







RWI Index Questionnaire: Zimbabwe 2012

Category I	Access to Resources		
1.1	Context		
1.2	Disclosure	42	
1.3	Legal Framework and Practices	28	
Category II	Revenue Generation and Collection		
2.1	Context		
2.2	Disclosure	24	
2.3	Legal Framework and Practices	62	
Category III	State Owned Companies		
3.1	Context		
3.2	Disclosure	3	
3.3	Legal Framework and Practice	40	
Category IV	Natural Resource Funds		
4.1	Context		
4.2	Disclosure	N/A	
4.3	Legal Framework and Practice	N/A	
Category V	Subnational Transfers		
5.1	Context		
5.2	Disclosure	N/A	
5.3	<u>Legal Framework and Practice</u>	N/A	

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

[Back](#)

Indicator	Score
4.1.1	Context
4.1.1	Context

4.1.1.050: Has the government created a special fund or natural resource fund that concentrates revenue directly from oil, gas or mineral extraction?

Score: A B C

Comments:

While no specific fund has yet been created for mineral revenue, the Indigenisation and Economic Empowerment regulation provides a legal framework for the establishment of a Sovereign Wealth Fund and the National Indigenisation and Economic Empowerment Fund. However, the government is still in the process of establishing such funds.

References:

Indigenisation and Economic Empowerment Regulations.

Peer Review Comments:

There is no realistic expectation that government will establish a genuine Sovereign Wealth Fund due to rampant corruption and the opaqueness of the mining sector in Zimbabwe. Further, if such a scheme is established, it will still benefit the elites who are already benefiting from corruptly extracting natural resources in the country. Most probably this will be created ahead of elections to appease the people and it will die a natural death thereafter due to lack of accountability measures

4.1.1.051: What authority is responsible for the natural resource fund?

Score: A B C D E

Comments:

The National Indigenization and Economic Empowerment Fund will be managed by the Indigenization and Economic Empowerment Board.
It is not yet clear who will manage the Sovereign Wealth Fund, once it will be finally established.

References:

Indigenisation and Economic Empowerment Regulations.

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

[Back](#)

Indicator		Score
4.2.1	Comprehensive reports	N/A
4.2.2.056	Audited reports	N/A

4.2.1 Comprehensive reports

4.2.1.052: Are the rules for the fund's deposits and withdrawals published, including the formula(s) for deposits and withdrawals?

Score: A B C

Comments:

The fund has not been established yet and therefore no management rules have been set.

References:

/

4.2.1.053: Does the fund management or authority in charge of the fund publish comprehensive information on its assets, transactions and investments?

Score: A B C D E

Comments:

The fund has not been established yet and therefore no management rules have been set.

References:

/

4.2.1.054: Are the reports containing information on the fund's assets and transactions understandable?

Score: A B C D E

Comments:

The fund is yet to be established.

References:

/

4.2.1.055: How often are financial reports published by the fund management or authority in charge?

Score: A B C D E

Comments:

The fund is yet to be established.

References:

/

4.2.2.056 Audited reports

4.2.2.056a: Are the fund s financial reports audited?

Score: A B C D E

Comments:

/

References:

/

4.2.2.056b: Are the audited financial reports published?

Score: A B C

Comments:

/

References:

/

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

[Back](#)

Indicator	Score
4.3.1 Legal Framework and Practice	N/A

4.3.1 Legal Framework and Practice

4.3.1.057: Are the rules governing deposits into the fund defined by legislation?

Score: A B **C**

Comments:

/

References:

/

4.3.1.058: In practice, does the government follow the rules governing deposits to the natural resource fund?

Score: A B C D **E**

Comments:

/

References:

/

4.3.1.059: Are the rules governing withdrawal or disbursement from the fund defined by legislation?

Score: A B **C**

Comments:

/

References:

/

4.3.1.060: In practice, does the government follow the rules governing withdrawal or spending from natural resource fund?

Score: A B C D **E**

Comments:

/

References:

/

4.3.1.061: Are withdrawals or spending from the fund reserves approved by the legislature as part of the budget process?**Score:** A B C**Comments:**

/

References:

/

4.3.1.062: Are officials of the natural resource fund required to disclose information about their financial interest in any oil, gas or mining projects?**Score:** A B C**Comments:**

/

References:

/

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

[Back](#)

Indicator	Score
5.1.1	Context

5.1.1 Context

5.1.1.063: Do central governments transfer resources to subnational authorities based on extraction of mineral resources?

Score: A B C **D** E

Comments:

Subnational authorities receive resources from the central government, but they are not based on extraction of mineral resources.

References:

/

Peer Review Comments:

One of the biggest challenges with natural resource governance in Zimbabwe is that communities living near the extractive industries are some of the poorest in the country: The case of Marange and Chimanimani communities where villagers were forcibly evicted and government could not raise compensation for the affected families.

5.1.1.064: Are conditions imposed on subnational government as part of revenue sharing regime?

Score: A B **C**

Comments:

/

References:

/

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

[Back](#)

Indicator	Score
5.2.1	Disclosure

5.2.1 Disclosure

5.2.1.065: Are the rules for revenue transfers from central to sub national governments published, including the formula(s) for revenue sharing?

Score: A B **C**

References:

/

5.2.1.066: Does the central government publish comprehensive information on transfers of resource related revenues to sub-national governments?

Score: A B C D **E**

References:

/

5.2.1.067: Are the reports containing information on transfers of resource related revenues to sub-national governments understandable?

Score: A B C D **E**

References:

/

5.2.1.068: How often does the central government publish information on transfers of resource related revenues to sub-national governments?

Score: A B C D **E**

References:

/

5.2.1.069: Do sub-national governments publish information on transfers received from central governments?

Score: A B **C**

References:

/

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

[Back](#)

Indicator	Score
5.3.1 Legal Framework and Practice	N/A

5.3.1 Legal Framework and Practice

5.3.1.070: Are arrangements (including formulas and responsible institutions) for resource revenue sharing between central and sub-national governments defined by legislation?

Score: A B **C**

References:

/

5.3.1.071: In practice, does the government follow the rules established by resource revenue sharing legislation?

Score: A B C D **E**

References:

/

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

Context

[Back](#)

Indicator	Score
1.1	Context
1.1	Context

1.1.001: Does the country have a clear legal definition of ownership of mineral resources?

Score: A B C D E

Comments:

The state owns minerals in Zimbabwe. There is no private ownership of minerals even by people who own the land on which minerals are found. The 'dominium' and the right to search, mine or dispose of any mineral is vested in the President.

References:

Mines and Minerals Act (21:05), Section 2

Link to Mines and Minerals Act:

<http://www.law.co.zw/downloads/statutes/21/Mines%20And%20Minerals%20Act.pdf>

1.1.002: Who has authority to grant hydrocarbon and mineral rights or licenses?

Score: A B C D E

Comments:

In Zimbabwe different mining rights apply to different cases.

For Exclusive Prospecting Orders (EPOs) the Mining Affairs Board considers applications and then submits the application and recommendations to the Minister of Mines and Mining Development. The Minister will then submit the application and recommendations to the President for approval. The relevant piece of legislation in this regard is Part VI of the Act, Section 88 and 90.

Mining Leases in Zimbabwe are granted by the Mining Affairs Board according to the terms stated in Part VIII of the Act and in particular Section 137.

Special Mining Leases: The application is first considered by the Mining Affairs Board. At the end of the process, it makes a recommendation, then submits the application and its recommendation to the Minister. The Minister will in turn make his own recommendations and submit the application and recommendations to the President for approval, according to the terms established in Section 163.

References:

Mines and Minerals Act (Chapter 21:05), Section 7-13, 88, 90, 137, 162 and 163

Peer Review Comments:

The "special grants" have been used in cases of direct negotiations. The Mines and Minerals Act parts XX and XIX state that any individual can apply for special grants. According to the Act, Special grants

are only limited to Coal, Natural Gas, Mineral oils and Nuclear Energy. The Act does not mention diamonds. However, all the mining companies in Marange are operating under special grants. It seems special grants are faster and easier to obtain as the decision to grant is discretionary on the part of the President. This has serious consequences as the Act may be manipulated to serve political needs of a particular group of people at the expense of common good, as is the case with Marange today. Nobody knows the composition of the Board of Directors at the four mining companies. Even the Parliamentary Portfolio Committee on Mines had difficulties summoning the company directors for hearings as they appear to be operating above the Law, by virtue of having been awarded the licenses by the President.

1.1.003: What licensing practices does the government commonly follow?

Score: A B C D E

Comments:

The government in Zimbabwe follows a dual process in granting mineral rights: either according to the principle "first-come, first-served", or on the basis of direct negotiations. Statutorily, the onus rests on the applicant to apply for a prospecting license, peg the area as well as register the Mining Claim with the Ministry of Mines and Mineral Development; however, in practice this procedure seems to apply only to small scale miners. In most cases, prospective mining companies enter into direct negotiations with the Ministry of Mines or other government agencies such as the Zimbabwe Mining Development Corporation. For example most of the diamond mining contracts were not issued after a bidding process but through direct negotiations. A recent example of such practice is the granting of diamond mining licenses to Marange Resources, Ainjin Investments, Pure Diam and Mbada Diamonds companies which directly engaged with the government, ultimately setting up partnerships with Zimbabwe Mining Development Company subsidiaries.

References:

Mines and Minerals Act (Chapter 21:05)

1.1.004: What is the fiscal system for mineral resources?

Score: A B C D E

Comments:

The fiscal system for mineral resources in Zimbabwe is a mixed system that allows different agreements with different parties depending on the government's objectives. For instance, there are statutorily fixed taxation models: the income tax, for example, is levied at 15 % for special Mine lease holders and at 25 % for other mining title holders and all capital expenditure incurred exclusively for mining operations is deductible at a rate of 100%. However, it appears that some mining companies, in practice, do not adhere to these taxation models because of special arrangements with the Government, which allow them to be exempted of taxes in exchange for resuscitating certain industries of concern or for the massive recapitalization of strategic sectors. This can be inferred from a budget analysis: indeed, only one diamond mining company, Mbada diamond, appeared in the top 10 contributors of Corporate Tax whilst other giants like Ainjin and Marange do not appear at all. Of note as mentioned by the Minister of Finance is that some companies only appear in the top ten under Corporate tax whilst they ultimately do not appear under other tax regimes like VAT and PAYE tax. It is prudent to note that the highly polarized environment in Zimbabwe coupled with the secrecy surrounding diamond revenues shows the mixed fiscal regime that reflects particular arrangements established by the government with different stakeholders in the mining sector.

According to Publish What You Pay, mining contributed 20 percent to GDP in 2010.
(<http://www.publishwhatyoupay.org/where/coalitions/zimbabwe>)

References:

<http://zimtreasury.org/downloads/930.pdf>

Peer Review Comments:

Without clear shareholding structures, it is difficult to determine what is due to government in the form of royalties and taxes. For instance, Anjin is in a joint venture partnership with the Zimbabwe national Army, and not with the Zimbabwe Mining Development Company (ZMDC). They have never remitted any cent to government and yet they are the biggest mine in Marange, with eight shafts / mines. There are several other companies such as DTZ OZGEO which are operating clandestine mining activities in Eastern Zimbabwe. The fact that the Ministry of Finance is under MDCT means there is no law enforcement when it comes to ZANU PF affiliated companies refusing to remit to government. Revenue transparency has been down trodden under the guise of busting sanctions

1.1.005: What agency has authority to regulate the hydrocarbon and mineral sector?

Score: A B C D E

Comments:

The Ministry of Mines and Mining Development has the statutory duty to administer the Act, which means the power to ensure compliance with the law, issue contracts and approve plans as well as keeping mining data and registers.

References:

Mines and Minerals Act (Chapter 21:05), Section 5

Peer Review Comments:

The Zimbabwe Mining Development Corporation Act is another statutory instrument that should be read together with the Mines and Minerals Act.

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

Disclosure

[Back](#)

Indicator	Score
1.2.006 Information on licensing process	50 
1.2 Contract transparency	0 
1.2.008 Environmental and social impact assessments	33 
1.2 Access to information and legislation	84 

1.2.006 Information on licensing process

1.2.006.a: What information does the government publish on the licensing process before negotiations?

Score: A B C D E

Comments:

The legal processes are outlined in the Mines and Minerals Act for the various types of mining rights such as the EPOs, Mining Leases, Special Leases etc. For example, Section 88 (4) (a) states that the Chairman of the Mining Affairs Board may on receipt of an application for an Exclusive Prospecting Order publish a notice in the Government Gazette giving details of the application and inviting objections thereto. The law also states some of the requirements for the applicant as stated in Section 87, such as financial status, particulars of the mineral that the applicant wishes to mine, sketch plans of the area, a program of the prospecting operations he intends to carry out and, in case the applicant is a company, the full names of the directors as well as the full names under which those directors have at any time been known in any part of the world.

References:

Mines and Minerals Act (Chapter 21:05) Section 7-13, 88, 90, 138, 162 and 163

Peer Review Comments:

Zimbabwe has a good legal framework that to some extent promotes transparency and accountability, however lately, especially with the discovery of diamonds, the extractive sector has become very secretive. Government has not published the directors of diamond mining companies or the process leading to the awarding of the special grants. Some of the names appear for the first time in courts during lawsuits.

1.2.006.b: What information does the government publish on the licensing process after negotiations?

Score: A B C D E

Comments:

For EPOs Section 91 (2) applies. The section states that every EPO shall be published in the Government Gazette. However, in practice, the Government Gazette is circulated only to subscribers. At

present the subscription cost of the gazette is US160,00 per year.
No information is published in the gazette after the granting of the mining lease.

References:

Mines and Minerals Act (Chapter 21:05), Section 91 (2).

Peer Review Comments:

<http://www.sokwanele.com/system/files/The-Marange-Diamond-Fields-Report-Oct-2011.pdf>

1.2 Contract transparency

1.2.007: Are all contracts, agreements or negotiated terms for exploration and production, regardless of the way they are granted, disclosed to the public?

Score: A B C **(D)** E

Comments:

Contracts are not published in Zimbabwe. However, the Access to Information and Protection of Privacy Act (Chapter 10:27) provides members of the public with a right of access to records and information held by public bodies. A written application has to be addressed to the Director of the concerned public body; however, the law has many claw-back clauses that make it in practice very difficult for members of the public to access official documents, such as the mining contracts from the Ministry of Mines or the Zimbabwe Mining Development Corporation. In 2011 ZELA sent such a request to the Ministry of Mines and the Zimbabwe Mining Development Corporation so as to access the mining contracts signed with diamond mining companies, to no avail.

References:

Not published.

Peer Review Comments:

The opaqueness of mining deals and the involvement of local elites in mining means they put a tight lead on their operations and involvement. Even Memorandum of Understanding between companies and rural district councils are closely guarded from the public. This is meant to protect corporations from public scrutiny over their obligations to the local communities and the environment

1.2.008 Environmental and social impact assessments

1.2.008.a: Does legislation require that mining, gas and oil development projects prepare an environmental impact assessment prior to the award of any mineral rights or project implementation?

Score: **(A)** B C

Comments:

The law requires all mining project proponents to conduct an EIA before commencing mineral prospecting and mining. However, in practice, some mining firms such as Aijin and Marange Diamonds have commenced mining exploration and extraction before the process was carried out, despite there being statutory obligation to do so. Motivating factors in this instance are two-fold: on the one hand, the Government showed a certain degree of hastiness in beginning operations, given the ailing economy, so as to rapidly reap the profits from the sale of such diamonds without conducting the assessments. On the other hand, provisions are lax as they put the onus on the developer to carry out the assessments, then produce results for the relevant authority. This laxity coupled with the little resources available for monitoring compliance by the relevant authority (Environmental Management

Authority) has resulted in some mining companies seeking to avoid or delay conducting the required assessments.

References:

Environmental Impact Assessments (EIAs) are required in terms of Sections 97-108 of the Environmental Management Act (Chapter 20:27) as read with the First Schedule which states the types of projects that require EIA e.g. mining projects.

Peer Review Comments:

Even after complying at the initial stages, most of the companies violate the country's environmental laws later with impunity. Further, even in cases where they are penalized, the penalty fees go to the rural district council, not to the local community which suffers the consequences of the pollution. Fines are too low, making it cheaper for companies to destroy the environment and pay small fines rather than change their way of operating

1.2.008.b: Are environmental impact assessments for oil, gas and mining projects published by the authority in charge of regulating the sector and is there a consultation process?

Score: A B C D E

Comments:

While the law provides that EIA reports are open for public inspection, in practice it has not been possible for many people to access and inspect EIA reports due to the fees being charged by the Environmental Management Agency. The US\$250 fee is quite high, considering that the average monthly salary for a civil servant in Zimbabwe is around US\$300.

References:

In terms of Section 108 of the Environmental Management Act, EIA Reports submitted to the Environmental Management Agency are open for public inspection at all reasonable times upon payment of a fee. The fee is set in terms of the Environment and Natural Resources Management (Environmental Impact Assessment and Ecosystem Protection) Amendment Regulations SI 3 of 2011.

1.2.008.c: Does legislation require that mining, gas and oil development projects prepare a social impact assessment?

Score: A B C

Comments:

The Environmental Management Act does not mention social impact assessment, and there is no specific legislation that provides a framework to carry it out. However, in practice, when mining companies are conducting an Environmental Impact Assessment, they also deal with social impacts of mining projects on the population. As a result, many EIA reports include a component on social impacts for the proposed projects.

References:

Environmental Management Act (Chapter 20:27), Sections 97-108

Peer Review Comments:

There are also other statutory bodies such as the Zimbabwe National Water Authority which regularly monitors the quality of water in mining areas, checking for chemicals and toxins which may lead to diseases. However the law is silent on other impacts of mining on issues such as food security, education, HIV, culture etc

1.2.008.d: Are social impact assessments for oil, gas and mining projects published and is there a consultation process?

Score: A B C **(D)** E

Comments:

There is no specific law that requires separate social impact assessments. However, EIA reports often including social impact are open for public inspection, but the government agency requires the payment of a \$250 fee which makes it impossible for many people to have access to them. The social impact assessments are generally incorporated in the Environmental Impact Assessments. These are published in a registry kept by the Environmental Management Authority only after they have been approved. The contents of the Environmental Impact Assessment report provides feedback on the nature of the public consultation conducted by the developer. It can be inferred that this is a mandatory process. Additionally, the Director General, responsible for issuing the certificate, has the prerogative to consult any other person who he feels may have an interest in the project. These two provisions reflect the margin of publication concerning the process prior to granting a Certificate. The Certificate is made public via a register maintained by the Director General, which is available to the public for viewing at a cost of US\$250, thus limiting the publicity of Environmental Impact Assessments concerning the exploitation of minerals in Zimbabwe.

References:

EMA Act Art 100(3)c and Art 102(2).

Peer Review Comments:

The law is silent on the impacts of mining on community life such as food security, culture, health, crime, HIV and AIDS etc

1.2 Access to information and legislation

1.2.009: Does the government publish detailed mineral/hydrocarbon resource legislation?

Score: **(A)** B C D E

Comments:

Every new piece of legislation on mining is published in the Government Gazette, a weekly bulletin containing all proposed Bills and Acts of Parliament. However, the Gazette is only circulated to subscribers that have paid a yearly fee of US160,00. Nevertheless, a government printing company sells copies of every piece of legislation at more affordable prices. The principle statute governing Mining Legislation is the Mines and Minerals Act. This Act details the calculation mode of Royalty payments for mine owners. However, mining companies have to take into account other tax legislation: Zimbabwe Revenue Act, Income Tax Act, Capital Gains Tax, more specifically related to direct and indirect taxes.

References:

Mines and Minerals Act, Zimbabwe Revenue Act Chap 23:11, Income Tax Act Chap 23:06, Capital Gains Act Chap 23:01.

1.2.010: This country has adopted a rule or legislation that provides for disclosure of information in the oil, gas and mineral sectors.

Score: A **(B)** C D E

Comments:

The Access to Information and Protection of Privacy Act (Chapter 10:27) establishes the public right to access records and information held by public bodies, including government agencies dealing with mining and extractive sector issues. However, such Act, in its Section 14-25, contains many provisions on protected information (claw-back provisions) that limit or make difficult the access to certain kind of

information. 'Protected information' includes any information whose disclosure will be harmful to the law enforcement process and national security and defense; information relating to inter-governmental relations or negotiations; information relating to the financial or economic interests of public bodies or the State; information relating to personal safety, deliberations of Cabinet and local government bodies. In such cases, the Act confers discretionary powers to the head of a public body so as to decide whether to disclose that information or not. In the extractive (mining) sector, diamond mining public bodies have refused to disclose information on contracts, revenue and payments by stating that such information could be detrimental to the economic interests of the state. Information on diamond mining activities has also been classified by many public officials as part of state security.

References:

Zimbabwe has passed the Access to Information and Protection of Privacy Act (Chapter 10:27). The Mines and Minerals Act also provides scope for disclosure of information on application for EPOs and other mining rights.

Peer Review Comments:


One of the claw back laws is the Official Secrets Act which makes it a serious crime to be found in possession of or to communicate classified information. In my case I was charged with "communication or publication of falsehoods that are prejudicial to the state

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

Legal Framework and Practices

[Back](#)

Indicator	Score
1.3 Legal Framework and Practices	28 

1.3 Legal Framework and Practices

1.3.011: The authority in charge of awarding licenses or contracts for mineral or hydrocarbon production is independent of the state owned company (SOC) or other operating companies.

Score: A B C

Comments:

In legal terms, the authority which awards licenses is independent of the SOC. However, the distinction is blurred in practice. While the Ministry of Mines, the Mining Affairs Board and the President have the authority to issue licenses, the composition of the Mining Affairs Board in terms of Section 7 of the Act shows that some representatives of mining companies, as well as public officials who sit on the Board of state owned companies, may also be part of the Mining Affairs Board. For instance, the Act states that the Mining Affairs Board shall consist of 2 small-scale workers (miners) appointed by the Minister of Mines from a list of names submitted by the Chamber of Mines of Zimbabwe. In this case, it means the small scale workers will be representing the interests of mining companies whose overall representative body is the Chamber of Mines. It has also been observed that in the diamond mining sector, where government has entered into Joint Venture agreements with foreign partners, some public officials from the Ministry of Mines and from government institutions such as the Geological Survey Department are members of the Board of the Joint Venture mining companies operating in Marange diamond fields. Yet the Mining Affairs Board, which delivers mining licenses, is also composed of officials from the Ministry of Mines (e.g. permanent secretary/ deputy/under-secretary) and includes the Director of Geological Survey.

In practice, this set-up compromises the independence and impartiality of the Mining Affairs Board which considers mining rights applications, especially in applications made by Joint Venture mining companies in which the government is involved. It is therefore difficult to state whether the authority that issues licenses is indeed an authentically independent entity.

References:

Mines and Minerals Act, Section 6-7. The sections deal with the establishment of the Mining Affairs Board which considers mining licences applications and its composition.

1.3.012: Is the licensing process intended to be open and competitive to all qualified companies?

Score: A B C D E

Comments:

a) Answer (a) is to a certain extent correct in the Zimbabwean context, given the processes and requirements of the Mines and Minerals Act (at least from a theoretical perspective). The Act states some of the requirements or processes that are followed by the Mining Affairs Board in making a decision on mining licenses, such as considering the financial and technical capacities of applicants before a mining license is issued. For example, in Section 159, when a company is applying for a

Special Mining Lease, it is required to demonstrate to the Mining Affairs Board the following elements:

- nature of mineral deposits;
- estimated life of mine;
- method of extraction;
- feasibility study of the proposed mine;
- a financing plan indicating the type and source of finance to be obtained;
- a marketing plan setting out proposals and a timetable for the beneficiation and disposal of the output of mine, together with any relevant marketing study;
- economic evaluation of mine;
- a report on the anticipated impact of mining operations on the environment and any measure that has to be taken in order to assess, prevent or minimize such impact, including proposals for prevention or treatment of pollution as well as treatment and disposal of waste, protection of rivers and other sources of water and the reclamation and rehabilitation of land disturbed by mining.

In these cases, the law has established clear rules that should be followed by the Mining Affairs Board when considering applications for mining rights. In theory, one would state that the law provides for competition based on technical, financial and environmental criteria.

b) However, (b) may also be correct, considering the terms of the Mines and Minerals Act, Section 89 (b) on Exclusive Prospecting Orders (EPOs). This section states that any decision taken by the Mining Affairs Board to grant EPOs must not go against the national interest. In other terms, this provision states that, beyond solely financial and technical capacities of mining companies, the Board will be guided by national interests or objectives when considering mining rights applications.

d) Purportedly following such principles, government officials have granted mining rights to companies belonging to countries that are considered friendly to Zimbabwe such as China, UAE, Russia, South Africa and India. In this case, point(d) may also be relevant, since the Mining Affairs Board, the Minister and the President have the discretion to decide what is consistent with the national interest when allocating mining rights. Therefore, allocation of mining rights follow a rather opaque and secretive process, especially in the diamond mining sector, benefiting undeserving companies without experience and the finance to mine. Currently, there is an ongoing court case on the controversial allocation of a diamond mining license to a company called Canadile which was later cancelled by government. The case revolves around corruption and misrepresentation of financial capabilities by one of the diamond mining companies.

References:

Mines and Minerals Act, Sections 20, 87, 88, 135 and 159 all deal with the application processes for mining rights.

Peer Review Comments:

The licensing laws are meant to be transparent but the implementation has become entangled in the country's politics where corruption and departure from the norm is blamed on sanctions. Sanctions were used as a way to justify failure to go through the normal bidding process when awarding diamond mining licenses in Marange.

1.3.013: Does the licensing process or legislation impose limits to discretionary powers of the authority in charge of awarding licenses or contracts?

Score: A B C D E

Comments:

The Mining Affairs Board, when considering applications, is required by law to follow the requirements stated in the Mines and Minerals Act. However, in some cases, its decisions and recommendations on mining licenses are approved/reviewed by the Minister and the President. In practical terms, in the Zimbabwean context, these institutions are not independent of each other because some of the Board members are appointed by the Minister of Mines while, in turn, the Minister of Mines is appointed by the President. While the Board may follow the legally prescribed steps, final provisions in agreements depend on further negotiations and the interests of the executive.

References:

Mines and Minerals Act, Sections 88, 90, 137 and 163

Peer Review Comments:

Whilst there are limitations on the powers of the Mining Board there are no limitations on the discretionary powers of the president as he has the final say. If he turns down an application for a special grant the applicant can only make a fresh application after 3 months have elapsed.

1.3.014: Does the legislative branch have any oversight role regarding contracts and licenses in the oil, gas and mining sector?

Score: A B **C** D E

Comments:

The Constitution of Zimbabwe provides for the legislative powers of Parliament in Section 32-57, and the provision concerning those powers in relation to agreements with other countries, organizations, foreign entities or corporations is Section 111B of the Constitution, which deals with the domestication of international treaties or agreements with other countries or international organizations. Such agreements are subject to approval by Parliament and in the case of treaties, they can only become operational upon passage of an Act of Parliament. Therefore, that provision gives the parliament the power to approve agreements, including mining agreements concluded with foreign corporations, countries or entities. However, in practice, the Parliament has been a rubber stamp for the executive's mining agreements with foreign countries. An example of that is a loan agreement that was signed between the Government of Zimbabwe and the China Exim Bank for the construction of a military academy which will be paid off by proceeds from diamond mining revenues resulting from a Joint Venture between the government and a Chinese mining company operating in Marange diamond fields called Anjin. The Parliament rubber-stamped the agreement.

In terms of the Privileges and Immunities Act, Section 9, the Parliament has the power to summon any person to provide evidence or any document in his/her possession. This provision has been used by Parliament to summon even government officials in the extractive sector.

The House of Assembly Standing Orders set out the conduct of business in Parliament and outline the powers and functions of Parliamentary Portfolio Committees. Some of the powers of the Parliamentary Portfolio Committees in terms of Rule 161 include considering all international treaties and agreements entered into by the state that are relevant to that particular committee and to monitor, investigate, inquire into and make recommendations relating to any aspect of the legislative program, budget, policy or any other matter it may consider relevant to the government department falling within the category of affairs assigned to it. The committees have powers to conduct investigations and summon any person to appear before it. Accordingly, there is a Parliamentary Portfolio Committee on Mines and Energy which, in 2009, summoned diamond mining companies and the Ministry of Mines to testify on the allocation of mining rights and licenses in Marange diamond fields. In this case, the Committee even managed to access the mining contracts from the mining companies and the Ministry of Mines, using its parliamentary powers and privileges. However, it is noteworthy that the Parliamentary Committee only gets to see the contracts and agreements after they have already been signed and the mining companies have started operating. In this regard, it is also important to note that in cases where the Committee calls for a review of mining contracts, its recommendations can be rejected by the executive or by the House of Assembly. Therefore, the Committee can only make recommendations which may not be acted upon by the executive.

Mines and Minerals Act in Section 91 (3) provides that every Exclusive Prospecting Order (EPO) shall be laid before the Parliament after it has been published in the Gazette. However, the problem with this provision is that the Parliament will only consider it after the President has approved the EPO. In many cases, the Parliament has just rubber-stamped whatever the executive has decided. This means the Parliament does not have the opportunity to review the EPO before it is granted.

References:

Constitution of Zimbabwe (Section 32 – 57), Privileges and Immunities Act (Chapter 2:08, Section 9), Parliamentary Standing Rules (Rule 161), Mines and Minerals Act (Section 91 (3))

Peer Review Comments:

Parliament does not play an oversight role though it is mandated by Law to do so. For almost 2 years Zimbabwe's parliamentary Portfolio Committee on Mines has been denied a permit to tour Marange Diamond Fields, let alone to summon diamond mining company directors for hearings. This summarizes the periphery role diamond mining companies play in awarding licenses.

1.3.015: Is there a due process to appeal licensing decisions?

Score: A B C

Comments:

The Mines and Minerals Act provides mechanisms to appeal decisions made by mining commissioners, the Mining Affairs Board or the Minister. Some of the administrative decisions can be appealed before the Administrative Court. Further, in terms of Section 345, the High Court can exercise original jurisdiction in every civil matter, complaint or dispute arising under this Act. Further, in terms of section 346 (1), mining commissioners may hold a court in any part of the mining district to which they are appointed. However, the decision of a mining commissioner can be appealed before the Administrative Court.

Some cases have already been heard at the High Court of Zimbabwe on mining rights. For instance, the African Consolidated Resources (ACR) case against the Ministry of Mines and Mining Development over the cancellation of exploration and mining rights in Marange diamond fields. ACR approached the court to claim its rights after its EPO was cancelled, however, its court applications were not successful before the Courts. Another such case relates to the cancellation of the mining rights of Canadile in Marange diamond fields by the government. The application is still pending.

References:

Mines and Minerals Act, Administrative Court Act

Peer Review Comments:

Government ignored court orders which ruled in favor of the Africa Consolidated Resources which had won mining rights in Marange in 2006. The matter was politicized.

Media reports:

<http://www.dreamsof africa.org/blog/2009/10/06/zimbabwe-appeals-african-consolidated-ruling/>

<http://www.newzimbabwe.com/pages/mines12.14845.html>

1.3.016: Is there a legal or regulatory requirement to disclose all beneficial ownership in oil, gas and mining companies or projects?

Score: A B C

Comments:

The law only requires the disclosure of information related to directors of companies, who may not be the beneficial owners of the mining companies. In terms of section 87 (2) (b) (vii) of the Mines and Minerals Act, the application for an Exclusive Prospecting Order (EPO) by a company requires that it provides the Mining Affairs Board with the full names and nationality(ies) of the directors and the full names by which those directors have at any time been known in any part of the world. While this provision attempts to ensure that the directors of companies – including foreign owned companies – are known, it often falls short of capturing the real beneficial owners of the company, who may not be the directors. Furthermore, a person acting as a "front" can be listed as the director of a company.

The legal regime that regulates the disclosure and non-disclosure of all beneficial ownership in companies is the Companies Act of Zimbabwe. This Act makes the distinction between a private and a public limited company, thereby establishing different obligations of disclosure and non-disclosure.

A Public Limited Company is compelled by law to publish its accounts over a certain period of time and since this information has to be available to the vast number of shareholders, it is usually published in

national newspapers. In other words, information on share ownership renders that information public.

On the other hand, private companies are not compelled to publish any yearly report, since ownership ratios are not open to the public. Of note is that in Zimbabwe, a vast majority of Companies in the extractive mining sector are private companies, hence there is no public knowledge as to who the beneficial owners are. Additionally, shares in public limited companies are owned by individuals via investment companies, therefore the real identity behind these investment companies is not known to the public, as the shareholding only shows partial information on the beneficial ownership in the mining sector.

References:

Section 87 (2) (b) (vii) of the Mines and Minerals Act and Companies Act Chapter 24:03.

Link to Companies Act:

http://www.parlzim.gov.zw/attachments/article/110/COMPANIES_ACT_24_03.pdf

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

Context

[Back](#)

Indicator	Score
2.1	Context 100 

2.1 Context

2.1.017: Does the government receive in-kind payments instead of financial payments from resource companies?

Score: A B C

Comments:

The above mentioned laws provide for the payment of various mining taxes by mining companies, such as royalties, withholding tax, Pay as You Earn, Value added tax, presumptive tax, capital gains, tax custom duty and additional profit tax, among others. However, in the diamond mining sector (and specifically the Marange fields), the government also receives dividends in addition to the taxes, since it is a shareholder in the Joint Ventures. In real terms, and contrarily to foreign investors, the government did not invest any money in the business, but simply allowed its mineral resources to be exploited.

References:

Mines and Minerals and the Income Tax Act (Chapter 23:06) Gold Trade Act Chapter 21:03, Base Minerals Export Control Act Chapter 21:01).

Link to Gold Trade Act: <http://www.law.co.zw/downloads/statutes/21/Gold%20Trade%20Act.pdf>

Link to Base Minerals Export Control Act:

http://www.parlzim.gov.zw/attachments/article/107/BASE_MINERALS_EXPORT_CONTROL_ACT_21_01.pdf

2.1.018: If the government or state owned companies sell physical commodities (oil, gas or minerals) from in-kind payments or own production, is there information about how these commodities are marketed?

Score: A B C D E

Comments:

N/A

References:

N/A

2.1.019: What authority actually collects payments from resource companies?

Score: A B C D E

Comments:

However, the Ministry of Finance in the 2010, 2011 and 2012 budget statements has complained that not all the revenues from the sale of diamonds have been remitted to the treasury by mining companies participating with the government in Joint Ventures in the Marange diamond fields. The Zimbabwe Mining Development Corporation has not been remitting all monies to treasury from diamond sales either. The Zimbabwe Revenue Authority is the primary body tasked with the collection of payments from resource companies in the mining sector. These companies are charged a set of Taxes such as Corporate Tax, Income Tax, etc. that is directly collected by the Revenue Authority. On the other hand, there are some private companies in which the State is also a shareholder and, as such, it is entitled to a share of profits. For instance, the ZMDC is a private limited company that is entirely owned by the State and has concluded partnerships with private firms such as Grandwell Holdings Limited to form a company called Marange Diamonds. That company pays various taxes to the Zimbabwe Revenue Authority, whilst at the same time the State gets a profit share from the mineral ventures of the Company. The Principle Act confers mining companies the status of a Private Limited Company (as governed by the Companies Act) while the State is a shareholder, thus establishing a dual system of material payments for companies involved in the extractive sector.

References:

Finance Act, Capital Gains Tax Act (Chapter 23:01), Customs and Excise Act (Chapter 23:02), Income Tax Act (Chapter 23:06) Revenue Authority Act (Chapter 23:11), Value Added Tax Act (Chapter 23:12) and Mines and Minerals Act

Documents available at: http://www.zimra.co.zw/index.php?option=com_phocadownload&view=category&id=23:legislation&Itemid=112

Peer Review Comments:














The Ministry of Finance has repeatedly complained that diamond revenues are not reaching treasury and that Anjin is in partnership with the Zimbabwe National Army, not Zimbabwe Mining Development Corporation. (see for example: <http://blogs.cfr.org/campbell/2012/06/22/diamonds-are-forever-in-zimbabwe/>)

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

Disclosure

[Back](#)

Indicator		Score
2.2A.020	Does the Ministry of Finance publish periodical information on revenue generation?	45 
2.2A.020.j	Does the Ministry of Finance publish information on disaggregated revenue streams?	22 
2.2A	Quality of reports	84 
2.2B.020	Does the Ministry of the extractive sector publish information on revenue generation?	0 
2.2B.020.j	Does the Ministry of the extractive sector publish information on disaggregated revenue streams?	0 
2.2B	Quality of reports	0 
2.2C.020	Does a Regulatory Agency publish information on revenue generation?	0 
2.2C.020.j	Does a Regulatory Agency publish information on disaggregated revenue streams?	0 
2.2C	Quality of reports	50 
2.2D.020	Does the Central Bank publish information on revenue generation?	29 
2.2D.020.j	Does the Central Bank publish information on disaggregated revenue streams?	5 
2.2D	Quality of reports	34 
2.2E.020	Does any other government agency or entity publish information on revenue generation?	N/A
2.2E.020.j	Does any other government agency or entity publish information on disaggregated revenue streams?	N/A
2.2E	Quality of reports	N/A
2.2	Public sector balance	50 

2.2A.020 Does the Ministry of Finance publish periodical information on revenue generation?

2.2A.020.a: Reserves

Score: A **B** C D E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

Peer Review Comments:

The Mid Term Fiscal Policy Review held in July of every year is very informative. It gives the nation an update on revenue generation vis-a-vis budget projections. The Minister of Finance has also used public forums and conferences to give detailed information on revenue generation and challenges faced by his Ministry in collecting revenue.

2.2A.020.b: Production volumes

Score: A B C D E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

Production data in Mid-year Fiscal Policy Review (2010): <http://www.zimtreasury.org/downloads/Mid-Year-Fiscal-Policy-Review.pdf>

2.2A.020.c: Information on prices

Score: A B C D E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

Peer Review Comments:

Apart from annual reports and national budgets, the Minister of Finance also gives historical data at strategic platforms as part of his campaign to push for revenue transparency as was the case in this article: <http://www.google.co.zw/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&ved=0CFwQFjAB&url=http%3A%2F%2Fwww.theindependent.co.zw%2Fcomment%2F35635-diamond-revenues-we-need-answers.html&ei=BNvYT-WFLIqRswbPyIXiDw&usq=AFQjCNFSIVU3DQyuvOhCkvsV7s4w-Z8Vyg>

2.2A.020.d: Value of resource exports

Score: A B C D E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

See also: <http://www.zimtreasury.org/downloads/Mid-Year-Fiscal-Policy-Review.pdf>

Peer Review Comments:

The Ministry of Finance gives two reports annually. One is the annual national budget whilst the other is a Mid Term Fiscal Review policy where revenue being generated is announced

2.2A.020.e: Estimates of investment in exploration and development

Score: A B C D E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

2.2A.020.f: Production costs

Score: A B C D E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

2.2A.020.g: Names of companies operating in country

Score: A B C D E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

Peer Review Comments:

Though the information is not "published", the Ministry has sometimes named companies that do not remit to treasury as was the case with Anjin and other diamond mining companies at a CRD workshop in Harare

2.2A.020.h: Production data by company and/or block

Score: A B C **(D)** E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

2.2A.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C **(D)** E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

2.2A.020.j Does the Ministry of Finance publish information on disaggregated revenue streams?

2.2A.020.j1: Production streams value

Score: A B C **(D)** E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

2.2A.020.j2: Government s share in PSC

Score: A B C D **(E)**

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

Peer Review Comments:

The Ministry of Finance has also used public forums such as conferences and workshop to disseminate data on revenue flows. For instance the Finance Minister Tendai Biti outlined diamond revenue flows at a CRD workshop on 22 May 2012 in Harare. He has done this on several other occasions since becoming

Finance Minister

2.2A.020.j3: Royalties

Score: A B C D E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

See also Mid-year Fiscal Policy Review: <http://www.zimtreasury.org/downloads/Mid-Year-Fiscal-Policy-Review.pdf>

2.2A.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C D E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

2.2A.020.j5: Dividends

Score: A B C D E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

<http://www.zimtreasury.org/budget.cfm>

Peer Review Comments:

The Ministry of Finance has been giving information at public platforms to educate the public on mineral revenue flows. The link below contains some information on dividends which Minister Biti told delegates at CRD workshop held in Harare on May 22 2012. <http://www.radiovop.com/index.php/business/9008-tax-collectors-chased-away-from-mbada-diamond-mine.html>

2.2A.020.j6: Bonuses

Score: A B C D E

Comments:

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

2.2A.020.j7: License fees**Score:** A B C D E**Comments:**

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

2.2A.020.j8: Acreage fees**Score:** A B C D E**Comments:**

/

References:

National Budget Statements by the Minister of Finance 2010, 2011 and 2012.

2.2A.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**Comments:**

/

References:

/

Peer Review Comments:

The Ministry of Finance has been trying hard to change the mining regime in Zimbabwe by giving statistics and current trends but there has been a serious conflict with the Ministry of Mines which is controlled by ZANU PF. Minister Biti has even appointed five new members to the office of the Comptroller and Auditor General in an effort to make it an independent and autonomous body.

2.2A Quality of reports

2.2A.021: Are periodical reports containing information on revenue generation published by the Ministry of Finance understandable?**Score:** A B C D E**Comments:**

In most cases, budget statements outline the contribution of the mining sector to the national treasury and the challenges faced by the Ministry when collecting revenue from the mining sector, especially the

diamond mining companies in Marange. Reports published by the Ministry of Finance are generally understandable and comprehensive, though they lack notes on methodology, sources or statistical techniques. Extensive use of tables, graphs and pie charts may render the content difficult to understand for ordinary people, but simplistic language is often used to facilitate the comprehension of such publications. The case of the Mid-Year Fiscal Policy Review is a good example gathering these characteristics.

References:

National Budget Statements (presented to Parliament on a yearly basis) by the Minister of Finance (www.zimtreasury.org).

2.2A.022: How often are the periodical reports containing information on revenue generation published by the Ministry of Finance?

Score: A B C D E

Comments:

The Minister of Finance presents the annual national budget statement in November. The Zimbabwe Treasury Bulletin is produced at least on a quarterly basis.

References:

National Budget Statements (www.zimtreasury.org)

Peer Review Comments:

The mid term fiscal policy review is presented in July of every year by the Minister of Finance. It spells out how well the country is meeting its financial targets with the mining sector covering much of the report.

2.2B.020 Does the Ministry of the extractive sector publish information on revenue generation?

2.2B.020.a: Reserves

Score: A B C D E

Comments:

/

References:

/

Peer Review Comments:

There is nothing to publish on reserves as Zimbabwe is struggling to meet its budgetary requirements

2.2B.020.b: Production volumes

Score: A B C D E

Comments:

/

References:

/

Peer Review Comments:

The problem lies with the Ministry of Mines which is not providing the Ministry of Finance with accurate data on production volumes. For instance government denied the Parliamentary Portfolio Committee on Mines and Energy, the Prime Minister and Finance Minister access to Marange diamond fields for close to 3 years. When civil society visited Marange it was denied information on the volume of production.

2.2B.020.c: Information on prices

Score: A B C **(D)** E

Comments:

/

References:

/

Peer Review Comments:

The Ministry of Mines and the Ministry of Finance have repeatedly clashed on the pricing of diamonds with the later accusing the former of deliberately undervaluing Marange diamonds for personal gains. The diamond auctions have been conducted secretly, raising suspicions on whether the transaction are transparent

<http://www.thezimbabwean.co.uk/business/business-analysis/51381/bit---mpofu-contradict.html>

2.2B.020.d: Value of resource exports

Score: A B C **(D)** E

Comments:

/

References:

/

2.2B.020.e: Estimates of investment in exploration and development

Score: A B C **(D)** E

Comments:

/

References:

/

Peer Review Comments:

Information from the Ministry of Mines has not been credible. For instance, when the KPCS allowed Zimbabwe to resume unsupervised exports of diamonds in November 2012 Mines Minister said Zimbabwe was going to generate at least 2 billion dollars in 2012, resulting in the Ministry of Finance reviewing upwards the national budget by USD600 million.:

<http://www.radiovop.com/index.php/national-news/7424-marange-diamonds-to-generate-2-billion-annually-mpofu.html>

However, as the year reaches the halfway mark, indications are that even the more realistic figure of USD 600 million won't be met. <http://forum.newzimbabwe.com/index.php?/topic/55366-the-only->

minister-who-tells-the-truth/

2.2B.020.f: Production costs

Score: A B C D E

Comments:

/

References:

/

2.2B.020.g: Names of companies operating in country

Score: A B C D E

Comments:

/

References:

/

Peer Review Comments:

Most of the deals are negotiated in secret due to their corrupt nature and the operations are clandestine. In Marange company names are only known to the public after investigations by the media and civil society.

2.2B.020.h: Production data by company and/or block

Score: A B C D E

Comments:

/

References:

/

Peer Review Comments:

It's usually not published and when its published it is highly questionable.

2.2B.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

Comments:

/

References:

/

2.2B.020.j Does the Ministry of the extractive sector publish information on disaggregated revenue streams?

2.2B.020.j1: Production streams value

Score: A B C **(D)** E

Comments:

/

References:

/

2.2B.020.j2: Government s share in PSC

Score: A B C D **(E)**

Comments:

/

References:

/

2.2B.020.j3: Royalties

Score: A B C **(D)** E

Comments:

/

References:

/

Peer Review Comments:

Sometimes the figures are mentioned during conference and workshops but they are highly questionable and difficult to verify.

2.2B.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C **(D)** E

Comments:

/

References:

/

2.2B.020.j5: Dividends

Score: A B C D E

Comments:

/

References:

/

2.2B.020.j6: Bonuses

Score: A B C D E

Comments:

/

References:

/

2.2B.020.j7: License fees

Score: A B C D E

Comments:

/

References:

/

2.2B.020.j8: Acreage fees

Score: A B C D E

Comments:

/

References:

/

2.2B.020.j9: Other (Explain in 'comments' box.)

Score: A B C D E

Comments:

/

References:

/

2.2B Quality of reports

2.2B.021: Are periodical reports containing information on revenue generation published by the Ministry of the extractive sector understandable?Score: A B C **(D)** E**Comments:**

N/A

References:

N/A

2.2B.022: How often are the periodical reports containing information on revenue generation published by the Ministry of the extractive sector?Score: A B C **(D)** E**Comments:**

N/A

References:

N/A

Peer Review Comments:

In practical terms the Ministry of Mines has not been revealing much information on revenue generation. Rather they have been good at giving projections of what the mining sector will contribute, say by 2016. Information on revenue from the mining sector is usually obtained from the Zimbabwe Chamber of Mines and the Ministry of Finance, with the former relying on research.

2.2C.020 Does a Regulatory Agency publish information on revenue generation?**2.2C.020.a: Reserves**Score: A B C **(D)** E**Comments:**

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:<http://www.zimra.co.zw>**2.2C.020.b: Production volumes**Score: A B C **(D)** E**Comments:**

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.c: Information on prices

Score: A B C **(D)** E

Comments:

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.d: Value of resource exports

Score: A B C **(D)** E

Comments:

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.e: Estimates of investment in exploration and development

Score: A B C **(D)** E

Comments:

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.f: Production costs

Score: A B C **(D)** E

Comments:

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.g: Names of companies operating in country

Score: A B C **(D)** E

Comments:

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

Peer Review Comments:

Some companies are published but usually this is limited to two categories of companies. 1. Those that are doing well in terms of revenue generation and those with strong political links such as Anjin are cited as great examples. 2. Those companies which are under political pressure to leave the country are cited as bad examples. However there are thousands of clandestine mining companies that are never mentioned by government in its annual reports.

2.2C.020.h: Production data by company and/or block

Score: A B C **(D)** E

Comments:

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C **(D)** E

Comments:

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.j Does a Regulatory Agency publish information on disaggregated revenue streams?

2.2C.020.j1: Production streams value**Score:** A B C D E**Comments:**

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.j2: Government s share in PSC**Score:** A B C D E**Comments:**

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.j3: Royalties**Score:** A B C D E**Comments:**

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**Score:** A B C D E**Comments:**

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.j5: Dividends**Score:** A B C D E**Comments:**

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.j6: Bonuses**Score:** A B C D E**Comments:**

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.j7: License fees**Score:** A B C D E**Comments:**

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.j8: Acreage fees**Score:** A B C D E**Comments:**

Information is published at the occasion of the budget statement by the Minister of Finance under which the Zimbabwe Revenue Authority (ZIMRA), responsible for collection of mining taxes, falls. Most of the statements by ZIMRA relate to aggregated tax collection and contributions per type of tax from all sectors, and hence are not broken down into sectors.

References:

<http://www.zimra.co.zw>

2.2C.020.j9: Other (Explain in 'comments' box.)Score: A B C D E**Comments:**

/

References:

/

2.2C Quality of reports

2.2C.021: Are periodical reports containing information on revenue generation published by the Regulatory Agency understandable?Score: A B C D E**Comments:**

The reports do not show the contribution of mining companies; in addition, current reports are not published on the website. At the moment, only the 2009 and 2010 reports are available.

References:

ZIMRA Revenue Performance Reports; <http://www.zimra.co.zw>

2.2C.022: How often are the periodical reports containing information on revenue generation published by the Regulatory Agency?Score: A B C D E**Comments:**

Reports are published semiannually but are not uploaded on the ZIMRA website. They are normally circulated to the media, which in turn publish excerpts of the reports.

References:

ZIMRA Revenue Performance Reports; <http://www.zimra.co.zw>

Peer Review Comments:

There are some quarterly and annual reports on the ZIMRA website such as the 2011 Revenue performance report and the 2012 first quarter report. However the reports are a summary with only aggregated figures which lack detail. These reports can be found on ZIMRA website: http://www.zimra.co.zw/index.php?option=com_phocadownload&view=category&id=15:budget-statements&Itemid=112

2.2D.020 Does the Central Bank publish information on revenue generation?

2.2D.020.a: ReservesScore: A B C D E**Comments:**

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at

the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. No information on mineral reserves were released however.

Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

<http://www.rbz.co.zw/annual/2008contents.asp>

Peer Review Comments:

Zimbabwe does not have any known financial reserves. The country is struggling to meet its budgetary requirements and has nothing to spare for the future in spite of huge mining activities taking place in Zimbabwe. The new diamond bill is proposing Sovereign Wealth Fund which is hoped will create financial reserves.

2.2D.020.b: Production volumes

Score: A B C D E

Comments:

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

<http://www.rbz.co.zw/publications/publications.asp>

2008 Annual Report: http://www.rbz.co.zw/pdfs/annual_2008/AnnualReport2008.pdf

2.2D.020.c: Information on prices

Score: A B C D E

Comments:

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe

publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

<http://www.rbz.co.zw/annual/2008contents.asp>

2.2D.020.d: Value of resource exports

Score: A B C D E

Comments:

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

<http://www.rbz.co.zw/annual/2008contents.asp>

2.2D.020.e: Estimates of investment in exploration and development

Score: A B C D E

Comments:

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

<http://www.rbz.co.zw/annual/2008contents.asp>

2.2D.020.f: Production costs**Score:** A B C D E**Comments:**

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

<http://www.rbz.co.zw/annual/2008contents.asp>

2.2D.020.g: Names of companies operating in country**Score:** A B C D E**Comments:**

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

<http://www.rbz.co.zw/annual/2008contents.asp>

Peer Review Comments:

Names of companies are not published because of the clandestine nature of the extractive sector in Zimbabwe

2.2D.020.h: Production data by company and/or block**Score:** A B C D E**Comments:**

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-

fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

<http://www.rbz.co.zw/annual/2008contents.asp>

2.2D.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

Comments:

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

<http://www.rbz.co.zw/annual/2008contents.asp>

2.2D.020.j Does the Central Bank publish information on disaggregated revenue streams?

2.2D.020.j1: Production streams value

Score: A B C D E

Comments:

Information was provided on a aggregated basis in the previous annual reports. This question is then answered as C but other revenue are scored as 'not published'.

References:

<http://www.rbz.co.zw/annual/2008contents.asp>

2.2D.020.j2: Government s share in PSC

Score: A B C D E

Comments:

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

http://www.rbz.co.zw/pdfs/annual_2008/AnnualReport2008.pdf

2.2D.020.j3: Royalties

Score: A B C **(D)** E

Comments:

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

http://www.rbz.co.zw/pdfs/annual_2008/AnnualReport2008.pdf

2.2D.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)

Score: A B C **(D)** E

Comments:

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers

of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

http://www.rbz.co.zw/pdfs/annual_2008/AnnualReport2008.pdf

2.2D.020.j5: Dividends

Score: A B C D E

Comments:

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

http://www.rbz.co.zw/pdfs/annual_2008/AnnualReport2008.pdf

2.2D.020.j6: Bonuses

Score: A B C D E

Comments:

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

http://www.rbz.co.zw/pdfs/annual_2008/AnnualReport2008.pdf

2.2D.020.j7: License fees

Score: A B C D E

Comments:

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

http://www.rbz.co.zw/pdfs/annual_2008/AnnualReport2008.pdf

2.2D.020.j8: Acreage fees

Score: A B C D E

Comments:

The Reserve Bank of Zimbabwe no longer publishes revenue statements, as it used to in 2007-2008 at the height of the economic meltdown in Zimbabwe. Back then, the Reserve Bank was performing quasi-fiscal activities and was at the center of revenue generation and distribution. Most of its former functions have now been taken over by the Ministry of Finance. The Reserve Bank of Zimbabwe publishes a monthly periodical called The Monthly Economic Review; this review focuses on the monetary side of the economy, namely how the banking sector operates, as well as stock market indicators and inflationary matters. This system is based on a divide between fiscal and monetary authorities: in other terms, the Reserve Bank and the Finance Ministry fulfill different strategic – but interlinked – roles. This strict division of roles emanates from the experience of previous years marked by a highly inflationary environment: back then, the Reserve Bank was accused of usurping the powers of the Finance Ministry, which ultimately led to a snowballing effect on the inflationary front. On the other hand, a publication by the Ministry of Finance called the Zimbabwe Monthly Economic Review provides better information on Revenue Generation.

References:

http://www.rbz.co.zw/pdfs/annual_2008/AnnualReport2008.pdf

2.2D.020.j9: Other (Explain in 'comments' box.)

Score: A B C D E

References:

http://www.rbz.co.zw/pdfs/annual_2008/AnnualReport2008.pdf

2.2D Quality of reports

2.2D.021: Are periodical reports containing information on revenue generation published by the Central Bank understandable?

Score: A B C D E

Comments:

Reserve Bank no longer publishes reports.

References:

The last annual report form 2008 was mainly technical.

2.2D.022: How often are the periodical reports containing information on revenue generation published by the Central Bank?

Score: A B C D E

Comments:

Reserve Bank no longer publishes reports.

References:

/

2.2E.020 Does any other government agency or entity publish information on revenue generation?

2.2E.020.a: Reserves

Score: A B C D E

References:

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.b: Production volumes

Score: A B C D E

References:

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.c: Information on prices

Score: A B C D E

References:

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.d: Value of resource exports

Score: A B C D E

References:

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of

the national budget statement. No other agency publishes information on revenues.

2.2E.020.e: Estimates of investment in exploration and development

Score: A B C D E

References:

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.f: Production costs

Score: A B C D E

References:

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

Peer Review Comments:

The Zimbabwe Mining Development Corporation also publishes information on production costs.
<http://www.rough-polished.com/en/news/49293.html>

2.2E.020.g: Names of companies operating in country

Score: A B C D E

References:

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.h: Production data by company and/or block

Score: A B C D E

References:

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.i: Cost of subsidies or social investments paid by mineral revenue

Score: A B C D E

References:

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.j Does any other government agency or entity publish information on disaggregated revenue streams?

2.2E.020.j1: Production streams value**Score:** A B C D E**References:**

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.j2: Government s share in PSC**Score:** A B C D E**References:**

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.j3: Royalties**Score:** A B C D E**References:**

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.j4: Special taxes (e.g. withholding taxes, excise taxes, excess earning taxes, charged on extractive companies)**Score:** A B C D E**References:**

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.j5: Dividends**Score:** A B C D E**References:**

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.j6: Bonuses**Score:** A B C D E**References:**

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.j7: License fees**Score:** A B C D E**References:**

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.j8: Acreage fees**Score:** A B C D E**References:**

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E.020.j9: Other (Explain in 'comments' box.)**Score:** A B C D E**References:**

Only the Ministry of Finance publishes some pieces of information on a yearly basis, at the occasion of the national budget statement. No other agency publishes information on revenues.

2.2E Quality of reports

2.2E.021: Are periodical reports containing information on revenue generation published by any other government agency or entity understandable?**Score:** A B C D E**References:**N/A

2.2E.022: How often are the periodical reports containing information on revenue generation published by the any other governmental agency or entity?**Score:** A B C D E**References:**

N/A

Peer Review Comments:

ZIMRA has quarterly reports published by its Chairman. These reports reveal very little in terms of statistics whilst the Ministry of Finance has the Mid Term Fiscal Policy Review and the annual budget statement.

2.2 Public sector balance

2.2.023: Does the government include the SOC financial balance (its assets and liabilities) within the public sector balance or overall balance of general government in reports to the legislature?

Score: A B C **(D)** E

References:

/

Peer Review Comments:

Though the constitution of Zimbabwe provides for separation of powers, the legislature is the weakest of the three arms of government. The Minister of Mines Obert Mpofu topped the list of Ministers and parliamentarians who bunked parliament in 2011. Parliament faced serious resistance when it tried to summon directors of diamond mining companies for interrogations. This shows how parliament is despised by cabinet and the mining companies that are linked to politicians. When parliament visited Marange in April 2012 for the first time, having been denied access for the past 2 years, they were still denied information on mine level data.

2.2.024: Does the government include projections of transactions, accounts of actual spending by the natural resource funds, and their assets and liabilities, within the public sector balance or overall balance of general government in reports to the legislature?

Score: A B C D **(E)**

Comments:

The Government created a National Economic Empowerment Fund that will be used to acquire mining companies under the Indigenization and Economic Empowerment Program. However, it is not clear whether the fund has received any revenue or has a budget. So far, no information has been published on its financial resources.

In addition, the Indigenization and Economic Empowerment Regulations established in terms of the Act also make provisions for the establishment of a Sovereign Wealth Fund that can be used by the government to acquire shares in mining companies. However, the fund has not yet been established.

References:

Indigenisation and Economic Empowerment Act.

2.2.025: Does the government provide information on the non resource fiscal balance in its budget proposal?

Score: **(A)** B C

Comments:

At the occasion of the National Budget Statement, the Finance Minister includes projected taxes in the form of Corporate Tax, Value Added Tax and Import and Exercise Duty.

References:


Corporate Tax Act, Value Added Tax.

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

Legal Framework and Practices

[Back](#)

Indicator	Score
2.3 Legal Framework and Practices	62 

2.3 Legal Framework and Practices

2.3.026: In the legal framework, what government agencies have authority to collect taxes and payments from resource companies?

Score: A B C D E

Comments:

The Zimbabwe Revenue Authority (ZIMRA) is responsible for collecting taxes and payments from resource companies.

References:

Finance Act, Income Tax Act, Mines and Minerals Act.

2.3.027: Are all resource related revenues, including those collected by state owned companies, regulatory agencies, ministries, special funds or by the tax authority placed in the national treasury?

Score: A B C D E

Comments:

There are some funds that are received by government departments that do not go to treasury. For instance, the Environmental Management Agency collects and keeps environmental monitoring fees and other specific charges from companies – including mining companies. The Agency manages the Environment Fund. Moreover, the Ministry of Finance has complained that not all the revenue from the diamond mining sector has been remitted to the treasury.

References:

Budget Statements 2011 and 2012 and Environmental Management Act.

Peer Review Comments:

It appears that there are parallel government structures that emerged following the formation of the Inclusive government in 2009. ZMDC paid civil servants salary increments in 2011 following a public row between President Mugabe and Finance Minister Tendai Biti. Mugabe demanded that Biti raise salaries for government workers whilst the later challenged Mugabe that he won't raise salaries without a clue as to where the money was coming from. Suddenly ZMDC announced that it was paying for the salary increments using diamond revenues. Recently, at a workshop hosted by Center for Research and Development the Finance Minister revealed that Anjin had not remitted a cent to treasury despite that fact that it had generated at least 72 million dollars during the first quarter of 2012. He also revealed that Anjin was mining in a joint venture with the Zimbabwe National Army.

2.3.028: Are government officials with a role in the oversight of the oil, gas or mining sector required to disclose information about their financial interest in any extractive activity or projects?

Score: A B C

Comments:

The issue of conflict of interest in the Mines and Minerals Act is stated in Section 10, which deals with procedures related to any issues being considered by the Mining Affairs Board. Section 10 (6) states that no member of the Board shall vote upon or take part in a discussion if he has, directly or indirectly, any pecuniary interest in the matter before the Board. In other terms, if any member of the Board has an economic interest in a company applying for a mining license, he cannot take part in the meeting that will consider that particular application.

References:

Mines and Minerals Act is stated in Section 10 (6)

Peer Review Comments:

However these policy guides are ineffective due to rampant corruption in the mining sector. The refusal by the mining companies to declare their boards of directors indicate that some of the board members are ineligible to sit on those boards.

2.3.029: Is there independent external validation of internal controls of agencies in charge of receiving payments from resource companies with the objective of providing assurances of integrity of public funds and sound financial management?

Score: A B C D E

Comments:

The Constitution of Zimbabwe in section 105 (1) as well as the Audit and Exchequer Act provide for the office of the Comptroller and Auditor-General, which is a public office. Some of the functions of the Comptroller and Auditor General in terms of section 106 of the Constitution include: to examine, audit and report to the Parliament the public accounts of Zimbabwe and of all accounting officers, receivers of revenue and other persons entrusted with public moneys or property of the State, at least once in every financial year. The Comptroller and Auditor-General have to verify that all monies that have been appropriated by the Parliament and disbursed have been applied for the intended purposes and that the expenditure conforms to the authority that governs it. In addition, there is need to ensure that all reasonable precautions have been taken to safeguard the collection of all fees, taxes and other revenues of the State as well as the control property of the State. The Comptroller and Auditor-General and any officer authorized by him shall have access to all books, records, returns, reports and other documents, cash, stamps, securities, stores and other property of whatever kind that he considers necessary to inspect in connection with any of those accounts.

However, the work of the Comptroller and Auditor General in Zimbabwe has been hindered by political interference and limited financial and human resources, which have affected most government departments.

References:

Constitution of Zimbabwe (Section 105 and 106) and the Audit & Exchequer Act
<http://www.auditgen.gov.zw>

2.3.030: Does the national audit office (or similar independent organization) report regularly to the legislature on its findings, including an objective analysis of agencies in charge of managing resource revenues, and are these reports published?

Score: A B C D E

Comments:

The constitution, in Section106, states that the Comptroller and Auditor General shall, on behalf of the Parliament, examine, audit and report public accounts at least once a year. The Constitution also states that the Comptroller and Auditor-General shall submit every report made by him to the Minister of Finance, who will in turn lay the report before the Parliament. This provision means that the audit report is presented to the Parliament once a year.

However, in practice, these reports are not published. Links on the Auditor General websites are not functioning (http://www.auditgen.gov.zw/index.php?option=com_docman&task=cat_view&gid=35&Itemid=54, for instance) or reports on the ZIMRA website are not downloadable (e.g. http://www.zimra.co.zw/index.php?option=com_phocadownload&view=category&id=12:reports&Itemid=112)

References:

Constitution of Zimbabwe (Section 105-106) and the Audit and Exchequer Act.

2.3.031: Does a Parliamentary committee scrutinize reports on resource related revenues and, if so, when does this occur?

Score: A B C D E

Comments:

The Parliamentary Committee on Mines and Energy reviews budgets and accounts submitted by the Ministry of Mines and Mining Development once a year, in November or December.

References:

Standing Rules of the House of Assembly.

2.3.032: Is this country an EITI candidate or compliant country?

Score: A B C D E

Comments:

While Zimbabwe has not yet officially expressed its willingness to join the EITI, it has started a domestic initiative called the Zimbabwe Mining Revenue Transparency Initiative (ZMRTI), whose objectives are:

- a) to create a participative and multi-stakeholder process in order to promote dialogue and build trust by creating an effective forum for addressing mining sector issues and potentially providing concrete recommendations to national policy makers for decisions and actions
- b) to generate independently-reconciled information for public dissemination setting out all significant mining sector revenue flows paid by the industry and received by government ; and
- c) to create a platform for ongoing policy reforms designed to achieve good governance of the nation's mineral resources and promote investment for the benefit of the country, including adopting and implementing the EITI standard.

This initiative is driven by the Office of the Deputy Prime Minister. Civil society organizations such as the Zimbabwe Environmental Law Association, which is at the forefront of calling for transparency and accountability in the extractive sector, are participating in this initiative. The long-term objective of ZMRTI is to join the EITI.

References:

Zimbabwe Mining Revenue Transparency Initiative Multi Stakeholder Oversight Group Charter / Working Rules and Zimbabwe Mining Revenue Transparency National Work Plan for Period July 1,2011 to August 31,2013.

Peer Review Comments:

One of the biggest challenges facing ZMRTI is that by virtue of being championed by Deputy Prime Minister Thokozani Khupe (MDCT) it is being resisted by ZANU PF though they have been attending some of the meetings. It may be challenging to have Zimbabwe sign up to EITI because the dominant part of government, ZANU PF, is opposed to anything to do with transparency and accountability, they argue that this doctrine is being used by western countries to undermine Zimbabwe's sovereignty.

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

[Back](#)

Indicator	Score
3.1.1	Context 67 

3.1.1 Context

3.1.1.033: Is there a state-owned company? If so, what is its role in the extractive sector?

Score: A B C D E

Comments:

There are two major state owned companies responsible for ensuring the development of the mining sector, and they are established in terms of Acts of Parliament. Firstly, the Zimbabwe Mining Development Corporation (ZMDC) is the government investment arm for development of state owned mines in the country. The ZMDC has the mandate to operate mines on its own or in partnership with national or foreign investors. Secondly, the Zimbabwe Minerals Marketing Corporation (ZMMC) is responsible for marketing minerals in Zimbabwe for the benefit of the country. The company can market minerals on behalf of other miners or can grant authority to other miners to market their own minerals: therefore, there is no state monopoly for mining or marketing minerals in Zimbabwe, since private players are also allowed to operate.

References:

Zimbabwe Mining Development Corporation Act (Chapter 21:08) and the Zimbabwe Minerals Marketing Corporation Act (Chapter 21:04).

<http://faolex.fao.org/docs/pdf/zim60746.pdf>

<http://faolex.fao.org/docs/pdf/zim60740.pdf>

Peer Review Comments:

It appears that the Minerals Corporation of Zimbabwe has monopoly over the sale of all minerals inside and outside Zimbabwe. Part V1, clause 42 of the Minerals Marketing Corporation Act stipulates that (1). Subject to this Act, no person other than the Corporation shall:

- a. Sell any mineral, either inside or outside Zimbabwe, except-
 - i. To the Corporation; or
 - ii. In terms of a contract negotiated by the Corporation on behalf of the seller; or
 - iii. When authorized to do so by the Corporation...

This appear to be a monopoly over the marketing of all minerals from Zimbabwe

3.1.1.034: How is government ownership of resource companies structured in this country?

Score: A B C D E

Comments:

In some cases, the government conducts some mining projects through the Zimbabwe Mining Development Corporation. In the diamond mining sector, for instance, the government, through the ZMDC, has entered into Joint Ventures with private companies. In most cases, the partnerships are structured as follows: 50% shareholding for government and the other 50% for the private investor. In practice, the ZMDC has also been forming subsidiary companies that are involved in mining operations like Marange Resources.

ZMDC is 100% owned by the government so answer A was chosen.

References:

Zimbabwe Mining Development Corporation Act.

Peer Review Comments:

Lately government has been allowing strategic persons and institutions to acquire shares in lucrative mining deals. For instance the Zimbabwe National Army is mining in a joint venture with Anhui Investments under the name Anjin. According to a research document by Global Witness, current and former senior military and CIO agents are also on the boards of these diamond mining companies. For Instance Rtd Air Vice Marshal Robert Mhlanga is now the Chairperson of Mbada Diamonds

3.1.1.035: Is there more than one state-owned company (SOC) operating in the extractive sector?

Score: A B C

Comments:

There are many government owned companies involved in the mining sector. For instance, the ZMDC is responsible for mining operations while the ZMMC is responsible for marketing. Furthermore, the ZMDC has formed subsidiary companies that are involved in mining operations. Recently, under the Indigenisation and Economic Empowerment Programme, the government passed a law that may result in the investment of public funds in mining projects by the proposed National Economic Empowerment Fund.

References:

Zimbabwe Mining Development Corporation Act and the Minerals Marketing Corporation Act.

3.1.1.036: Do the roles and responsibilities of the SOC include provision of subsidies or social expenditures (quasi-fiscal activities)?

Score: A B C

Comments:

The Minerals Marketing Corporation of Zimbabwe made significant donations to the Zimbabwe School of Mines as part of its Corporate Social Responsibility. The corporation donated books and sponsored academic excellence awards.

References:

Minerals and Marketing Corporation Act Chapter 21:04 Section 21(23).






Peer Review Comments:

Yes, the ZMDC appear not to submit to the Ministry of Finance. In 2011 they paid salary increments to civil servants when the Ministry of Finance was saying treasury could not raise the required money for salary increase. Instead of submitting the diamond revenues to treasury, ZMDC made a direct contribution to salary increments and announced that they were using diamond revenues.

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

[Back](#)

Indicator		Score
3.2.1	Comprehensive reports	0 
3.2.2.038	Does the SOC publish information on revenue generation?	0 
3.2.3.038.j	Disaggregated Revenue Streams	0 
3.2.4	Quality of reports	0 
3.2.5.043	Audited reports	17 

3.2.1 Comprehensive reports

3.2.1.037: Does the SOC publish comprehensive reports with information about its operations and subsidiaries?

Score: A B C **(D)** E

Comments:

In recent years, the ZMDC and the MMCZ have not published their annual reports.

References:

http://www.mmcz.co.zw/index.php?option=com_phocadownload&view=category&id=2:reports&Itemid=115

3.2.2.038 Does the SOC publish information on revenue generation?

3.2.2.038.a: Reserves

Score: A B C **(D)** E

Comments:

No information is available.

References:

/

3.2.2.038.b: Production volumes

Score: A B C **(D)** E

Comments:

No information is available.

References:

/

3.2.2.038.c: Information on prices**Score:** A B C D E**Comments:**

No information is available.

References:

/

3.2.2.038.d: Value of resource exports**Score:** A B C D E**Comments:**

No information is available.

References:

/

3.2.2.038.e: Estimates of investment in exploration and development**Score:** A B C D E**Comments:**

No information is available.

References:

/

3.2.2.038.f: Production costs**Score:** A B C D E**Comments:**

No information is available.

References:

/

3.2.2.038.g: Names of companies operating in country**Score:** A B C D E**Comments:**

No information is available.

References:

/

3.2.2.038.h: Production data by company and/or block**Score:** A B C **(D)** E**Comments:**

No information is available.

References:

/

3.2.2.038.i: Quasi fiscal activities**Score:** A B C **(D)** E**Comments:**

No information is available.

References:

/

3.2.3.038.j Disaggregated Revenue Streams

3.2.3.038.j1: Production streams value**Score:** A B C **(D)** E**Comments:**

No information is available.

References:

/

3.2.3.038.j2: Government s share in PSC**Score:** A B C D **(E)****References:**

No PSC.

3.2.3.038.j3: Royalties**Score:** A B C **(D)** E**Comments:**

No information is available.

References:

/

3.2.3.038.j4: Special taxes**Score:** A B C D E**Comments:**

No information is available.

References:

/

3.2.3.038.j5: Dividends**Score:** A B C D E**Comments:**

No information is available.

References:

/

3.2.3.038.j6: Bonuses**Score:** A B C D E**Comments:**

No information is available.

References:

/

3.2.3.038.j7: License fees**Score:** A B C D E**Comments:**

No information is available.

References:

/

3.2.3.038.j8: Acreage fees**Score:** A B C D E**Comments:**

No information is available.

References:

/

3.2.3.038.j9: Other (Describe below)**Score:** A B C D E**Comments:**

No information is available.

References:

/

3.2.4 Quality of reports**3.2.4.039: Are the reports published by the state owned company understandable?****Score:** A B C D E**Comments:**

/

References:

/

Peer Review Comments:

The reports are very vague and limited in terms of detail. In short the reports are summaries.

3.2.4.040: How often are the reports or statistical databases containing information on revenue generation published by the state owned company?**Score:** A B C D E**Comments:**

/

References:

/

Peer Review Comments:

ZMDC has never published a detailed financial report. It only floats figures when it is under pressure to explain something or to defend itself.

3.2.4.041: If the SOC is involved with quasi fiscal activities, does it publish information about them?**Score:** A B C**Comments:**

The Minerals Marketing Corporation of Zimbabwe made significant donations to the Zimbabwe School of

Mines as part of its Corporate Social Responsibility. The corporation donated books and sponsored academic excellence awards but no information is published.

References:

/

Peer Review Comments:

When ZMDC paid USD40 million towards salary increments for civil servants it did not give details on where the money was coming from and whether the move was sustainable.

3.2.4.042: If there are joint ventures, does the SOC (or government) publish information on its share of costs and revenues deriving from its equity participation in joint ventures?

Score: A B C

Comments:

The SOC, and especially the ZMDC, do not publish information on their share of costs and revenues derived from Joint Ventures in Marange. The information is normally published by the Ministry of Finance at the occasion of budget statements.

References:

/

3.2.5.043 Audited reports**3.2.5.043.a: Is the SOC subject to annual audits conducted by an independent external auditor to ensure that the financial statements represent the financial position and performance of the company?**

Score: A B C D E

Comments:

The Zimbabwe Mining Development Corporation Act, in section 40, provides for the audit of the ZMDC accounts by auditors appointed by itself and approved by the Minister. The Act does not state that these auditors must be independent, but simply that they have to be registered according to the terms of the Public Accounts and Auditors Act.

References:

Zimbabwe Mining Development Corporation Act, Section 40.

Peer Review Comments:

The audits are not published, raising suspicion that irregularities may be swept under the carpet.

3.2.5.043.b: Are SOC audited reports published?

Score: A B C D E

Comments:

There is no legal requirement for the ZMDC to publish audited reports.


References:

Zimbabwe Mining Development Corporation Act.

[Download PDF](#)

Zimbabwe - RWI Index Questionnaire

[Back](#)

Indicator	Score
3.3.1 Legal Framework and Practice	40 

3.3.1 Legal Framework and Practice

3.3.1.044: Does the SOC have a legal obligation to publish financial reports?

Score: A B C

Comments:

There is no legal provision in the Act that requires the ZMDC to publish financial reports.

References:

Zimbabwe Mining Development Corporation Act.

3.3.1.045: Does the SOC follow internationally recognized accounting standards?

Score: A B C

Comments:

According to the terms of section 39, the ZMDC is required to keep proper accounts and other records related to all its operations, undertakings and property, including particular accounts and records the Minister may direct.

References:

Section 39 of the Zimbabwe Mining Development Corporation Act.

3.3.1.046: Do SOC audits include consolidated accounts that cover all of the SOC subsidiaries?

Score: A B C

Comments:

/

References:

/

Peer Review Comments:

The subsidiaries of ZMDC are not publicly known, making it difficult to understand how they operate. Some of them, like Sandawana, only came to light after some diamond transactions whose funds involving Sandawana account were leaked to the media

3.3.1.047: Are officials of the SOC required to disclose information about their financial interest in any oil, gas or mining projects?

Score: A B C

Comments:

According to the terms of section 15 of the Act, members of the ZMDC Board are required to declare all connections with companies and firms dealing with the ZMDC. If any member or his spouse tenders for or acquires or holds a direct or indirect pecuniary interest in a contract with the ZMDC, or knowingly acquires or holds a direct or indirect pecuniary interest in a company or association of persons applying or negotiating for a contract with the Corporation; or owns immovable property or a right in immovable property or a direct or indirect pecuniary interest in a company or association of persons which results in his private interests coming or appearing to come into conflict with his duties as a member, the member shall forthwith disclose the fact to the Board. Such a member shall not take part in the consideration or discussion of or vote on, any question before the Board, which relates to any contract, right, immovable property, or interest in which he has an interest or connection.

References:

Zimbabwe Mining Development Corporation Act, Section 15.

3.3.1.048: Does the SOC publish information on the composition of its Board of Directors?

Score: A B C

Comments:

Information on Board members is not readily available.

References:

/

Peer Review Comments:

Efforts by the Parliamentary Portfolio on Mines to get the names of the Board of Directors of diamond mining companies were fruitless. Civil society has also failed to obtain the names.

3.3.1.049: Does the SOC publish information about the rules governing decision making by the Board of Directors?

Score: A B C

Comments:

While the ZMDC does not publish all of the internal rules governing decision making, some of the functions of the Board members as well as some of the procedures they follow are stated in the Zimbabwe Mining Development Corporation Act.

References:

Zimbabwe Mining Development Corporation Act.

[Download PDF](#)