORPORATION OF ZIMBABWE A SPECIAL GRANT TO COLLECT AND MARKET DIAMONDS FROM ARTISANAL MINERS IN MARANGE
2008: TURNING POINT

- Mugabe narrowly loses presidential election, for the first time in history
- ZANU PF loses majority in parliament
- Presidential rerun announced, reign of terror unleashed against MDCT supporters and officials
- Tsvangirai pulls out of the race
MUGABE SAVED BY THE MILITARY

I'M STILL STRONG TO RULE: MUGABE
2008: ECONOMIC MELTDOWN

- SADC AND AU REFUSE TO ENDORSE MUGABE ‘VICTORY’ IN THE ONE MAN RACE
- MUGABE ISOLATED
- INFLATION SOARS
- SERVICE DELIVERY COMES TO A STANDSTILL
- MULTITUDES THRONG MARANGE FOR SURVIVAL
- MILITARY UNREST / RIOTS
- FEAR OF ARMY MUTINY
- MUGABE ‘OFFERS’ MARANGE TO THE ARMY
A CHOICE BETWEEN STARVING AND FIGHTING
Nov 2008: RESOURCE CAPTURE AND ECOLOGICAL MARGINALIZATION

- MUGABE DEFLECTS MILITARY ANGER AND POLITICAL PRESSURE TO MARANGE
- NOV 2008: MASSACRE OF ARTISANAL MINERS AND VILLAGERS
- HUNDREDS RAPED
A CHOICE BETWEEN STARVING AND FIGHTING

- RELOCATION OF MARANGE FAMILIES TO ARDA TRANSAU
- 4000 FAMILIES (APPROXIMATELY 30 000 PERSONS) TARGETED FOR RELOCATION
- INADEQUATE PREPARATIONS IN THE RELOCATION AREA
- NO CONSULTATION, NO COMPENSATION, NO PRIOR CONSENT
DIMENSIONS OF CONFLICT IN MARANGE

ARMY VERSUS ARTISANAL MINERS & DEALERS
DIMENSIONS OF CONFLICT IN MARANGE

- GOVERNMENT VERSUS MARANGE VILLAGERS
- MINISTRY OF FINANCE (MDCT) VERSUS MINISTRY OF MINES (ZANU PF)
- ZIMBABWE NATIONAL ARMY VERSUS CIVILIAN AUTHORITIES
CARBON EMISSIONS AND LAND DEGRADATION
ADULTS VERSUS CHILDREN

These three relocated children from one family have not attended school since January 2011.
DIMENSIONS OF CONFLICT

- CIVIL SOCIETY VERSUS GOVERNMENT
- ZIMBABWE VERSUS THE KPCS
- HUMANS VERSUS ANIMALS (POISONING OF DAMS AND RIVERS)
- TRADITIONAL CULTURE VERSUS CORPORATE / FOREIGN CULTURES $$
PRESENT VERSUS FUTURE GENERATIONS
PRESENT VERSUS FUTURE GENERATIONS
Anjin Investments (PVT) LTD

Production - ore transportation
Anjin Investments (PVT) LTD

Production-loading of ore
TRANSPARENCY AND ACCOUNTABILITY

WHERE IS THE WEALTH OF MARANGE GOING?
## DIAMOND REVENUE FLOW 2010 – JUNE 2011

<table>
<thead>
<tr>
<th>MONTH</th>
<th>2011</th>
<th>2010</th>
<th>VARIANCE</th>
<th>%VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAN</td>
<td>20,951,856</td>
<td>3,755,256</td>
<td>17,196,620</td>
<td>458</td>
</tr>
<tr>
<td>FEB</td>
<td>35,282,858</td>
<td>2,833,968</td>
<td>32,448,890</td>
<td>1145</td>
</tr>
<tr>
<td>MAR</td>
<td>21,624,124</td>
<td>1,370,000</td>
<td>20,254,124</td>
<td>1478</td>
</tr>
<tr>
<td>APRIL</td>
<td>12,696,602</td>
<td>16,827,413</td>
<td>(4,130,810)</td>
<td>(24.6)</td>
</tr>
<tr>
<td>MAY</td>
<td>8,185,792</td>
<td>-</td>
<td>8,185,792</td>
<td>100</td>
</tr>
<tr>
<td>JUNE</td>
<td>5,177,701</td>
<td>5,177,701</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>103,918,936</td>
<td>24,788,627</td>
<td>79,130,309</td>
<td>68.86</td>
</tr>
</tbody>
</table>
## Diamond Revenue Flow: Jan - Feb 2012

<table>
<thead>
<tr>
<th>Month</th>
<th>Targeted Collections in US$ Millions</th>
<th>Actual Collections in US$ Millions</th>
<th>Variance in US$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>41.50</td>
<td>5.00</td>
<td>36.50</td>
</tr>
<tr>
<td>Cumulative Diamond Revenue Collection Jan - Feb</td>
<td>77.50</td>
<td>19.50</td>
<td>58</td>
</tr>
</tbody>
</table>
THE SANCTIONS ARGUMENT

- ‘WE ARE CORRUPT BECAUSE WE ARE UNDER SANCTIONS’.
- ‘WE ARE CORRUPT BECAUSE THE KPCS IS NOT ALLOWING US TO TRADE NORMALLY’
- ‘WE MUST PROTECT OUR TRADING PARTNERS IN THE EAST’
- ‘WE ARE IN AN ASSYMETRICAL WARFARE WITH THE WEST’.
ITS POLITICS, STUPID!
THE LOOK EAST POLICY AND THE “NEW SCARMBLE FOR AFRICA”

- China operate the biggest mine in Marange – Anjin, which is a joint venture between Anhui Foreign Economic Construction Group and Matt Bronze, a shelf company in Harare.
- Anjin has seven shafts, or seven mines in Marange.
- It has not remitted a penny to treasury.
- It is mining 24 hours per day.
Anjin Investments (PVT) LTD

Diamond Mining License

2 February 2010

Minister of Mines and Mining Development

3 February 2010

Anjin Investments (PVT) LTD

CLOSURE OF PART OF SPECIAL GRANT 5795 FROM ZIMBABWE MINING DEVELOPMENT CORPORATION (ZIMINCO) TO ANJIN INVESTMENTS (PVT) LTD

The above mentioned matter refers to:

We refer to our letter dated 2 February 2010, which was addressed to you in relation to the application for Special Grant No. 5795 for the purpose of acquiring a mining license for the proposed mining activities on the Anjin Investments site. We have further referred to the letter of the 2 February 2010 addressed to you by Mr. T. Maphosa, Acting Secretary of Mines and Mining Development Corporation (ZIMINCO). We have also referred to the letter of the 3 February 2010 addressed to you by Mr. M. Maphosa, Acting Secretary of Mines and Mining Development Corporation (ZIMINCO).

This matter relates to the application for Special Grant No. 5795 for the purpose of acquiring a mining license for the proposed mining activities on the Anjin Investments site. We have further referred to the letter of the 2 February 2010 addressed to you by Mr. T. Maphosa, Acting Secretary of Mines and Mining Development Corporation (ZIMINCO). We have also referred to the letter of the 3 February 2010 addressed to you by Mr. M. Maphosa, Acting Secretary of Mines and Mining Development Corporation (ZIMINCO).

The above mentioned matter refers to:

We refer to our letter dated 2 February 2010, which was addressed to you in relation to the application for Special Grant No. 5795 for the purpose of acquiring a mining license for the proposed mining activities on the Anjin Investments site. We have further referred to the letter of the 2 February 2010 addressed to you by Mr. T. Maphosa, Acting Secretary of Mines and Mining Development Corporation (ZIMINCO). We have also referred to the letter of the 3 February 2010 addressed to you by Mr. M. Maphosa, Acting Secretary of Mines and Mining Development Corporation (ZIMINCO).

The above mentioned matter refers to:

We refer to our letter dated 2 February 2010, which was addressed to you in relation to the application for Special Grant No. 5795 for the purpose of acquiring a mining license for the proposed mining activities on the Anjin Investments site. We have further referred to the letter of the 2 February 2010 addressed to you by Mr. T. Maphosa, Acting Secretary of Mines and Mining Development Corporation (ZIMINCO). We have also referred to the letter of the 3 February 2010 addressed to you by Mr. M. Maphosa, Acting Secretary of Mines and Mining Development Corporation (ZIMINCO).
THE LOOK EAST POLICY AND THE “NEW SCRAMBLE FOR AFRICA”

- ANJIN RUMORED TO BE IN PARTNERSHIP WITH ZIMBABWE NATIONAL ARMY
- ZNA IS A PROXY OF ZANU PF
- IN 2011 ZIMBABWE OBTAINED A $98 MILLION LOAN FROM CHINA FOR THE CONSTRUCTION OF A DEFENCE ACADEMY
- LOAN TO BE REPAID WITH DIAMONDS
- FEARS THE ANJIN DEAL MAY BE SPONSORING A PARALLEL GOVERNMENT STRUCTURE / ZANU PF ELECTION MACHINERY
Anjin Investments (PVT) LTD

JOB CREATION FOR ZIMBABWEANS ???
JOB CREATION FOR LOCALS ????
DIAMOND MINING CORPORATION

- IS THE YOUNGEST COMPANY IN MARANGE
- IT IS A JOINT VENTURE BETWEEN ZMDC AND SOME LEBANESE DEALERS REGISTERED IN UAE AS PURE DIAM
- COMPANY LEADERSHIP DOMINATED BY MEMBERS OF A LEBANESE FAMILY
- GOZ YET TO APPOINT ITS QUOTA OF PERSONNEL INTO MANAGEMENT
MINING IN MARANGE: VALUE ADDITION IN INDIA

- 600 000 MARANGE DIAMONDS JOBS CREATED IN SURAT, INDIA
- THE FACTOR OF 300
- DOWNSTREAM IMPACTS
SOLVING THE MARANGE MYSTERY

- CIVIL SOCIETY MONITORING AND ADVOCACY WORK
- THE INTERNATIONAL MECHANISMS
- KPCS. (SOLVING THE WRONG PROBLEM?????????)
- ADPA – HELPING ZIMBABWE OR BLIND SOLIDARITY
SOLVING THE MARANGE MYSTERY

- CHINA – POLITICAL ALLY OR NEW IMPERIAL POWER
- POLITICAL SOLUTION: MDCT IN GVT (FREE AND FAIR ELECTIONS)
- PEOPLE POWER
- HE WHO SOLVES THE ZIMBABWE CRISIS SOLVES THE MARANGE CONTROVERSY