



ActionAid Zimbabwe

NEWSLETTER

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- **Zimbabwe's Extractives Insights:
Unveiling the riches below**



THE COUNTRY DIRECTOR'S WELCOME REMARKS

Joy Mabenge,

ActionAid Zimbabwe Country Director.

Dear Colleagues,

It's hard to believe that two months have already passed in the new year. It feels like just yesterday when we were celebrating Christmas and welcoming 2024, bidding farewell to 2023 with our 20th-anniversary celebrations, the launch of our Climate Justice Campaign, and our inaugural all programs planning meeting. Time truly flies when we're making strides together.

I am deeply honored to address you through this newsletter, a platform that encapsulates the remarkable progress and collaborative efforts we are driving forward in Zimbabwe. As Country Director, it fills me with immense pride to witness the transformative impact of our collective endeavors, particularly in advancing gender equality and promoting sustainable practices within the extractives industry.

This edition raises critical questions about the diamond industry—a missed opportunity to revolutionize Zimbabwe's economy—and refocuses on lithium, questioning its potential for economic growth in light of the experiences in the diamond sector. We've seen instances of human rights violations, the displacement of local communities, a disregard for local culture and cultural rights by foreign companies, and a lack of policies supporting community development.

Our journey toward gender-responsive public service in the extractive sector embodies a shared commitment to inclusivity, empowerment, and social justice. Through initiatives led by **ActionAid Zimbabwe (AAZ)** and our esteemed partners and like-minded organizations—including the Zimbabwe Environmental Law Association (**ZELA**), The Zimbabwe Coalition on Debt and Development (**ZIMCCOD**), the Center for Natural Resource Governance (**CNRG**), and Women and Law in Southern Africa (**WLSA**)—we have made significant strides in breaking down barriers and creating opportunities for women in mining communities across the nation.

Looking ahead, let us reaffirm our dedication to the principles of gender responsiveness, social justice, and environmental sustainability. Let us persist in championing the rights of women, amplifying marginalized voices, and advocating for policies that prioritize people and the planet over profit. Together, we are not only shaping the extractive sector but also shaping lives and futures. Let us continue to walk this journey together, with determination, compassion, and solidarity.

With warm regards,

Joy Mabenge
Country Director ActionAid Zimbabwe

UNVEILING THE SHADOWS: ZIMBABWE'S EXTRACTIVE INDUSTRY IN CRISIS

Schools, meant to be citadels of knowledge and enlightenment, resemble shells of their intended purpose. Inadequate funding and resources cripple the education system, stifling the potential of future generations. Clinics and hospitals, burdened by staff shortages and insufficient supplies, struggle to meet the healthcare needs of the populace. Roads, essential arteries of connectivity, lie in disrepair, impeding progress and development while water and sanitation facilities mirror a state of neglect.



The scene is in Zimbabwe, a nation rich in mineral wealth.

While the grand theatre of the extractive industry is on the precipice of economic growth, with the mining sector projected to surge by **7.6% in 2024** as projected by the Minister of Finance Professor Mthuli Ncube in his 2024 National budget. Professor Muthuli's optimistic growth projections find affirmation in the Zimbabwe Mining Industry Survey Report of 2024. The report foresees an uptick in capacity utilization, primarily fueled by an expected surge in gold and coal production.

As the government eagerly touts growth projections and foreign investments, a darker narrative unfolds behind the scenes—a story of corruption, illegal mining, and a stark imbalance between economic prosperity and the well-being of its citizens.

The government's failure to strike a delicate balance between national benefit and investor returns has cast a shadow over the nation, pushing Zimbabwe to the brink of becoming a resource curse. Ordinary citizens, the true custodians of the land's wealth, find themselves excluded from the bounty beneath their feet.

Mining communities, despite their resource endowments, bear the brunt of neglect. Basic infrastructures like schools, clinics, roads, and water and sanitation facilities remain woefully inadequate. Schools lack essential resources for effective learning, clinics are understaffed and lack crucial medical supplies, while road networks crisscrossing the nation are a testament to the unfulfilled promise of prosperity.

The specter of illicit financial flows haunts the sector, fueled not only by poor policies but also a lack of political will to combat corruption. Underhand deals, the emergence of resource-controlling cartels, and a lax commitment to community development by mining companies exacerbate the issue, leaving Zimbabweans bereft of the benefits they deserve.

Women, in particular, bear a triple burden—disproportionately affected by the dearth of resources, lack of gender-responsive public services, and the pervasive gender inequalities perpetuated by the extractive industry.

The solution lies in a paradigm shift. Zimbabwe must reconsider its stance on the Extractive Industries **Transparency Initiative (EITI)**, using it as a catalyst to address mineral leakages and foster transparency. The expose led by Al Jazeera in the Gold Mafia Documentary serves as a stark reminder of the urgency to prioritize national benefits over individual gains in the management of the country's natural resources.

It is time for Zimbabwe to rewrite its extractive industry narrative—a story where the wealth of the nation translates into tangible benefits for all. The government must rise to the occasion, embracing transparency, combating corruption, and prioritizing the well-being of its citizens over the interests of a select few. Only then can Zimbabwe harness its mineral wealth without succumbing to the curse that threatens to engulf its promise of prosperity.

FROM DIAMOND DISAPPOINTMENT TO LITHIUM HOPE: CAN ZIMBABWE LEARN FROM PAST MISTAKES?

The surge in global demand for lithium, driving up its price, has ignited hopes and concerns among Zimbabweans about the potential of lithium mining to uplift the country's economy. With the government eyeing mining as a solution to socio-economic challenges, especially low growth, unemployment, and poverty, lithium has emerged as a strategic mineral alongside gold, platinum, and diamonds in Zimbabwe's ambitious mining economy targets. However, as Zimbabwe sets its sights on lithium, echoes of past failures in the diamond sector reverberate, raising questions about whether lithium will truly be a lever of transformative socio-economic development or merely a feverish pursuit.

Lithium demand has soared in recent years, driven by the rising popularity of **electric vehicles (EVs)** and the need for **lithium-ion batteries**. Global demand is expected to triple by 2025, creating a lucrative market for lithium producers. Zimbabwe, boasting verified lithium deposits in over 15 locations across all provinces, finds itself in a prime position to capitalize on this growing demand.

The Bikita Lithium mine, Africa's largest lithium producer, has been a historical player in the lithium market. Recent acquisitions by Chinese and Western investors, including deals valued at hundreds of millions of dollars, underscore the allure of Zimbabwe's lithium deposits. However, concerns linger about the undervaluation of these assets during sales transactions, potentially depriving Zimbabwe of its fair share of mining revenues.

The cautionary tale of Marange diamonds serves as a stark reminder of the perils of mismanaging mineral resources. The violent eviction of artisanal miners from Marange, coupled with opaque mining practices and underreported revenues, left local communities disenfranchised and impoverished. As lithium mining gains momentum, the lessons from Marange must not be forgotten.

Transparency, accountability, and community participation are essential pillars of responsible mineral resource governance. The failure to uphold these

principles in the Marange diamond fields led to human rights violations, environmental degradation, and economic loss for Zimbabweans. To avoid repeating past mistakes, Zimbabwe must enact policies that prioritize the interests of local communities and ensure equitable distribution of mining benefits.

The Mines and Minerals Amendment Bill (**MMAB**) offers an opportunity to introduce competitive bidding for mineral rights and enhance community participation in mining decision-making processes. Additionally, measures to promote transparency, such as beneficial ownership disclosure and contract transparency, are crucial for fostering accountability in the lithium mining sector.

The recent ban on the export of unprocessed lithium represents a step towards value addition and beneficiation, but concerns remain about its implementation and potential loopholes. The exclusion of artisanal miners from the lithium sector and reports of human rights violations underscore the need for inclusive and equitable mining policies that prioritize community well-being.

As Zimbabwe navigates the lithium boom, it must heed the lessons of the past and chart a new course towards responsible mineral resource management. Embracing principles of transparency, accountability, and community participation will be essential for ensuring that lithium truly lightens up Zimbabwe's economy and benefits all its citizens.

The path to sustainable development through lithium mining requires a departure from past practices and a commitment to inclusive and responsible governance. By learning from past mistakes and embracing international best practices, Zimbabwe can harness the potential of its lithium resources to usher in a new era of prosperity and opportunity for its people. As the Chinese proverb wisely reminds us, "If we do not change our direction, we are likely to end up where we are headed." It is time for Zimbabwe to change course and ensure that lithium truly becomes a beacon of hope for its future.

**The original article was written by Darlington Chidarara, ActionAid Zimbabwe's Projects Coordinator, and Mukasiri Sibanda, a Tax and Natural Resource Governance advisor and coordinator. It was published in the newsday and can be found on the following link: <https://www.newsday.co.zw/opinion-analysis/article/200010125/where-diamonds-failed-to-sparkle-can-lithium-lighten-up>*

NEW PROJECT PROMOTING SUSTAINABLE PRACTICES IN ZIMBABWE'S LITHIUM SECTOR



The urgency to transition towards a low-carbon economy has underscored the critical need to decarbonize industries globally. However, the current pace of action, particularly among governments and companies in the Global North, falls short in addressing carbon emissions reductions with necessary urgency. This inadequacy has intensified the focus on energy and critical minerals, notably Lithium, essential for a green, just transition alternative. Zimbabwe's Lithium sector has experienced significant growth, yet it has also brought about severe human rights violations and environmental degradation in areas like the Mberengwa district. The lack of transparency, accountability, and inclusive community engagement in Lithium mining poses substantial challenges, including the displacement of communities, loss of livelihoods, and unequal distribution of benefits.

In response to these challenges, Action Aid Zimbabwe (**AAZ**) is spearheading a project aimed at catalyzing

policy reforms and fostering sustainable practices within Zimbabwe's Lithium sector. The project seeks to establish collaborative alliances, facilitate policy and institutional reforms, and enhance the capacity of local communities to monitor environmental impacts. By promoting multi-stakeholder engagements and evidence-based decision-making, the project aims to enhance accountability, transparency, and environmental stewardship across the Lithium value chain. Through targeted interventions and partnerships with government stakeholders, communities, and corporations, the project endeavors to create a culture of responsibility and accountability, ultimately promoting sustainable environmental practices and empowering local communities in Zimbabwe's Lithium sector.

BREAKING BARRIERS: THE JOURNEY TOWARDS GENDER EQUALITY IN ZIMBABWE'S EXTRACTIVE SECTOR"



As the nation grapples with the challenges and opportunities presented by its rich natural resources, a concerted effort is being made to ensure that the benefits are equitably distributed, with a special focus on empowering women.

In the mining communities across the country where the extractive sector plays a pivotal role in economic growth, women are often the unsung heroes. Their contributions, however, have historically been overshadowed by barriers, both visible and invisible. The introduction of Gender Responsive Public Service initiatives seeks to dismantle these barriers and create an inclusive environment that empowers women in the extractive sector.

The journey toward gender equality begins with the recognition that women face unique challenges in accessing and benefiting from opportunities within the extractive industry. Limited access to education, lack of representation in decision-making processes, and societal norms that dictate traditional gender roles are just a few of the obstacles women encounter.

The Gender Responsive Public Service initiatives aim to transform this narrative by creating an enabling environment for women's active participation and leadership in the extractive sector. One of the key aspects is promoting digital literacy among women in mining communities. The use of innovative tools, such as **ZELA's** Envirobot chatbot on WhatsApp, empowers women with information on their rights and enables them to hold the government accountable during mining activities.

During the 7th Edition of the Gender and Extractives Symposium, held under the theme "DigitALL innovation for gender equality in the extractives industry," women from diverse backgrounds gathered to share experiences and insights. Tracy Mutowekuziva from **CNRG** highlighted the importance of digital activism in advancing women's rights, emphasizing its role in collective communication.

Rumbidzayi Makoni, **AAZ's** Women's Rights and Economic Justice Manager, emphasized the pivotal role of digital financial tools in fostering an inclusive economy for women in extractives. She urged women to leverage technologies such as drones and sensors to minimize environmental impact, promoting sustainable mining practices.

The Gender Responsive Public Service initiatives extend beyond technology, emphasizing the importance of education and training. The Zimbabwe School of Mines presented short courses tailored to empower women, including training on mining machinery operation. Panel discussions underscored the urgent need for government intervention and stakeholder engagement to ensure women's equitable access to digital technology in mining operations.

As the story unfolds, the collective efforts of these organizations and the broader community are rewriting the narrative of the extractive sector. It is a story of empowerment, resilience, and collaboration—a testament to the belief that a gender-responsive approach is not just an aspiration but a crucial foundation for a sustainable and equitable future in Zimbabwe's extractive sector.

EMPOWERING WOMEN IN THE GEMSTONE SECTOR: A COLLABORATIVE SUCCESS STORY

In the vibrant mining community of Zimbabwe, ActionAid Zimbabwe (**AAZ**) and its partner, the Zimbabwe Environmental Law Association (**ZELA**), have spearheaded transformative initiatives to empower women in the gemstone mining sector. Together, they have achieved remarkable milestones, contributing to the formation of the Women in Gemstone Association of Zimbabwe (**WIGAZ**) and fostering positive changes within the sector.

Formation of WIGAZ and Advocacy Success

AAZ and **ZELA** played a pivotal role in facilitating the registration of **WIGAZ**, a dynamic, women-member-based network aimed at enhancing engagement with stakeholders and advocating for a decent working environment for women in the gemstone sector. This association has provided a platform for women to coordinate efforts, lobby for their rights, and voice their concerns to duty bearers.

WIGAZ's success story unfolded as it convened with stakeholders, including Defold Mine, a State-owned entity mining gemstones in Hurungwe. This demonstrated increased capacitation among women gemstone miners and highlighted the association's ability to influence positive changes within the industry.

Within a month of its launch, **WIGAZ** made a significant mark on the international stage by participating in the African Gemstone Jewellery Exhibition Conference in Ndola, Zambia. This experience not only provided valuable networking opportunities but also allowed **WIGAZ** members to learn innovative approaches to gemstone mining, production, and marketing while minimizing environmental impact.

Driving Change in Agroecology and Education

AAZ and **ZELA** introduced the first introductory training on agroecology during the launch of **WIGAZ**. Recognizing that many gemstone miners are also involved in agriculture for consumption purposes, this initiative aims to diversify livelihoods and enhance the economic empowerment of women.

Furthermore, the collaborative efforts of **AAZ** and **ZELA** led to the establishment of a Gemmology Course at the Zimbabwe School of Mines (**ZSM**) in 2023. This pioneering course was developed to enhance the technical capacity of women and youth in the gemstone



Credit: Thomson Reuters Foundation

value chain, providing them with the skills needed to thrive in the sector.

Empowering Women through Skill Building

AAZ and **ZELA's** contributions extend beyond advocacy and awareness. The organizations mobilized and trained women in gemstone polishing and cutting, empowering them with valuable skills. Subsequently, these women took the initiative to form the Women in Gemstone Mining Association (**WIGAZ**), officially launched in Chinhoyi, Mashonaland West Province, Zimbabwe.

The organizations provided critical support by assisting in the formalization process of **WIGAZ**, including drafting a constitution and guiding the legal registration process. As a result, **WIGAZ** now boasts 26 members and is officially recognized by the Ministry of Women Affairs in Zimbabwe.

Strengthening Business Acumen and Financial Literacy

Recognizing the need for comprehensive empowerment, **AAZ** and **ZELA** organized training sessions on business management and financial literacy for women in the gemstone sector. This initiative aims to equip women with the skills necessary to run successful and sustainable businesses. Through these sessions, women miners are encouraged to practice proper business management, adjust their cost of living for growth, and maintain proper documentation for compliance with industry regulations.

Ministerial Recognition and Encouragement

The efforts of women in the gemstone sector were celebrated and acknowledged by Honourable Mary Mliswa, Minister of State and Provincial Chair Mash West. Minister Mliswa presented certificates to women miners who successfully completed their courses at the Zimbabwe School of Mines, emphasizing the importance of women occupying space in the mining sector.

EMPOWERING SOCIAL CHANGE: THE POSITIVE IMPACT OF ZIMBABWE'S 1% CORPORATE SOCIAL RESPONSIBILITY TAX



The introduction of a **1% Corporate Social Responsibility (CSR) tax in the 2024 National Budget by the Ministry of Finance and Investments Development** is indeed a commendable move with several potential benefits. Let's explore some reasons why this initiative can be seen as positive:

1. Domestic Resource Mobilization:

The CSR tax contributes to the government's efforts in mobilizing domestic resources. By imposing a modest tax on corporate entities, the government can generate additional funds that can be directed towards financing public services and development projects.

5. Community Development:

The funds collected through the CSR tax can be directed towards community development projects. This includes initiatives such as building schools, healthcare facilities, and infrastructure, which can significantly uplift the standard of living in various communities.

2. Public Service Delivery:

The revenue generated from the CSR tax can be allocated to various public service sectors, such as healthcare, education, infrastructure, and social welfare. This can lead to improved service delivery, benefiting the general population and addressing critical needs within the country.

6. Environmental Conservation:

The CSR tax can also be channeled towards environmental conservation projects. This aligns with global efforts to address climate change and promotes sustainable practices within the business sector, contributing to a healthier environment.

3. Social Impact:

The CSR tax reflects a commitment to corporate social responsibility, aligning businesses with national development goals. Companies can play an active role in contributing to social development and addressing societal challenges. This can enhance the positive impact of businesses on local communities.

7. Collaboration between Government and Corporations:

The introduction of the CSR tax fosters collaboration between the government and corporate entities. By working together, they can address societal challenges more effectively, leveraging the resources and expertise of both sectors for the greater good.

4. Enhanced Corporate Reputation:

Companies that willingly contribute to social causes through the CSR tax can bolster their corporate reputation. Engaging in socially responsible practices can foster goodwill among consumers, investors, and the public, creating a positive image for the company.

8. Corporate Accountability:

The CSR tax serves as a mechanism to hold corporations accountable for their social and environmental impacts. By requiring financial contributions towards social initiatives, companies are encouraged to operate responsibly and consider the broader implications of their business activities.

While the CSR tax is a positive step, effective implementation, transparency in fund allocation, and monitoring mechanisms will be crucial to ensuring that the collected funds are utilized efficiently for the intended social and developmental purposes.

CHINESE INVESTMENT IN ZIMBABWE'S MINING SECTOR: WILL MEDIATION MECHANISMS MAKE A DIFFERENCE?



Recent initiatives spearheaded by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (**CCCMC**) signal a positive step towards improving relations between Chinese investors and affected communities in Zimbabwe. The launch of guidelines and procedures on Mediation and Consultation mechanisms for stakeholders affected by Chinese investments offers a glimmer of hope for communities grappling with the social and environmental impacts of mining activities. However, amidst mounting concerns over human rights abuses and environmental degradation, questions linger about the effectiveness of these mechanisms in addressing the root causes of conflict and injustice.

Zimbabwe's vast mineral wealth has long attracted Chinese investors, with billions of dollars funneling into the country's mining sector. As China solidifies its position as Africa's biggest investor in mining and energy, the scope and scale of Chinese investment across the continent have raised alarm bells among environmental and human rights advocates. According to a 2021 study by the **Business & Human Rights Resource Centre (BHRRC)**, Africa witnessed a surge in allegations of human rights abuses linked to Chinese companies, highlighting a troubling trend of exploitation and disregard for local communities and ecosystems.

The launch of mediation and consultation mechanisms by the **CCCMC** comes at a critical juncture, coinciding with a wave of human rights and environmental abuses associated with Chinese overseas investments. A recent **BHRRC** report uncovered over 100 allegations of abuses in critical mineral projects between 2021 and 2022, spanning 18 countries and encompassing a wide array of grievances. The prevalence of these abuses underscores the urgent need for robust mechanisms to address grievances and hold accountable those responsible for perpetuating harm.

While the **CCCMC** Mechanism addresses issues of accessibility, the question of publicity looms large. It is imperative that affected communities are aware of the existence of these mechanisms and understand how to access them. Increased media coverage and government enforcement of transparency measures are essential to ensure that the mechanisms reach those who need them most. Moreover, mining companies must be mandated to invest in robust community feedback mechanisms, engaging with stakeholders in good faith to resolve disputes and address grievances in a fair and transparent manner.

Crucially, the effectiveness of these mechanisms hinges on genuine community involvement. Without meaningful participation from affected communities, the mechanisms risk becoming mere window dressing—superficial gestures that do little to address the underlying issues driving conflict and injustice. The **CCCMC** and Chinese investors must prioritize community engagement, empowering local stakeholders to play an active role in decision-making processes and ensuring that their voices are heard and respected.

As Zimbabwe navigates the complexities of foreign investment in its mining sector, the success of mediation and consultation mechanisms will serve as a litmus test of the country's commitment to upholding human rights and environmental justice. It is incumbent upon all stakeholders—government, industry, civil society, and communities—to work together in good faith to ensure that these mechanisms fulfill their promise of delivering meaningful redress and fostering sustainable development for all. Anything less would be a disservice to the people of Zimbabwe and a betrayal of their aspirations for a better future.

ABOUT ACTIONAID ZIMBABWE

ActionAid Zimbabwe (AAZ) works to strengthen the capacity and active agency of people living in poverty and exclusion, especially women and girls to assert their rights. It prioritises the leadership of women and young people effective participation in leadership and decision-making processes. The organisation works in partnership with **Community-Based Organisations (CBOs)**, **National and International Non-Governmental Organisations (INGOs)**, **Civic Society Organisations (CSOs)** and like-minded organisations in and outside Zimbabwe.

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