

PURSES AND CURSES

**Impact of Chinese Mining on
Local Communities in Zimbabwe**



© June 2023 Information for Development Trust (IDT)

All rights reserved

PURSES AND CURSES

**Impact of Chinese Mining on
Local Communities in Zimbabwe**

Supported by the Public Diplomacy Section (US Embassy, Zimbabwe)



ABOUT US

Information for Development Trust (IDT) is a Zimbabwean non-profit organisation promoting access to information essential for the enhancement of transparency and accountability in private-public governance.

Transparency and accountability in converged private-public sector governance are vital for broad-based development. Well-researched, in-depth and verified information relating to this governance plays a necessary role in leveraging social, economic, political and other forms of development while making power accountable.

OUR MOTTO

Making Power Accountable

THEMATIC FOCUSES

- Access to information
- Socio-economic development
- Democracy and human rights
- Governance

LEGAL STATUS

IDT was registered in Zimbabwe as a non-profit organisation in November 2015 and started operating in earnest in July 2016.

OUR PROGRAMMES

Media and Investigative Journalism

Investigative journalism is IDT's highlight programme. The Trust supports journalists and, more broadly, the media to produce well-researched and fact-checked investigative content spanning a broad range of thematic focuses that include corruption, illicit financial flows, democracy, the environment, service delivery, health, international aid, justice delivery, local governance, procurement and gender.

These programmes also include the production of well-researched general local, regional and international news.

Capacity building

IDT works with local and southern African media houses and journalists to offer training, mentorship, story production grants and networking opportunities to a wide range of Zimbabwean and cross-border beneficiaries. It has partnered with the Global Investigative Journalism Network (GIJN), the African Investigative Journalism Conference (AIJC), the Africa-China Reporting Project (ACRP), the Fojo Media Institute, International Media Support (IMS) and the US Embassy in Harare's Public Diplomacy Section to offer training to scores of journalists and other media practitioners.

IDT also offers short-term fellowships to investigative journalists.

Research

IDT implements research on issues relating to investigative journalism, public governance and freedom of the media within Zimbabwe and the southern African region.

Advocacy

This programming pillar complements the investigative reporting and research components. It entails supporting citizens to collectively debate issues that topically affect them as they relate to public-private accountability, transparency and integrity and is meant to empower the citizens to hold power holders accountable.

Advocacy projects also involve legal petitions that seek to enhance adherence by office holders to constitutional provisions on access to information and freedom of expression, given prevailing opacity, intransigence and impunity particularly among public officials.



<https://twitter.com/grazers10>



<https://www.tiktok.com/@idt2015>



<https://idt.org.zw/>



<https://www.facebook.com/information4developmenttrust/>



<https://www.newshubzim.co.zw/>

Table of Contents

Abbreviations and Acronyms	vi
Foreword	vii
Acknowledgements	viii
Executive Summary	1
1. Context	
1.1 Background	4
1.2 Study Objectives	5
1.3. Rationale	5
1.4 Scope of the Study	6
1.5 Methodology	6
1.6 Research Limitations	7
1.7 Data Management and Analysis	7
2. Concepts: Artisanal Mining and Local Community	
2.1 Artisanal mining	8
2.2 Local Community	9
3. Legal and Policy Frameworks Regulating Foreign Investments	
3.1 National Legal and Policy Frameworks	10
3.2 Regional, Continental and International Frameworks	10
4. Findings and Analysis	
4.1 Public Perceptions on the Added-Value of Chinese Investments in Zimbabwe	12
4.2 Registration and Ownership Status of Chinese Investments in Zimbabwe	14
4.3 Compliance with Regulatory, Legal and Policy Frameworks	16
4.4 Socio-economic Impact and Implications of Chinese Investments	19
4.5 Environmental Implications of Chinese Investments in Zimbabwe	22
4.6 Sustainability of Chinese Investments in Zimbabwe	26
5. Conclusion and Recommendations	
5.1 Conclusion	28
5.2 Recommendations	28
References	29

Annexes

Case Studies

Annex 1: Chengxi Mining (Pvt) Ltd	30
Annex 2 AfroChine Smelting (Pvt) Ltd, and others	34
Annex 3: Dore Green Custom Milling	38
Annex 4: STC Mine Cynide Chemical (Pvt) Ltd	43
Annex 5: Ming Chang Sino Africa- Kwekwe & Odzi	45

List of Figures

Figure 1: Perceptions on the beneficial status of Chinese investments	12
Figure 2: Main beneficiaries of Chinese investments in Zimbabwe	13
Figure 3: Directors of STC Mine Cynide Chemical (pvt) Ltd.	14
Figure 4: Directors of Ming Chang Sino Africa Odzi Mining (Pvt) Ltd.	15
Figure 5: Chinese investors' compliance with Zimbabweans laws and policies	16
Figure 6: Sanctions against Chinese investors when they violate national laws and policies	19
Figure 7: Effects of Chinese investments on the local people	20
Figure 8: Victims of the negative effects of Chinese investments	20
Figure 9: Lost income due to Chinese investments	21
Figure 10: Effects of Chinese investments on local community livelihoods	22
Figure 11: Effects of Chinese investments on the environment	23
Figure 12: STC chemicals, products and services	25

List of Boxes

Box 1: Parliament of Zimbabwe observations on the extent of compliance with the law by Chinese chrome mining companies	14
Box 2: Competition with local liners by Dore Green Custom Milling	21
Box 3: Community members who lost cattle due to contaminated water	22
Box 4: Effects of Dore Green Custom Milling activities on the environment	24

List of Pictorial Evidence

Pictorial Evidence 1: Goats inside the mine at Dore Green Custom Milling	16
Pictorial Evidence 2: Damaged fence at Dore Green Custom Milling	16
Pictorial Evidence 3: Mine dumps at Dore Green Custom Milling	16
Pictorial Evidence 4: The much disliked Chinese wheelbarrow at Dore Custom in Zhombe, Kwekwe	17
Pictorial Evidence 5: Unprotected tanks at Dore Green Custom Milling	17
Pictorial Evidence 6: Unprotected tanks at Dore Green Custom Milling	18
Pictorial Evidence 7: Ming Chang Sino Africa substandard accommodation for Staff	18
Pictorial Evidence 8: Image of an unregistered AfroChine truck in Zvishavane	19
Pictorial Evidence 9: Affected locally owned small-scale mine	21
Pictorial Evidence 10: Images of Boterekwa escarpment being destroyed by Chengxi Mining (Pvt) Ltd	23
Pictorial Evidence 11: Heap leaching at Chengxi Mining (Pvt) Ltd in Shurugwi	23
Pictorial Evidence 12: Water-filled open pits in Zvishavane	23
Pictorial Evidence 13: Reduced rural farmland bordering a mine dump in rural Zvishavane	24
Pictorial Evidence 14: Mine dumps and unsecured fence at Dore Green	24
Pictorial Evidence 15: STC billboard along the Kadoma- Harare Highway	25
Pictorial Evidence 16: Mimosa Housing	26
Pictorial Evidence 17: Ming Chang Sino Africa substandard accommodation for staff	26

Abbreviations and Acronyms

AFECC	.....	Anhui Foreign Economic Construction Company
ASM	.....	Artisanal and Small-scale Mining/Artisanal and Small-scale Miner
CSR	.....	Corporate Social Responsibility
CRD	.....	Centre for Research and Development
EIA	.....	Environmental Impact Assessment
EMA	.....	Environmental Management Agency
FCA	.....	Foreign Currency Account
FDI	.....	Foreign Direct Investment
FPR	.....	Fidelity Printers and Refiners
GI-TOC	.....	Global Initiative against Transnational Organised Crime
GoZ	.....	Government of Zimbabwe
IDT	.....	Information for Development Trust
ILVM	.....	Informal Low Value Mining
LEP	.....	Look East Policy
NSSA	.....	National Social Security Authority
PEP	.....	Politically Exposed Person
SDGs	.....	Sustainable Development Goals
UN	.....	United Nations
UNIDO	.....	United Nations Industrial Development Organisation
USA	.....	United States of America
ZANU PF	.....	Zimbabwe African National Union- Patriotic Front
ZETDC	.....	Zimbabwe Electricity Transmission and Distribution Centre
ZRP	.....	Zimbabwe Republic Police
ZIDA	.....	Zimbabwe Investment and Development Agency

FOREWORD



It is always a hard task to write a foreword for a book whose production you were immersed in from start to finish, albeit at a coordinative level. This is fundamentally because you suffer this anxiety over how to manage your own biases. This report is the consummation of a qualitative study that Information for Development Trust (IDT) commissioned to explore the impact and implications of foreign investments in Zimbabwe, with particular focus on Chinese mining projects. As the IDT director, I was, therefore, actively involved in conceptualising the research, selecting the researchers, monitoring progress and overall quality control.

Despite this understandable uncertainty, any reader who is privileged to go through this research report will be awed by the amount of effort that the researchers invested in the study, the detail and tidiness of thought and focus. It took six months to do the research, with the researchers bravely scouring the districts that we had agreed to be covered, organising meetings, talking to local communities affected by the investments, taking copious notes and visuals and, finally, compiling the report that was subjected to a rigorous review process.

There was a scary incident when one of the researchers was almost bitten by a cobra in the forests of the once-scenic Boretakwa Escarpment in Shurugwi in the Midlands province

when the research team visited the area to make observations and do interviews relating to a gold project being implemented by one of the sampled Chinese investors. Needless to say, in Zimbabwe it is typically not easy to venture out into mostly rural communities to carry out a study of this nature, especially in election time. These communities bear a deep-seated suspicion for outsiders whose intentions they tend to view and treat with trepidation and, sometimes, outright confrontation.

No doubt, the final product is worth all the sweat and heat. There is no doubt that it will add to the developing knowledge on how foreign — particularly Chinese — investments are impacting local communities relative to their socio-economic well-being, the physical environment and local business opportunities and dynamics. Many of the foreign investments are located in mostly underreported and marginalised communities, so it is vital to build up an understanding of what is happening in those areas at a grounded level. It is indeed a truism that such knowledge will help motivate further research, advise progressive policy interventions and encourage greater accountability, professionalism and sustainability of the foreign projects. In turn, this would lead to a more win-win situation between the investors, locals and Zimbabwe as a whole.

This is particularly important for us at IDT. Over the years, we have supported investigative journalistic inquiry into foreign investment accountability. The stories that we have commissioned — scores of them — have, gladly, produced impressive impact. They have led to demonstrable policy and behaviour change. In this regard, we hope that this research will achieve similar results and inspire further knowledge construction.

Tawanda Majoni
Director
Information for Development Trust

Acknowledgements

It took the commitment and buy-in of many individuals and agencies to have this report out. IDT would, therefore, sincerely and unreservedly like to thank them and wish them well.

We would like to extend our gratitude to the Public Diplomacy Section (PDS) at the US Embassy in Harare for funding the study. Having already come on board to support our investigative journalism efforts — in which we collaborate with local and Southern African journalists and media houses to investigate foreign interests and investments, regardless of their origins — two years ago, the PDS, thankfully, accepted to fund the research. It was a conceptual blank cheque because the PDS was not prescriptive on what we should research on; instead, the choice and discretion to focus on Chinese investments was entirely our own. We had planned to research on Chinese Foreign Direct Investment some five years before the PDS offered to support our project.

The IDT would also like to sincerely thank the researchers, Simbarashe Machiridza and Obert Chinhamo. Simbarashe is a lawyer and Obert leads an anti-corruption non-governmental organisation, Anti-Corruption Trust (Southern Africa). The two-member research team did a wonderful job, getting into difficult areas but managing to extract vital data and information.

Gratitude is also due to the IDT staff, Tawanda Majoni (Director), Barbara Mapurisa (Finance and Administration Officer) and Sofia Mapuranga (Programmes Officer). Our statement of gratitude, of course, would not be complete without mentioning the IDT Board that provided invaluable oversight and guidance on a voluntary basis.

Finally, we would like to thank all the individuals and civil society organisations that participated in the research.

Executive Summary

This study sought to explore and analyse the impact and implications of Chinese mining investments on local communities as well as small-scale business opportunities and operations also known as Artisanal and Small-scale Mining (ASMs). The ASMs and local communities were deliberately chosen considering the pre-research evidence indicating the significant extents to which they were being affected. Special attention was given to five (5) case studies, namely: Chengxi Mining (Pvt) Ltd, AfroChine Smelting (Pvt) Ltd, Dore Green Customs Milling, STC Mine Cyanide Chemical (Pvt) Ltd and Ming Chang Sino Africa (Pvt) Ltd.

The study was conducted on the following research points:

- Impact and implications of selected Chinese investments on local business opportunities, with special focus on artisanal and small-scale mining (ASM) and local communities
- Environmental implications of the selected investments
- Socio-economic impact and implications of the Chinese investments, with particular attention on livelihood opportunities, displacement of locals and household wealth
- Compliance with national laws, policies and regulations as well as international obligations binding on China and the Government of Zimbabwe (GoZ)
- Extent of Chinese beneficiation in the mining sector and
- Accountability-based commissions relating to recalcitrant Chinese investments.

The regulatory tools against which the report assesses the respective aspects of Chinese mining investments essentially include the: Constitution of Zimbabwe, Zimbabwe Investment and Development Agency Act (Chapter 14:37), Zimbabwe Revenue Authority Act, Environmental Management Act [Chapter 20:27], Indigenisation and Economic Empowerment Act [Chapter 14:33], Labour Act [Chapter 28:01], Base Minerals Export Control (Unbeneficiated Base¹ Mineral Ores) Order 2023, Gold Act (21: 03), and Finance Act (Chapter 23:04).

The report also assesses Chinese investments in light of international laws as well as the GoZ's obligations emanating from the ratification and acceptance of several regional and international treaties such as: Minamata Convention on Mercury², Universal Declaration of Human Rights³, International Labour Organisation's Declaration on Fundamental Principles and Rights at Work,⁴ Rio Declaration on Environment and Development,⁵ and the United Nations Convention against Corruption.⁶

The report applies descriptive, qualitative, comparative and analytic techniques to examine contentious issues in respect of the Chinese investments, to give the reader a fairly comprehensive understanding of the status quo. Five cases were sampled and, given the tendency for repeatability among Chinese investments before and at the time of the research, these were considered fairly representative.

Below are the main findings of the study.

- **Ownership of Chinese mining projects in Zimbabwe:** Whilst the CR14 forms obtained from the Registrar of Companies reflect Chinese nationals as company directors, there are "hidden" shareholders in the form of Politically Exposed Persons (PEPs) or individuals with links to the ruling establishment and/or its leadership. For instance, one Lameck Mnangagwa who locals said claimed to be a relative of President Emmerson Mnangagwa introduced himself to the community as one of the owners of Dore Green Customs Milling when it started mining activities close to Zororo Business Centre in Zhombe, Kwekwe District, yet company documentation does not show him as such. It was established that he was an operations manager at a Harare-based Chinese company called Yuan Hang Corporation (Pvt) Ltd.
- **Value of Chinese mining investments:** It was established that Chinese investors created employment for locals, even though to varying extents—in terms of the numbers and quality of jobs. Local communities largely perceive Chinese investments as more beneficial to the Chinese themselves and the Zimbabwean political elite than the local people. In keeping with this finding, Chinese investments are largely perceived as not beneficial to the country. With reference to the five cases studied and other supporting investments, benefits of Chinese Foreign Direct Investments (FDI) are outweighed by the negatives brought to the local communities by these investors.
- **Labour rights:** While it was established that Chinese investments create employment for the local people, the same people employed by the companies complained that their labour and human rights were abused by the investors with impunity. They testified to being treated in a cruel, inhuman and degrading manner in violation of the Constitution of Zimbabwe, various statutes and regulations as well as international conventions. The investors invariably underpay local employees who work long hours, are barred from labour unionism, do not

¹Base minerals means all minerals and mineral substances, other than the nuclear energy source material, precious metals, precious stones, mineral oils, natural gases and coal

²https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-17&chapter=27&clang=_en

³<https://www.un.org/en/about-us/universal-declaration-of-human-rights>

⁴<https://www.ilo.org/declaration/lang--en/index.htm>

⁵A/CONF.151/26/Vol.I: Rio Declaration on Environment and Development (un.org)

⁶<https://www.unodc.org/unodc/en/treaties/CAC/>

benefit from pension schemes and are forced to work without proper contracts. In one case, an employee worked for six years without a contract.

- **Implications of Chinese investments on the environment:** Chinese investors seriously damage the environment in all the areas they operate. In Zvishavane, for example, AfroChine Smelting (Pvt) Ltd and its chrome mining partners have left open pits that make it impossible to use the same land for farming or other commercial activities by the local communities. Chengxi Mining (Pvt) Ltd, which is engaged in gold mining, is damaging the scenic Wolfshall Pass escarpment—commonly known as Boterekwa—in Shurugwi, Midlands Province, thereby severely harming the tourist value of the area and the physical environment. The environmental damage also bears negatively on humans and livestock as they have led to deaths and injury.
- **Compliance with national laws, policy frameworks and business best practices:** In some cases, the investors commenced operations without the mandatory Environmental Impact Assessments (EIA) certificates or consultations necessitated by the law. For example, Chengxi Mining (Pvt) Ltd was fined by the Environmental Management Authority (EMA) for operating without a certificate. There was evidence that the miners also violate sections of the Constitution, the Zimbabwe Investment and Development Agency Act (Chapter 14:37), the Environmental Management Act [Chapter 20: 27], the Indigenisation and Economic Empowerment Act [Chapter 14:33], and the Labour Act [Chapter 28:01] among other laws and regulations, by engaging in artisanal mining that is reserved for locals, colluding with illegal miners, harmful discharge of effluent and using unregistered vehicles.
- **Lack of sanctions against rogue Chinese investors:** Chinese investors were found to largely operate with impunity because they enjoy protection from traditional leaders, the political elite who also benefit from the investors and the police. In Shurugwi, Chengxi Mining (Pvt) Ltd offered to repair vehicles owned by a named senior traditional leader and the ruling Zanu PF party. During the 2018 elections, Dore Green Custom Milling offered transport to Zanu PF to ferry its supporters to rallies. In Odzi, one of the Chinese senior managers reportedly boasted to workers of Ming Chang Sino Africa (Pvt) Ltd and a local civil society organisation that he and his company were untouchable.
- **Sustainability of Chinese investments:** Chinese investments do not generate long-term economic and financial benefits or sustainable solutions and outcomes in local communities. Some of the investments are short-lived. For instance, Dore Green Custom Milling and Ming Chang Sino Africa (Pvt) Ltd in Zhombe and Kwekwe (Amaveni), respectively, closed down and left workers stranded after a few years of operation. In addition, operations of AfroChine Smelting (Pvt) Ltd in Zvishavane have left a trail of massive environmental destructions that tend to weaken the capacity of current and future local generations to subsist and absorb socio-economic perturbations.

- **Exploitative behaviour:** Apart from ill-treatment of workers and deplorable conditions of service reported in all the five cases studied, Chinese investors also exploit the local artisanal small-scale miners (ASMs). For instance, in Zvishavane AfroChine Smelting (Pvt) Ltd underpays ASMs, in particular women who supply it with chrome ore.
- **Socio-economic impact of Chinese investments:** Chinese investments tend to displace local people from their homes, fields and, in some cases, the local people lost livestock due to poisoning or when they fell into mining pits. The mining activities also expose the locals and their children to health hazards such as the consumption of animals killed by poisoning.
- **Impact of Chinese investments on ASMs:** Apart from displacing the local artisanal small-scale miners from their mining sites, some Chinese investors carry out artisanal mining activities themselves in direct competition with the locals, which is a breach of the Indigenisation and Economic Empowerment Act (Chapter 14:33).
- **Lack of monitoring of Chinese investments:** Regulatory authorities were accused of not adequately monitoring Chinese investments. In the case of Dore Green Custom Milling in Zhombe, for instance, regulatory authorities such as EMA, the police and NSSA were accused of turning a blind eye on labour, human and environmental rights violations.

In view of the above, several recommendations are made as below.

- **Audit of Chengxi Mining (Pvt) Ltd, AfroChine Smelting (Pvt) Ltd, Dore Green Customs Milling, STC Mine Cyanide Chemical (Pvt) Ltd and Ming Chang Sino Africa (Pvt) Ltd:** Chinese investors should be audited considering a plethora of allegations that have been leveled against them by local communities and other key stakeholders.
- **Enforce national laws and policies against the Chinese without fear, favour or prejudice:** Law enforcement agents and other regulatory authorities should enforce the law against Chinese investors who are largely accused of disregarding national laws and policy frameworks, violating labour rights, committing human rights violations, degrading the environment and corruption. Stiffer penalties should be imposed on investors flouting national laws and regulations.
- **Encourage the employment of locals and skills transfer.** The Government of Zimbabwe (GoZ) must adopt policies and mechanisms that effectively encourage Chinese and other foreign investors to ensure equitable employment of locals and skills transfer.
- **Monitor Chinese investments in Zimbabwe:** Regulatory authorities should closely monitor Chinese investments considering numerous allegations of violations of national legal and policy frameworks, including the smuggling of gold, chrome, lithium and other precious resources leveled against them.
- **Protect local artisanal and small-scale miners:** Several Chinese investments directly compete with local artisanal small-scale miners. The government should strictly

enforce adherence to the law to ensure that local artisanal and small-scale miners are protected in the economic area they operate in, especially considering that artisanal mining is ordinarily reserved for locals

- **Compensate local communities:** Communities that lost income and whose livelihoods were destroyed through Chinese mining activities should be compensated.
- **Enforce ban on mercury use:** Zimbabwe ratified the ban on the use of mercury in mining as stipulated by the Minamata Convention but a Chinese company, CTC, was found to be still distributing it to miners. The government must, therefore, ensure compliance with this framework on mercury use.
- **Rehabilitate the environment:** Chinese investors should be obligated to rehabilitate the environment which they damaged through their operations. This must apply to current and past investors.
- **Engage in Corporate Social Responsibilities (CSR) and make it mandatory⁷:** The Ministry of Mines and Mining Development and relevant authorities should make CSR activities mandatory and not leave it to individual companies to decide.
- **Improve employees' conditions of service:** Apart from low wages, this investigation found out that Chinese investors do not offer pensions to their employees and also that they do not offer long-term contracts. Efforts should be made by the Chinese to improve workers' conditions of service and relevant government departments must strictly monitor the investors and ensure compliance.
- **Disclose gold production levels:** Regulatory and law enforcement authorities should make sure that Chinese gold miners are open and transparent by disclosing the gold that they produce.

⁷ <https://www.intechopen.com/chapters/83098>

Chapter 1

Context

1.1 Background

The Zimbabwe administration under President Emmerson Dambudzo Mnangagwa—in power since 2017 following a military-assisted takeover from the late Robert Mugabe who had ruled from independence in 1980—has been making intensive efforts to attract Foreign Direct Investment (FDI) so as to recover the economy, under the mantra “Zimbabwe is Open for Business”⁸ that is encouraging investors “to take up abundant opportunities in the country”⁹. The administration has adopted the strategy to re-engage the international community following serious fallouts with particularly the West during the reign by Mugabe.

In order to attract robust FDIs, the government has offered the following benefits to investors:-

- No restriction on the amount of foreign currency brought into the country
- Equity investment in cash or capital equipment
- 100% repatriation of disinvestment proceeds
- 100% remittance of dividends
- Operation of Foreign Currency Accounts (FCAs)
- Foreign investors are allowed to borrow locally and offshore.¹⁰

Further, the country enacted the Zimbabwe Investment and Development Agency Act [Chapter 14:37] for the “purpose of providing for the promotion, entry, protection and facilitation of investment into the country; as well as establishing the Zimbabwe Investment and Development Agency (ZIDA) and to provide for the One Stop Investment Services Centre.”¹¹

Clearly, though, the Zimbabwe administration has largely welcomed mostly Chinese FDI as it still regards Western governments and investors with suspicion. This means that the majority of investments that are coming to Zimbabwe are from China. However, though there are notable cases of FDIs involving some western countries like Australia, Canada, the UK, Africa and some Eastern Europe investors like Russia and Belarus.

The bond between China and Zimbabwe is further strengthened by long-standing political-diplomatic ties established when the

former offered military, financial and political support to nationalist movements fighting for independence against the rebel colonial regime of Ian Douglas Smith. The ties grew stronger when Zimbabwe attained independence in 1980 and stronger in the new millennium when the Southern African country suffered acute Western isolation over human rights abuses, political persecution of critics and bad governance, even though successive Zanu PF governments have insisted that the country was being punished for embarking on the Fast Track Land Redistribution Programme that the government adopted in 2000 to give land to thousands of hitherto landless blacks and displaced several thousands of white commercial farmers.

In April 2018, during President Emmerson Dambudzo Mnangagwa's State visit to China, the relations were elevated to a “Comprehensive Strategic Cooperative Partnership”¹² that entails strong economic, trade and cultural complementarities underpinned by shared political interests.

On 24th August 2022, the Chinese Ambassador to Harare, Mr Guo Shaochun, whilst addressing the Inaugural Zimbabwe Annual Investor Forum on “The Logic of China-Zimbabwe Cooperation”, stated that China had helped Zimbabwe improve its infrastructure, citing notable examples like the National Pharmaceutical Warehouse, the 1,000 Borehole Project, the New Parliament Building, donation of 12 million doses of Covid-19 vaccines and the High-Performance Computing Centre.

Other examples include the expansion of the Kariba South hydro-power station and the Hwange thermal power station, in addition to the upgrading of the Victoria Falls International Airport and the Robert Gabriel Mugabe International Airport as well as the construction of the NetOne telecommunications broadband.¹³

The cooperation between the two nations has led to an influx of Chinese investors into Zimbabwe. The influx coincided with Zimbabwe's thrust to increase mineral production and maximise on beneficiation in order to get better returns from its vast mineral wealth.¹⁴

⁸ The policy positions with regard to attracting foreign investment are enunciated in both Vision 2030 and the National Development Strategy 1

⁹ Zimbabwe's strong points in terms of attracting FDI include: abundant mineral resources (platinum, gold, diamond, nickel); Agricultural wealth (maize, tobacco, cotton); Potential for tourism development; membership of the Southern African Development Community (SADC); Normalisation of relations with the international community.

¹⁰ Reserve Bank of Zimbabwe (2022) Foreign Investment & Trade Framework [online] Available at <https://www.rbz.co.zw/index.php/regulation-supervision/exchange-control/foreign-investment-trade-framework/89-foreign-investment-trade-operational-framework> [Accessed on 5 December 2022]

¹¹ Zimbabwe - Zimbabwe Investment and Development Agency Act | Investment Laws Navigator | UNCTAD Investment Policy Hub

¹² Shaochun, G (2019) Welcome Message from H.E. Ambassador Guo Shaochun [online] Available at http://zw.china-embassy.gov.cn/eng/dsxx/dsxc/201510/t20151016_6848007.htm [Accessed on 7 February 2023]

¹³ Ibid

¹⁴ <https://www.chronicle.co.zw/chinese-investments-give-zimbabwes-mining-sector-new-face-of-growth/>

Trade between China and Zimbabwe has been growing. In the first half of 2022, the bilateral trade volume reached US\$973 million, an increase of 57%, of which China imported US\$504 million from Zimbabwe and exported US\$469 million, up 103% and 26%, respectively.¹⁵ In view of the global economic disruption caused by the Covid-19 pandemic, this is a great achievement, which will significantly promote Zimbabwe's economic revival.¹⁶

However, there is a prevalent opinion that growth in Sino-Zimbabwean commercial relations has not necessarily transformed into development. A poignant area of concern is the sustainability of Chinese investments, amid increasing reports of them collapsing especially after they have over-exploited Zimbabwean mineral resources. There are also reports and anecdotes of an acrimonious relationship between the Chinese investors and the local people who accuse the former of exploiting their resources with no benefit to the communities. In Domboshava, the local people resisted a Chinese company known as Aihua Jianye Company.¹⁷ Mavhunga (2019) reporting for the Voice of America quoted a seventy-year-old Florence Nyamande saying that the Chinese were money mongers with no intention to develop Zimbabwe but to loot and leave them in misery. "The Chinese are the money mongers of Zimbabweans. They take riches here, they take it to China. They do not develop our places. So we do not need them here," Nyamande said.¹⁸

This is reflective of the perception held by many Zimbabweans, who believe that Chinese investors are selfish purse holders who have brought a curse to local communities through their exploitative tendencies.

The Chinese government has publicly urged Chinese enterprises to abide by the laws and policies of host countries, protect the environment, respect labour rights, assume their corporate social responsibilities and embrace supervision by the Zimbabwean authorities and public scrutiny.¹⁹ The Chinese authorities have also claimed that they firmly support the Zimbabwean government in continuously refining its regulatory framework to improve monitoring of foreign investments.²⁰

This investigation largely seeks to determine whether or not Chinese investors in the mining sector are complying with the dictates and expectations of their parent government as well as those of Zimbabwe.

The investigation is limited to the mining sector, which is a major economic pillar and a key attraction for foreign investment as Zimbabwe has over sixty (60) internationally tradable minerals in existence²¹. Foreign investors are free to invest in the mining value chain, which includes provision of finance and technical services, exploration, extraction, logistics, beneficiation and value addition. These foreign investors are allowed to own 100% shareholding for mining operations in all other

minerals except for platinum and diamonds, which the foreign investors are expected to jointly own with the government on a 49/51-percentage basis in favour of Zimbabwe.²²

The study presents the findings around the five samples that were chosen for the inquiry into how Chinese investments are bearing on local communities and local business opportunities. These cases are generically analysed but, for greater clarity, customised findings are presented at the end as annexes.

1.2 Study Objectives

The overarching goal of the study was to contribute well-grounded knowledge on the impact and implications of foreign investments, with a particular focus on Chinese interests. Prior research and journalistic investigative content with varying focuses are acknowledged, though.

The study sought to investigate how selected Chinese foreign investments in the mining sector impacted on local communities and local or indigenous business efforts, particularly small-scale mining. The research, more specifically, sought to explore, establish and assess the following:

- Impact and implications of selected Chinese investments on local business opportunities, with special focus on artisanal small-scale mining (ASM) and local communities
- Environmental implications of the selected investments
- Socio-economic impact and implications of the Chinese investments, with particular attention on livelihood opportunities, displacement of locals and household wealth
- Compliance with Zimbabwean laws, policies and regulations
- Sustainability of Chinese mining investments

1.3 Rationale

There are mixed feelings relating to Chinese investments in Zimbabwe. The government, its agencies and some sections of the national and local community have tended to describe FDI from China as positive, strategic and beneficial to the national economy. But, on the other hand, local communities, civil society, the private media, researchers and parliamentarians, among others, have largely condemned the investments as negative. In the continuum, there are others who believe that Chinese projects in Zimbabwe are both a blessing and a curse.

There has been an outcry relating to proven and alleged human rights violations, non-compliance with Zimbabwean legal and policy frameworks, harsh working conditions, flouting of labour regulations, environmental degradation and corruption, among others.

The public condemned the shooting of two gold mine workers, Wendy Chikwira and Kennedy Tachiona, by managers at the Chinese-owned Reden Mine of Gweru on 21st June 2020.²³ Mine workers at Chinese mines often work in dangerous, harsh

¹⁵ Shaochun, G (2022) Ambassador Guo Shaochun attended the Inaugural Zimbabwe Annual Investor Forum and gave a speech on "The Logic of China-Zimbabwe Cooperation"; [online] Available at http://zw.china-embassy.gov.cn/eng/xwdt/202208/t20220825_10753393.htm [Accessed on 7 February 2023]

¹⁶ Ibid

¹⁷ Mavhunga, C (2019) Zimbabwean Villagers Resist a Chinese Company's Mining Project [online] Available at Zimbabwean Villagers Resist a Chinese Company's Mining Project (voanews.com) [Accessed on 17 April 2023]

¹⁸ Ibid

¹⁹ Shaochun, G (2022) Ambassador Guo Shaochun attended the Inaugural Zimbabwe Annual Investor Forum and gave a speech on "The Logic of China-Zimbabwe Cooperation"; [online] Available at http://zw.china-embassy.gov.cn/eng/xwdt/202208/t20220825_10753393.htm [Accessed on 7 February 2023]

²⁰ Ibid

and life-threatening conditions. Despite the hard work and effort, the workers get little from the profits made by the mine owners in wages, social protection and other benefits.

A 2012 study²⁴ by the South Africa Resource Watch, which investigated Chinese labour practices in Zimbabwe, Zambia, and the Democratic Republic of Congo revealed that Chinese companies have engaged in widespread labour abuses and have subjected local employees to harsh and unfair working conditions. From an environmental perspective, many Chinese companies start operations without conducting Environmental Impact Assessments (EIA)²⁵ meant to identify and address any potential negative environmental and social impacts of mining operations on communities and workers as required by the law.²⁶

The Chinese Embassy in Zimbabwe largely insists that businesses from China have been investing and working in Zimbabwe in accordance with the country's laws and policies and has tended to react angrily to media reports that are critical of the investments. The Embassy accused the media, and "some irresponsible reporters or Western media" of failing to report on Chinese investments in an objective and fair manner²⁷. The Embassy further contends that such reporters slander and attack Chinese companies and, in the process, hurt the friendly cooperation between China and Zimbabwe as well as undercut the benefits that the investments bring to the people of Zimbabwe.²⁸

It is against this background that this study was conducted, to establish, through grounded research, the situation obtaining on the ground, with a particular focus on the impact and implications of the investments on local communities and indigenous small-scale and artisanal business ventures operating within those communities.

1.4 Scope and Delimitation

In line with the study objectives, the major focus was on the impact and implications—both positive and negative—of Chinese investments on local communities and artisanal small-scale mining. In that regard, the sample was selected from areas where there was a huge population of artisanal and small-scale miners and related ASM activities.

Deliberate effort was made to study areas that were largely underreported. Chengxi Mining (Pvt) Ltd, AfroChine Smelting (Pvt) Ltd, Dore Green Custom Milling (Pvt) Ltd, STC Mine Cyanide Chemical (pvt) Ltd and Ming Chang Sino Africa (Pvt) Ltd

were chosen because of proximity to ASM activities and local communities. Significantly, STC Mine Cyanide Chemical (Pvt) Ltd was selected because it has branches in Kadoma, Kwekwe, Shurugwi and Mberengwa where there is a huge concentration of ASM activities.

Delimiting the study to the five cases was also preferable as a strategy to cut on labour and time costs due to the research team's budgetary and time constraints. In addition, the choice was based on the need to ensure quality management and supervision of the research since a smaller sample leads to the production of quality information and, in turn, relatively accurate and reliable results. It should also be noted that the elements of a population of Chinese investments in Zimbabwe are quite similar and repeatable, and a conveniently chosen small sample is, therefore, envisaged to accurately and reliably reflect characteristics of the broader population.

1.5 Methodology

This study is qualitative in nature, in that it entails the collection and analysis of predominantly non-numerical data to produce information and promote in-depth insights and an understanding relative to the experiences, feelings, beliefs and attitudes of the sampled population.

The assessment applies descriptive, qualitative, comparative and analytic techniques to examine contentious issues in respect to Chinese investments. The research used convenient sampling. This entails that the research chose the samples it studied on the basis of their convenience and ease of undertaking the research.

Preliminary desk research showed that coded issues around Chinese investments are similar—though not necessarily uniform—countrywide because of the foreign investors' work ethic and overall impact on the environment and the surrounding communities. It should be noted that when the elements of a population are highly homogenous, samples are also highly likely to be representative of the population. Under these circumstances, a sample of five is considered to be fairly representative.

But to remove concerns that might arise from the small sample—considering that there are hundreds of Chinese investments in Zimbabwe—significant effort was made to reinforce our findings and assessments by referencing nationwide cases mostly available through open sources. Also, it is noteworthy that the samples that were chosen, while largely representative

²¹ Ministry of Foreign Affairs & International Trade (2023) Mining Sector[online] Available at <http://www.zimfa.gov.zw/index.php/trade-and-investment/mining-sector>

²² Ministry of Foreign Affairs & International Trade (2023) Mining Sector[online] Available at <http://www.zimfa.gov.zw/index.php/trade-and-investment/mining-sector>

²³ <https://www.newsday.co.zw/news/article/45925/chinese-miner-shoots-2-workers-in-wage-dispute>

²⁴ <https://www.business-humanrights.org/en/latest-news/zimbabwe-chinese-mining-investors-have-exhibited-a-history-of-bad-safety-environmental-labour-and-human-rights-standards-zela/>

²⁵ <https://www.ema.co.zw/index.php/agency/our-media/know-your-environment/file/Environmental%20Impact%20Assessment%20Frequently%20Asked%20Questions.pdf>

²⁶ *ibid*

²⁷ Chinese Embassy in Zimbabwe (2023) False News and Truth. [online] Available at <http://zw.china-embassy.gov.cn/eng/sszx/> [Accessed on 7 February 2023]

²⁸ *ibid*

of the overall population, were consciously selected for the fact that they represent under-reported areas.

The data and information used in the production of this report were derived from both primary and secondary sources incorporating face-to-face interviews with community members and key informants in areas where the selected Chinese investments are based as meetings were held in Penhalonga and Odzi districts, Manicaland province, as well as Kwekwe, Zhombe, Shurugwi and Zvishavane in the Midlands provinces and secondary sources of data included third tier sources, reports and publications from local Zimbabwean and international newspapers and media, as well as reports and documentation from national, regional and international organisations.

The standard of measurements against which the report assesses the Chinese investments primarily include: Constitution of Zimbabwe, 2013, Zimbabwe Investment and Development Agency Act (Chapter 14:37), Zimbabwe Revenue Authority Act, Environmental Management Act [Chapter 20:27], Indigenisation and Economic Empowerment Act [Chapter 14:33], Labour Act [Chapter 28:01], Base Minerals Export Control (Unbeneficiated Base²⁹ Mineral Ores) Order 2023, Gold Act (21: 03), and Finance Act (Chapter 23:04).

The report also assesses Chinese investments in light of international laws as well as Zimbabwe's obligations emanating from the ratification of several regional and international treaties such as the Minamata Convention on Mercury³⁰, Universal Declaration of Human Rights³¹, International Labour Organisation's Declaration on Fundamental Principles and Rights at Work³², Rio Declaration on Environment and Development³³, and the United Nations Convention against Corruption.

The researchers employed standard ethical rules and principles mainly based on informed consent. Respondents were adequately informed of the nature, scope, goals and objectives of

the study and they were given a choice to participate or not. Confidentiality of their participation was guaranteed where preferred.

1.6 Research Limitations

Due to the general atmosphere of fear of reprisals, some respondents were reluctant to openly contribute to the discussions, given the predominant perception that Chinese investments are mainly linked to Politically Exposed Persons (PEPs), the powerful political elites who in some cases come in as hidden shareholders. Furthermore, it was impossible to reach out to many stakeholders across the country to get a more holistic view on the issues pertaining to the research due to resource constraints. In keeping thereof, a representative sample of five (5) cases studies was reached. Again, it is important to note that some key informants refused to entertain certain questions, citing the need to get official authority from their line ministries, which authority was never given.

In addition, some traditional leaders were reluctant to share information due to the tag associated with NGO research work as West-sponsored and, hence, anti-government. Efforts to get information on the status of registration of some Chinese companies was received with resistance, to the extent that at some point, the research team was told that Chinese investment files were classified as security documents and could not be accessed by researchers. In addition, access to the Chinese investments' premises was relatively difficult because of the presence of opaque private security personnel deployed by the companies and, ostensibly, political elites, allegedly to protect their interests in these investments.

1.7 Data Management and Analysis

Data was collected using the selected survey tools and edited to ensure accuracy. This data was analysed using descriptive statistics, for instance frequencies, percentages, and totals among others.

²⁹ Base minerals means all minerals and mineral substances, other than the nuclear energy source material, precious metals, precious stones, mineral oils, natural gases and coal

³⁰ https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-17&chapter=27&clang=_en

³¹ <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

³² <https://www.ilo.org/declaration/lang-en/index.htm>

³³ A/CONF.151/26/Vol.I: Rio Declaration on Environment and Development (un.org)

Chapter 2

Concepts: Small-Scale Mining and Local Community

2.1 Small-scale Mining

InforMEA (2023) defines artisanal and small-scale mining (ASM) as “informal mining activities carried out using low technology or with minimal machinery.”³⁴

The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (2023) describes ASM as ranging from “informal individual miners earning a subsistence livelihood to more formal and regulated small-scale entities producing minerals commercially.”³⁵

The Minamata Convention defines ASM as “mining conducted by individual miners or small enterprises with limited capital investment and production”³⁶ while Pact (2023) qualifies it as “a largely informal economic sector that includes workers...who use basic tools to extract from the earth everything from gold and gemstones to vital metals such as cobalt, tin, tungsten and tantalum.”³⁷

The above definitions reflect some commonalities of ASM, among them the smallness of the commercial activities, minimal or even rudimentary technology and tools, limited capital and informal-ness.

While there is a gradual tendency for ASM to formalise and register as small-scale businesses in Zimbabwe, most of the ventures remain informal and, in many cases, illegal. In this

regard, ASM can alternatively be referred to as Informal Low Value Mining (ILVM).

Globally, ASM is a source of livelihood for at least 40 million people.³⁸ An additional 150 million individuals drawn from more than 80 countries indirectly depend on ASM for survival.³⁹ In addition, InforMEA (2023) estimates that more than 100 million people from developing nations rely on this sector for income.⁴⁰

The ASM in Zimbabwe is beset by numerous challenges that include lack of legal status, environmental safeguards, health and safety measures and economic security for the miners themselves.

The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (2023) warns that ASM can “contribute to environmental pollution, community health concerns, and human rights issues”. It adds that there is “a pressing need to enhance the quality of life for miners working outside of the formal economic system while enhancing ASM’s potential to bring benefits to affected communities.”⁴¹

Given the reality and importance of ASM in Zimbabwe, there is, therefore, need to assess how Chinese investments impact them. Chinese investments using low technology, minimal machinery, limited capital, and basic tools will be deemed to be

³⁴ InforMEA (2023) artisanal mining [online] Available at <https://www.infornea.org/en/terms/artisanal-mining> [Accessed on 29 May 2023]

³⁵ The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (2023) Artisanal and Small-Scale Mining. [online] Available at [https://www.igfmining.org/artisanal-and-small-scale-mining/#:~:text=Artisanal%20and%20small%2Dscale%20mining%20\(ASM\)%20ranges%20from%20informal,scale%20entities%20producing%20minerals%20commercially.](https://www.igfmining.org/artisanal-and-small-scale-mining/#:~:text=Artisanal%20and%20small%2Dscale%20mining%20(ASM)%20ranges%20from%20informal,scale%20entities%20producing%20minerals%20commercially.) [Accessed on 29 May 2023]

³⁶ InforMEA (2023) artisanal mining [online] Available at <https://www.infornea.org/en/terms/artisanal-mining> [Accessed on 29 May 2023]

³⁷ Pact (2023) Artisanal and Small Scale Mining. [online] Available at <https://www.pactworld.org/our-expertise/mining> [Accessed on 29 May 2023]

³⁸ The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (2023) Artisanal and Small-Scale Mining. [online] Available at [https://www.igfmining.org/artisanal-and-small-scale-mining/#:~:text=Artisanal%20and%20small%2Dscale%20mining%20\(ASM\)%20ranges%20from%20informal,scale%20entities%20producing%20minerals%20commercially.](https://www.igfmining.org/artisanal-and-small-scale-mining/#:~:text=Artisanal%20and%20small%2Dscale%20mining%20(ASM)%20ranges%20from%20informal,scale%20entities%20producing%20minerals%20commercially.) [Accessed on 29 May 2023]

³⁹ The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (2023) Artisanal and Small-Scale Mining. [online] Available at [https://www.igfmining.org/artisanal-and-small-scale-mining/#:~:text=Artisanal%20and%20small%2Dscale%20mining%20\(ASM\)%20ranges%20from%20informal,scale%20entities%20producing%20minerals%20commercially.](https://www.igfmining.org/artisanal-and-small-scale-mining/#:~:text=Artisanal%20and%20small%2Dscale%20mining%20(ASM)%20ranges%20from%20informal,scale%20entities%20producing%20minerals%20commercially.) [Accessed on 29 May 2023]

⁴⁰ InforMEA (2023) artisanal mining [online] Available at <https://www.infornea.org/en/terms/artisanal-mining> [Accessed on 29 May 2023]

⁴¹ The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (2023) Artisanal and Small-Scale Mining. [online] Available at [https://www.igfmining.org/artisanal-and-small-scale-mining/#:~:text=Artisanal%20and%20small%2Dscale%20mining%20\(ASM\)%20ranges%20from%20informal,scale%20entities%20producing%20minerals%20commercially.](https://www.igfmining.org/artisanal-and-small-scale-mining/#:~:text=Artisanal%20and%20small%2Dscale%20mining%20(ASM)%20ranges%20from%20informal,scale%20entities%20producing%20minerals%20commercially.) [Accessed on 29 May 2023]

carrying out artisanal and small-scale mining, thereby directly competing with local ASM, in contravention of Zimbabwean laws that ordinarily reserve ASM for locals. It is also interesting to establish the complementarities that have emerged between local and Chinese ASM and the power dynamics associated with them.

2.2. Local Community

A local community bears clear essential attributes. It is a group of people sharing a definite locality as it is resident within defined physical boundaries and environments, has a collective community sentiment and a shared sense of permanence and vision, and tends to organise itself around a loosely defined social and economic life.

Members of a local community have a clear identity as defined by their language, culture, customs and traditions (<https://www.yourarticlelibrary.com/society/13-most-important-characteristics-or-elements-of-community/6231>).

Local communities vary in geographical size, but they are all significantly large enough to notice and reckon with. They tend to follow patterns of social, political and economic life established by their forebears but they are susceptible to external forces of change and transformation, such as the establishment of new

mining activities. The manner in which the inward forces exert themselves on the communities—coupled with pre-existing or subsequently acquired levels of resilience and adaptability—determines their level of vulnerability. Also, if there are no adequate local or national mechanisms to absorb the perturbations that come with inward forces imposed on them, community vulnerability becomes substantial and disruptive.

Where they do not enjoy sufficient protection from the government, the communities are bound to be severely affected by new developments in their respective areas, even if they may try to resist.

This particularly obtains in the case of new and significant projects such as Chinese mining ventures.

There is a sense, though, in which artisanal and small-scale miners are subsumed by local communities. There is no inconsistency in this because the ASMs, by their very nature, become defined features of the communities within which they operate. In this sense, for instance, artisanal gold miners in Penhalonga district in Manicaland province become a dominant feature of the local community. This is the context in which this study's title references only "local communities".

Chapter 3

Regulatory, Legal and Policy Frameworks

National Legal and Policy Frameworks

In terms of Section 20 of the Zimbabwe Investment and Development Agency Act [Chapter 14:37] (<https://www.veritaszim.net/node/3933>), foreign investors have an obligation to abide by the laws of Zimbabwe and meet their contractual obligations.

The Act seeks to regulate the conduct of foreign investors in Zimbabwe, including but not limited to how they are licensed and obligations imposed on them such as adherence to the laws of the land, protecting the environment and ensuring that their products and services are of stipulated local and international standards.

Apart from the Zimbabwe Investment and Development Agency Act, the regulatory framework for foreign investors incorporates several pieces of legislation including the supreme law of the land, the Constitution of Zimbabwe, Acts of Parliament as well as statutory instruments and by-laws.

The Constitution of Zimbabwe confers rights and obligations that include the: right not to be discriminated against, right to own property, labour rights (applicable to investors as well as their employees), and environmental rights among others.

Section 3A of the Indigenisation and Economic Empowerment Act [Chapter 14:33], provides that only a business owned by a person who is a Zimbabwean citizen can operate in the reserved sector of the economy. One of the reserved areas of the Zimbabwean economy is artisanal mining.⁴²

Apart from the foregoing, the following pieces of legislation directly affect and regulate the conduct of foreign investors in the mining sector in Zimbabwe: Mines and Minerals (Act Chapter 21:05),⁴³ Environmental Management Act (Chapter 20: 27),⁴⁴

Labour Act (Chapter 28:01),⁴⁵ Gold Trade Act (21: 03),⁴⁶ Finance Act (Chapter 23:04),⁴⁷ and the Base Minerals Export Control (Unbeneficiated Base Mineral Ores) Order 2023.⁴⁸

Regional, Continental and International Frameworks

Zimbabwe and China are State Parties to treaties and conventions that govern or regulate the operations of foreign investments. These include, the Minamata Convention on Mercury,⁴⁹ Universal Declaration of Human Rights,⁵⁰ International Labour Organization's Declaration on Fundamental Principles and Rights at Work,⁵¹ Rio Declaration on Environment and Development,⁵² and the United Nations Convention against Corruption.⁵³

The Minamata Convention on Mercury was designed to protect human health and the environment from anthropogenic emissions and releases of mercury and mercury compounds. China and Zimbabwe both signed and ratified the Convention.

Table 1: Status of Signature and Ratification of the Minamata Convention by China and Zimbabwe

Participant	Signature	Approval, Acceptance, Accession and Ratification
China	10 Oct 2013	31 Aug 2016
Zimbabwe	11 Oct 2013	19 Aug 2021

Source: https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-17&chapter=27&clang=_en

Mercury is extensively used to extract gold from ore in artisanal and small-scale gold mining. It has been established that, globally, artisanal and small-scale gold mining is responsible for the release of as much as 1,000 tonnes of mercury into the

⁴² First Schedule to the Indegenisation Act

⁴³ Mines and Minerals Act (Chapter 21:05) | ZimLII

⁴⁴ Environmental Management Act (Chapter 20:27) | ZimLII

⁴⁵ Labour Act (Chapter 28:01) | ZimLII

⁴⁶ Gold Trade Act (Chapter 21:03) (law.co.zw)

⁴⁷ Finance Act (Chapter 23:04) | ZimLII

⁴⁸ Base minerals means all minerals and mineral substances, other than the nuclear energy source material, precious metals, precious stones, mineral oils, natural gases and coal

⁴⁹ https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-17&chapter=27&clang=_en

⁵⁰ <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

⁵¹ <https://www.ilo.org/declaration/lang--en/index.htm>

⁵² A/CONF.151/26/Vol.I: Rio Declaration on Environment and Development (un.org)

⁵³ Convention against Corruption (unodc.org)

atmosphere every year.⁵⁴The continued sale and utilisation of mercury in Zimbabwe is a cause of concern due to its illegality and negative environmental and human health effects.

In addition, foreign investors have an obligation to respect human rights and fundamental freedoms of the local people as envisioned under the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on

Environment and Development and the United Nations Convention against Corruption. Notably, the UN Global Compact enacted 10 principles that commercial enterprises should respect as shown in table 2 below.

To this end, the investigation evaluates the extent to which the sampled Chinese investments respect national laws and policies as well as other important best practices informed by international treaties or conventions.

Table 2: Ten Principles of the UN Global Compact

10 Principles of the UN Global Compact

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2: They must make sure that they are not complicit in human rights abuses

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: They must ensure the elimination of all forms of forced and compulsory labour;
- Principle 5: There must be an effective abolition of child labour
- Principle 6: There must be elimination of discrimination in respect of employment and occupation

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges
- Principle 8: They must undertake initiatives to promote greater environmental responsibility
- Principle 9: They must encourage the development and diffusion of environmentally friendly technologies

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

⁵⁴ "Minamata Convention on Mercury Aims #MakeMercuryHistory". No. Online. ABC Live India. Retrieved 16 August 2020

Chapter 4

Findings and Analysis

The findings of this study are based on the conveniently selected cases of Chengxi Mining (Pvt) Ltd, AfroChina Smelting (Pvt) Ltd, Dore Green Customs Milling, STC Chemicals (Pvt) Ltd and Ming Chang Sino Africa (Pvt) Ltd. Consultations were made with different stakeholders drawn from areas where these investments operated, including mining stakeholders and local community members. Targeted stakeholders included both individuals and entities that are positively and/or negatively affected by the five Chinese investments. Where necessary, the findings were reinforced by making reference to relevant open sources.

To this end, the findings cover the following areas:

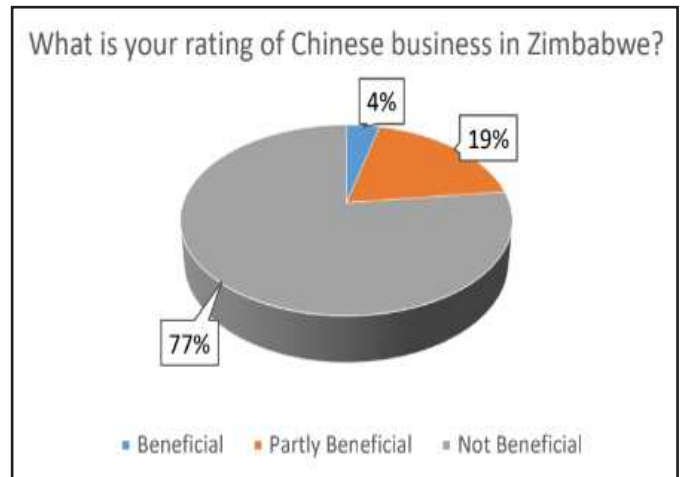
- Perceptions on the benefits of Chinese investments in Zimbabwe
- Ownership and shareholding structures of the Chinese investments
- Compliance with legal and policy frameworks
- Socio-economic impact and implications of Chinese Investments on artisanal small scale mining, livelihood opportunities and household wealth
- Environmental implications of the investments
- Sustainability of the Chinese investments
- Accountability issues proceeding from the conduct and operations of the investors and investments

Perceptions on the benefits of Chinese investments in Zimbabwe

Local communities and other stakeholders perceive Chinese nationals and their investments differently. These perceptions are mainly shaped by prior experiences and interests. In this context, the perceptions on the Chinese investments were built over the years, based on how the investors conducted themselves and their businesses. The study captured the perceptions of artisanal and small-scale miners, key informants as well as local communities drawn from the samples. In some cases, desk research was done and relevant references made from open sources.

Figure 1 below shows that a significant majority (77%) of the sampled participants perceived Chinese investments as not beneficial to them and the nation. These respondents submitted that the investments benefited the Chinese nationals and PEPs more than the local people.⁵⁵

Figure 1: Perceptions on beneficial status of Chinese investments



One can, therefore, conclude that Chinese nationals and their investments are not trusted by a critical mass of Zimbabweans represented by 77% of the participants to the study. The Chinese have been given different labels such as “self-serving looters”. Others view the Chinese as exploiters of Zimbabwean resources who do not care about present and future generations. In this regard, their investments are seen as militating against sustainable development. The participants gave several examples of how the Chinese exploit local resources—mineral and human—and then vanish without addressing the welfare needs of the communities and the environment they leave behind.

Even in areas outside the sample, these perceptions were prevalent. For instance, the labelling of the Chinese investors as money mongers and looters was made in Domboshava against a Chinese company known as Aihua Jianye Company.⁵⁶

In Zhombe, Penhalonga, Kwekwe and Zvishavane, Chinese investors left behind a trail of environmental damage without making efforts for rehabilitation.

In the case of Dore Green Customs Milling in Zhombe under Kwekwe district, the Chinese gold miner terminated the project in December 2022 but the company did not invest in Corporate Social Responsibility (CSR) activities at all.⁵⁷

⁵⁵ This was based on the perceptions recorded during all the meetings held with community members in Kwekwe, Zvishavane, Penhalonga and Zhombe

⁵⁶ Mavhunga, C (2019) Zimbabwean Villagers Resist a Chinese Company's Mining Project[online] Available at Zimbabwean Villagers Resist a Chinese Company's Mining Project (voanews.com) [Accessed on 17 April 2023]

⁵⁷ Meeting with community members on the 17th of February 2023

Similarly, Ming Chang Sino Africa (Pvt) Ltd closed its mine and custom milling centre situated in Kwekwe, ostensibly after having generated profits. The mine was sold by the Chinese investors to Vigilant Resources (Pvt) Ltd, which at the time of reporting had closed operations due to an unpaid electricity bill left by the Chinese investor. The new owner failed to service the bill left unpaid by the Chinese, forcing the Zimbabwe Electricity Transmission and Distribution Company (ZETDC) to disconnect power, thereby disrupting mining operations and rendering a significant portion of the workers jobless, in addition to leaving a trail of environmental damage in the Mapanzure community in Zvishavane.

Whilst it is yet to be proved, community members alleged that most of the gold that the Chinese produced was smuggled out of Zimbabwe, with little being surrendered to Fidelity Printers and Refiners (FPR), a subsidiary of the Reserve Bank of Zimbabwe. Former workers at Dore Customs Milling highlighted that the amount of gold produced by the company remained a secret until the closure of the mine.

It is alleged that law enforcement agents and regulators such as EMA never bothered to monitor or inspect the activities of the company. This is supported by the recent observations by the Portfolio Committee on Defence, Home Affairs and Security Services, which stated that “the absence of Fidelity Gold Refiners (the successor to FPR) and State security agencies such as the Flora and Fauna Unit of the Zimbabwe Republic Police, compromises the security of minerals at processing or cyanidation points.”⁵⁸

The Zhombe community where Dore Green Customs Milling operated from claimed that the Chinese were assisted to smuggle gold by politicians and some elements within the police, army, intelligence and the department of immigration. This allegation reinforces the findings of the portfolio committee on Defence, Home Affairs and Security Services, which stated in its recently publicised report that, “it was reported by mining communities that some deployed law enforcers collude with illegal gold and diamond miners and traders at mining sites, at

designated and undesignated entry and exit points.”⁵⁹

Panganga (2021), citing a study carried out by the Global Initiative against Transnational Organised Crime (GI-TOC) titled “Illicit Gold Markets in East and Southern Africa”⁶⁰, states that Chinese nationals are “prominent and influential actors” in Zimbabwe’s lucrative gold sector and have formed questionable partnerships with the elite in the ruling Zanu PF and senior law enforcement agents.

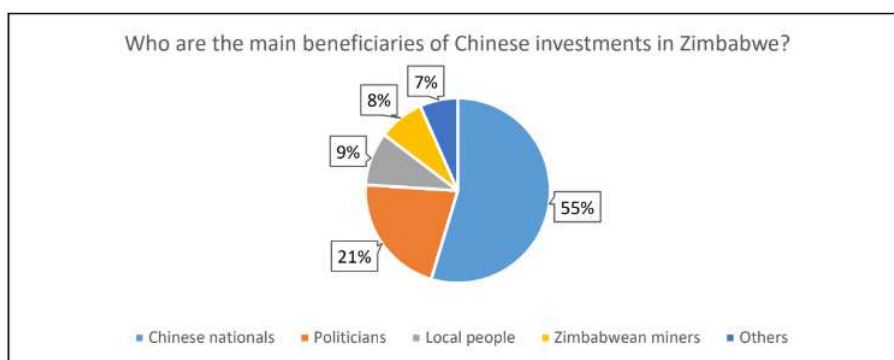
*“Chinese nationals are also prominent and influential actors in Zimbabwe’s gold sector where they have formed partnerships with Zimbabwe African National Union Patriotic Front (Zanu PF) elites, along with senior military and ZRP (Zimbabwe Republic Police) officers,”*⁶¹

The presence of Lameck Mnangagwa at Dore Green Custom Milling, therefore, becomes illustrative and informative. Lameck introduced himself to the Zhombe community as a relative of President Emmerson Mnangagwa. Typically, even if it may be mere namedropping, this brings with it a tag of power around Lameck as untouchable. In addition, Chinese nationals had become so daring to the extent of calling government compliance officers “small boys”.⁶²

In both Kwekwe and Zhombe, Ming Chang Sino Africa and Dore Green Custom Milling, respectively, were buying gold from ASMs which brought their ore to them for milling. However, the artisanal miners were not able to trace where the gold was sold amidst a prevailing suspicion that the company did not remit the mineral to FPR.

In addition, the study sought public perceptions on the main beneficiaries of Chinese investments in the country, using members of the sampled communities as respondents. As shown in Figure 2 below, the main beneficiaries or persons who derive advantages from Chinese investments are the Chinese themselves (55%), followed by politicians (21%) and last, the local people (9%).

Figure 2: Main beneficiaries of Chinese investments



⁵⁸ Parliament of Zimbabwe, “Report of the Portfolio Committee on Defence, Home Affairs and Security Services on the Security of Minerals, Illicit trading in Minerals and Mineral Leverages” S.C 36/22 at page 10

⁵⁹ *ibid* at page 10

⁶⁰ <https://globalinitiative.net/wp-content/uploads/2021/05/Illicit-gold-markets-in-East-and-Southern-Africa-GITOC-.pdf>

⁶¹ *ibid*

⁶² Paganga, L (2021) Chinese Now Influential Players In Illicit Gold Trade: Study. [online] Available at Chinese Now Influential Players In Illicit Gold Trade: Study - NewZimbabwe.com [Accessed on 17 April 2023]

In Zvishavane, artisanal and small-scale miners stated that AfroChine Smelting (Pvt) Ltd activities benefited a named chief, sub-chiefs, village heads and the political elite more than the local people. In the case of Dore Green Customs Milling, it was stated that the company was allegedly benefitting Lameck Mnangagwa. In Shurugwi, Chengxi Mining (Pvt) Ltd chose to repair another named chief's and Zanu PF vehicles, instead of investing in the community through infrastructure development and donations to hospitals, schools and community initiatives.

4.1 Registration and Ownership Status of Chinese Investments in Zimbabwe

The study noted that most of the sampled Chinese investments were registered and are or were either wholly owned by the Chinese or have or had some Zimbabweans as part of the directorship. This represents a marked improvement from the situation that obtained a decade ago when a parliamentary committee with oversight on the then Mines and Energy portfolio noted that most of the investors were operating without legal documents, as shown below.

Box 1: Parliament of Zimbabwe observations on the extent of compliance with the law by Chinese chrome mining companies

Chinese Chrome Companies

The Committee had an opportunity to meet seven Chinese companies operating in the country. The Committee was concerned that out of the seven companies, only one company was able to confirm that it had adequate documentation legalizing its operations in the country. The rest of the companies were evasive on how they acquired legal authority to operate in the country. When the Committee made a field visit to one of the Chinese owned mines, San-hei in Guruve, the workers complained of labour abuses, such as low pay and long working hours.

Source: Parliament of Zimbabwe (2013) Report - Chrome Mining Sector in Zimbabwe 2013: Portfolio Committee on Mines and Energy

It was difficult to verify the registration status of Dore Green Custom Milling due to the opacity generated by the political elite and directors at the company. Influential persons close to the mine suspected that it might not have been registered but was operating with impunity because of the presence of Lameck Mnangagwa seen as strongly close to the Zimbabwean president.

Perusal of registration documents held at the Registrar of Companies showed that the directorships were either exclusively comprised Chinese nationals or a combination of the Chinese and Zimbabwean nationals. See Figure 4 as an example that

lists the directors for STC Mine Cyanide Chemical (Pvt) Ltd.

Figure 3: Directors of STC Mine Cyanide Chemical (pvt) Ltd.

PARTICULARS OF DIRECTORS, AUDITORS AND SECRETARIES		
Name and address of the Directors, Auditors and Secretaries of the STC MINE CYANIDE CHEMICAL (PRIVATE) LIMITED		
On the 7th day of February 2022 (Year of A 2/22)		
DIRECTORS		
Name	Address	Other Directorship
SHEN ZHEN	79 4/1 NARA AVENUE, HIGGONSDALE, HARARE.	As Advised
CHEN FENG	2080 DEL PORT ROAD, VENTURERS, HARARE.	As Advised
YANG YIN	79 4/1 NARA AVENUE, HIGGONSDALE, HARARE.	As Advised
DORT KUMPENGI	17114 DORNY BROOK, MANDELA, HARARE.	As Advised
MENTOR BANDA	2564 CHARLOTTE BROOK, BORROWDALE, HARARE.	As Advised
AUDITORS		
Name	Address	
MENTOR BANDA	2564 CHARLOTTE BROOK, BORROWDALE, HARARE.	
SECRETARY		
Name	Address	
MENTOR BANDA	2564 CHARLOTTE BROOK, BORROWDALE, HARARE.	

However, even when it appeared that the investments were owned entirely by Chinese nationals, this research has established the presence of some Politically Exposed Persons (PEPs) as part of the undisclosed shareholders. Their names were not appearing on any official documents such as the CR14 held with the Registrar of Companies.

In support thereof, a meeting held with the Zororo community members in Kwekwe, Midlands province, confirmed that the Chinese investors operating as Dore Green Custom Milling Centre were brought by Lameck Mnangagwa. ⁶³Lameck Mnangagwa introduced himself as one of the directors of Dore Green Custom Milling. ⁶⁴Whilst it was difficult to verify the registration status of the mine, the research managed to identify some of the senior managers who were based at the mine. Passport copies of the two officials (Lyu Xingwei and Wang Xin) are shown below.



Lyu, Xingwei- Chinese National at Dore Green Custom Milling in Zhombe, Kwekwe

Wang, Xin- Chinese National at Dore Green Custom Milling in Zhombe, Kwekwe

It is alleged that Ming Chang Sino Africa (Pvt) Ltd that operated a custom milling centre in Kwekwe had strong links to the Vice President of the Republic of Zimbabwe, Constantino Guvheya Chiwenga.⁶⁵ It was further alleged that Vice President Chiwenga had interests in Vigilant Resources (Pvt) Ltd that took over from Ming Chang Sino Africa (Pvt) Ltd when it closed its operations.⁶⁶ At the time of reporting, the mine had closed and the Chinese had moved to another site in the same area but still having disputes with Vigilant Resources (Pvt) Ltd linked to unpaid electricity bills. A source close to Vigilant Resources (Pvt) Ltd stated that the Chinese were refusing to pay the electricity claiming that Vigilant Resources (Pvt) Ltd had not met its purchase obligations in full.⁶⁷

In Shamva, Ming Chang Sino Africa (Pvt) Ltd was registered as Ming Chang Sino Africa Shamva Mining (Pvt) Ltd, on 26 November 2010 under registration number 5266/2010 and has one Zimbabwean as part of the directorship, as shown in Figure 4 below.

In Odzi in Mutare, Ming Chang Sino Africa Odzi Mining (Pvt) Ltd is wholly led by the Chinese.⁶⁸ Figure 5 below shows that all the three directors are of Chinese origin.

Figure 4: Directors of Ming Chang Sino Africa Odzi Mining (Pvt) Ltd

Particulars (a) of Directors				
Ming Chang Sino Africa Odzi Mining (Private) Limited				
AND OF ANY CHANGES				
1. Date of Appointment (b)	2. Present Christian Names and Surnames	3. Nationality	4. Any Former Names	5. Full Residential or Business Address and Postal Address
DATE OF INCORPORATION	Directors (a)			
	Cao Xing Dong G43520933	Chinese	N/A	172 Rhodesville Avenue Greendale Harare.
	Xing Shan Shan G25401422	Chinese	N/A	172 Rhodesville Avenue Greendale Harare.
	Xing Ming Chang G26727923	Chinese	N/A	172 Rhodesville Avenue Greendale Harare.
	Secretaries (d) or Principal Officer (e)			
	Xing Shan Shan G25401422	Chinese	N/A	172 Rhodesville Avenue Greendale, Harare.

In all the case studies, the Chinese nationals work closely with the political elite and, in some cases, traditional leaders.

In Odzi district under Mutare, the Centre for Research and Development (CRD) said that one of the Chinese turned violent against the locals, bragging about strong Chinese connections with political and military executives within the ruling ZANU PF party and the Government of Zimbabwe.⁶⁹

In Zvishavane, Chinese chrome miners such as AfroChine Smelting (Pvt) Ltd work closely with Chief Mapanzure, his headmen and other PEPs whose names were not disclosed.⁷⁰ In Zhombe, Dore Green Customs Milling (Pvt) Ltd is alleged to have provided free transport to the ruling ZANU PF to ferry its supporters to rallies during the 2018 elections.

In Shurugwi, the Managing Director of Chengxi, Mr Tapiwa Chipembere. was quoted by Chiwanika (2023) as having promised that his company was going to repair vehicles for Chief Nhema and Zanu PF.

In addition, Chengxi Mining (Pvt) Ltd was requested to assist in the construction of an office for Zanu PF-linked war veterans in Shurugwi.⁷¹

This perception that PEPs, in addition to military personnel, back Chinese investments is not new. In 2013, the Parliament of Zimbabwe's portfolio committee on Mines and Energy noted with concern that the Chinese gave the impression that they were untouchable because of their political links⁷².

*"The Committee was informed that Chinese companies had an attitude of being untouchable and could operate above the law. The Chinese created the impression within the community and in some government institutions that someone in a very 'high' office in government protected them. The Committee could not verify who this person was but the perception was real within the community. As a result EMA, the local authorities and the community were powerless to enforce or demand compliance of environmental and mining regulations."*⁷³

Respondents also suspected that the Chinese investors preferred to make material contributions to PEPs in exchange for favours and protection, as opposed to investing in the local communities. They viewed this as bribery and corruption.

In the opinion of the communities, the links between the investors and the political elite encouraged impunity among the former as responsible public agencies were too afraid or reluctant

⁶⁵ Meeting held with former workers on the 18th of February 2023

⁶⁶ Ibid

⁶⁷ Ibid

⁶⁸ See Registration Number 5334/2010 entered on 1st December 2010

⁶⁹ Matasva, F (2022) Zimbabwe: Chinese Miner in a Workers Ill-Treatment Storm. [online] Available at <https://allafrica.com/stories/202209260403.html> [Accessed on 27 March 2023]

⁷⁰ Meeting with the community on the 15th of February 2023

⁷¹ Chiwanika, A (2023) Chinese Mine allays fears over Boterekwa escarpment. [online] <https://masvingomirror.com/chinese-mine-allays-fears-over-boterekwa-escarpment%Ef%BF%BC/> [Accessed on 27 January 2022]

⁷² Parliament of Zimbabwe (2013) Report - Chrome Mining Sector in Zimbabwe 2013: Portfolio Committee on Mines and Energy

⁷³ Parliament of Zimbabwe (2013) Report - Chrome Mining Sector in Zimbabwe 2013: Portfolio Committee on Mines and Energy

to sanction the violators of the law and regulations.

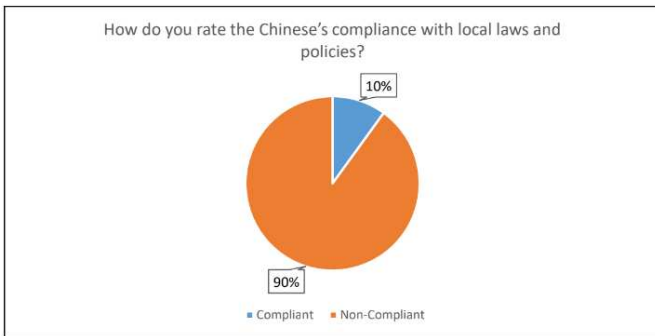
4.2 Compliance with Regulatory, Legal and Policy Frameworks

Strict compliance with the law and international conventions positively impacts the business's reputation, motivates workers and improves working relations between and among different stakeholders.⁷⁴ The opposite is true when there is non-compliance with the legal and regulatory frameworks in the host country. These frameworks are meant to be complied with by all and sundry. In section 3 above there is an enunciation of local laws as well as the international conventions and treaties that both Zimbabwe and China are party to, such as the Minamata Convention on Mercury.

The general perception is that the Chinese nationals neither comply with the Zimbabwean legal and regulatory frameworks nor do they respect obligations under international laws and conventions.

Figure 6 below shows that 90% of the respondents who comprised local community members and key informants in areas occupied by Chengxi Mining (Pvt) Ltd, AfroChine Smelting (Pvt) Ltd, Dore Green Customs Milling, STC Chemicals (Pvt) Ltd and Ming Chang Sino Africa (Pvt) Ltd were of the opinion that Chinese nationals were non-compliant while the remaining 10% felt otherwise.

Figure 5: Chinese nationals' compliance with Zimbabweans laws and policies



An analysis of the 5 case studies confirms huge gaps in compliance with national laws and regulatory frameworks.

4.3.1 The Case of Dore Green Customs Milling

In Zhombe, Dore Green Customs Milling neglected fencing off its cyanide tanks as required by the Environmental Management (Control of Hazardous Substances) (General) Regulations, 2018. A household identified as the Siziba family reportedly lost 3 herd of cattle after the livestock drank poisoned water from the Chinese mine premises. Picture 1 below shows a goat roaming freely within the mine close to an unprotected tank that holds cyanide-contaminated effluent.⁷⁵Picture 2 shows a broken fence that allows cattle and goats to move freely in and out of the mine.



Pictorial Evidence 1: Goats inside the mine at Dore Green Custom Milling



Pictorial Evidence 2: Damaged Fence at Dore Green Custom Milling

Furthermore, the company placed a dump close to two community boreholes in the area. A community member stated that a local health official took the water from one of the boreholes for laboratory testing and it was confirmed to have traces of unspecified poisonous chemicals.⁷⁶ This was in breach of s57⁷⁷ of the Environmental Management Act [Chapter 20:27]. In addition, birds and goats drank the poisoned water. Also recorded was an incident in which children in the area collected the dead birds for consumption at home. Picture 3 shows a mine dump situated close to the Siziba family field and homestead.



Pictorial Evidence 3: Mine Dumps at Dore Green Custom Milling

Chinese workers were accused of treating local workers in a cruel and degrading manner, in contravention of national laws,

⁷⁴ alp.consulting

⁷⁶ Meeting with community members and former employees of Dore Green Customs Milling on the 17th of February 2023

⁷⁷ The section provides that "(1) Any person, who discharges or applies any poison or toxic, noxious or obstructing matter, radioactive waste or other pollutants or permits any person to dump or discharge such matter into the aquatic environment in contravention of water pollution control standards shall be guilty of an offence"

particularly the Constitution of Zimbabwe and the Criminal Law Codification and Reform Act. For instance, former employees Robson Moyo and Tichaona Siziba were subjected to thorough beatings by the Chinese for alleged misdemeanour. In addition, Dore Green Custom Milling barred local workers from exercising their right to demonstrate or petition.⁷⁸ One of the employees was expelled from work because he had mobilised other workers to demand improved working conditions.⁷⁹

Picture 4 shows Dore Green Custom Milling's most disliked wheelbarrow, which the locals popularly refer to as "Bhara remuChina" in the Shona language. This translates to "The Chinese Wheelbarrow", which does not allow a worker to rest till he or she gets to his or her destination at the workplace. The locals alleged that their Chinese supervisors beat them up if they attempted to rest, in the process spilling the contents of the wheelbarrow. The participants also alleged that some workers had been instantly fired for attempting to rest. In this sense, the management was seen as slave drivers.⁸⁰



Pictorial Evidence 4: The much hated Chinese Wheelbarrow at Dore Custom in Zhombe, Kwekwe

Some of the cases of assault were reported to Zhombe Police Station but no action was taken against the Chinese assailants. It had become normal that when a Chinese national assaulted a local worker, one of the black managers named as Shingi would negotiate with the police to resolve the issue without going to court.⁸¹

Furthermore, the conduct of managers at Dore Green Customs Milling violated the provisions of the Indigenisation and Economic Empowerment Act [Chapter 14:33], which precludes foreigners from operating in reserved areas of the economy,

in this particular instance artisanal mining. The company was largely rated as engaging in artisanal small-scale mining and, in the process, was directly competing with local artisanal and small-scale miners. The size of its milling plant was instructive. It had 3 hammer mills and, out of the 3, only 2 were working. In the same area, there were several local artisanal small-scale miners who had more hammer mills of a better quality as compared to those operated by Dore Green Customs Milling. This is further compounded by the fact that the investment did not satisfy criteria set out in s14 (1)⁸² of the Zimbabwe Investment and Development Agency Act [Chapter 14:37];

In addition, Dore Green Custom Milling violated the Environmental Management Act [Chapter 20: 27]] by negligently directing contaminated water downstream into Somalala Dam that caters for the entire community. The effects are devastating since the downstream community has more than 30 villages, a cattle dip tank and an irrigation scheme for the local people. Due to poisoning, community members lost several herds of cattle. For instance, villagers identified as Patricia Moyo, Sibongile Makuva and a Mr Hlongwane lost a combined six cattle due to suspected poisoning. Furthermore, birds died in their hundreds, and, informants said, community members, among them children, herd boys and workers at the mine—ate the dead birds, regardless of the implications on their health.

Pictures 5 and 6 show unprotected tanks full of contaminated water at Dore Green Custom Milling.



Pictorial Evidence 5: Unprotected Tanks at Dore Green Custom Milling

⁷⁸ The right of workers to demonstrate is set out in s65 (3) of the Constitution of Zimbabwe, 2013

⁷⁹ Meeting with former workers at Dore Custom Milling Centre on the 17th of February 2023

⁸⁰ Meeting with former workers at Dore Custom Milling Centre on the 17th of February 2023

⁸¹ Meeting with former workers at Dore Custom Milling Centre on the 17th of February 2023

⁸²s14 of the Act sets out the following considerations before the issuance of an investment licence – "In considering an application for an investment licence the Board shall have regard to—

- (a) the extent to which skills and technology will be transferred for the benefit of Zimbabwe and its people; and
- (b) the extent to which the proposed investment will lead to the creation of employment opportunities and the development of human resources; and
- (c) the extent to which local raw materials will be utilised and beneficated and, where the extent of utilisation or benefication is prescribed under section 25, whether the project complies with the prescribed requirements; and
- (d) the value of the convertible foreign currency transferred to Zimbabwe in connection with the project; and
- (e) the impact the proposed investment is likely to have on the environment and, where necessary, the measures proposed to deal with any adverse environmental consequences; and
- (f) the impact the investment is likely to have on existing industries in the economy; and
- (g) the possibility of transfer of technology; and
- (h) where any requirements other than those referred to in section 25(2)(d) and (e) are prescribed, whether the project complies with those requirements; and
- (i) any other considerations that the Board considers appropriate."



Pictorial Evidence 6: Unprotected Tanks at Dore Green Custom Milling

4.3.2. The Case of Ming Chang Sino Africa

In Bubi, Ming Chang Sino Africa (Pvt) Ltd ill-treated and abused its workers, in breach of their rights conferred by the Constitution of Zimbabwe and other statutes. Workers complained that they were underpaid in breach of their constitutional right as set out in s65 (1) and forced to work in mine shafts without protective clothing. This exposed them to injuries and other health hazards.⁸⁵ The lowest paid employee was receiving US\$6. Such an amount falls short of the amounts set out in SI 286/21 (Collective Bargaining Agreement: Mining Industry), which stipulates the minimum salary payable at the sum of US\$192.98. The mining company is said to have told its workers that it could not pay full salaries because it was still developing.⁸⁶

The Chinese boasted that they were well protected by government officials. In addition, the workers operated without protective clothing and were restricted from joining labour unions, in contravention of Section 65 of the Constitution.⁸⁷

In addition, Ming Chang Sino Africa (Pvt) Ltd was accused of violating the Environmental Management Act (Chapter 20: 27). The lime plant in Bubi caused pollution due to the emission of hazardous gases and workers were exposed to lime dust. The tar (a by-product from the coal gas maker) was being negligently discarded in undesignated places, thereby polluting the environment. There were no mechanisms for dust suppression or the cleaning of gases produced from the kiln and gas maker.

In Odzi, Ming Chang Sino Africa Odzi Resources was accused of

ill-treating workers and flouting the country's labour laws and regulations.⁸⁸ A former worker, Tatenda Chikwanha, claimed rampant ill-treatment of workers, including poor and unventilated accommodation for its workers. Chikwanha was sacked after he asked management to provide workers with protective wear.⁸⁹

Picture 8 shows the substandard accommodation given to Ming Chang workers at Odzi mine



Pictorial Evidence 7: Ming Chang Sino Africa Substandard Accommodation for Staff
Source: <https://cite.org.zw/chinese-firm-embroiled-in-mine-dispute/>

Sections 47 (1) and 48 (1) of Statutory Instrument 109 of 1990 Mining (Management and Safety) Regulations, state that no person shall enter or operate in a mine without protective clothing that include an approved and appropriate footwear that the mining company must provide.⁹⁰ However, the company did not provide these to the workers. This was revealed by informants from CRD, a civil society organisation operating in Manicaland province where Odzi is located.

Furthermore, Ming Chang did not keep a supply of drugs, dressings and appliances at the mine, in contravention of Section 17 (1) of the same instrument. These items are required to manage medical emergencies.

In Bindura, Ming Chang Sino Africa was accused of exposing Simona Village residents to cyanide, in breach of s57 of the EMA act as read with the Environmental Management (Control of Hazardous Substances) (General) Regulations. The company carries out mining activities close to residential areas.

In Zvishavane, some AfroChine Smelting (Pvt) Ltd vehicles use Zimbabwean roads without any form of registration, in contravention of the Road Traffic Act. They pass through police checkpoints without sanction. Picture 9 below shows one of the vehicles at Muzondiwa Business Centre in Zvishavane taken on 10th May 2023.

⁸³ Meeting with former workers at Dore Custom Milling Centre on the 17th of February 2023

⁸⁴ Khupe, A (2019) Rampant abuse at Chinese-owned mine. [online] Available at <https://cite.org.zw/tag/ming-chang-sino-africa-mining-investments/> [Accessed on 1 March 2023]

⁸⁵ Ibid

⁸⁶ Ibid

⁸⁷ s65 (2) of the Constitution confers the right to join unions on workers

⁸⁸ NewsDay (2023) Gold miner brings cheer to Odzi villagers. [online] Available at <https://www.newspaper.co.zw/local-news/article/200007289/gold-miner-brings-cheer-to-odzi-villagers> [Accessed on 27 March 2023]

⁸⁹ The legislative instruments that regulate health and safety issues in mining operations such as Section 403 (h-q) of the Mines and Minerals Act [Chapter 21:05]; Statutory Instrument 109 of 1990-Mining (Management and Safety) Regulations, 1990; Mining (Health and Sanitation) Regulations, 1995 and the Zimbabwe National Occupational Health and Safety policy. According to Section 47 (1) and 48 (1) of Statutory Instrument 109 of 1990 Mining (Management and Safety) Regulations

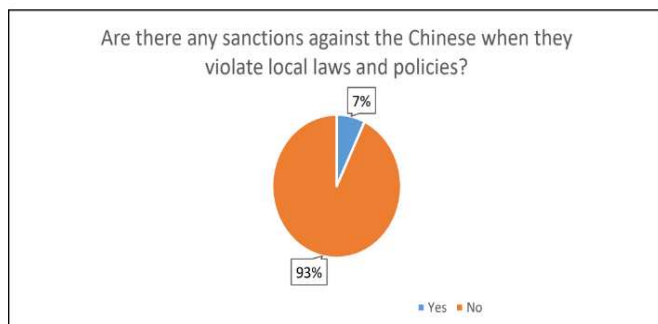
⁹⁰ Centre for Research and Development (n.d) Workers raise alarm over poor working conditions at Ming Chang Sino Africa Investments in Odzi, Mutare. [online] Available at <http://www.crdzim.org.zw/crd%20press%20statements.html> [Accessed on 27 March 2023]



Pictorial Evidence 8: Image of an unregistered AfroChine truck in Zvishavane

Figure 7 below shows that 93% of the respondents were convinced that there were no sanctions against Chinese wrongdoers.

Figure 6: Sanctions against Chinese nationals when they violate national laws and policies



In the five selected case studies, several incidents were cited in which the Chinese nationals violated the law with impunity.

The following are examples of the impunity.

- A Chinese national working at Dore Green Customs Milling assaulted and pointed a gun at a worker, Robson Moyo, and followed him to his home where he continued harassing the worker, but no action was taken against the Chinese worker.⁹²
- A Chinese national assaulted Tichaona Siziba at Dore Green Customs Milling but no action was taken against him by both the management and the police.⁹³
- Dore Green Customs Milling started operating without an EIA and, again, no action was taken against it.⁹⁴
- In Zvishavane, Dunday Technical Mining (Pvt) Ltd, which is engaged in chrome mining at Torwood village in the district and supplies to Ming Chang, commenced operations without an EIA too. When the company later obtained the EIA that was availed to the researchers, it was established that it was issued by EMA without any consultations with

the local people as stipulated by the Mines and Mining Development Act.

4.3 Socio-Economic Impact and Implications of Chinese Investments

Indicators

Foreign Direct Investments (FDI) should benefit both the source and destination countries.⁹⁵

According to Researchfdi.com (2023),⁹⁶ FDI ought to bring the following benefits:

- Economic development stimulation: FDI stimulates a host country's economic development and creates a conducive environment for companies to operate effectively while stimulating local community social and economic growth.
- Employment and economic boost: FDI creates new jobs and more opportunities as investors build new companies in foreign countries. This can lead to an increase in income and more purchasing power to locals, which in turn leads to an overall boost in targeted economies.
- Development of resources: The skills gained by the workforce through training increases the overall education and human capital within a country.
- Resource transfer: FDI allows for resource transfers and the exchanges of knowledge, technologies, and skills.
- Increased productivity: The facilities and equipment provided by foreign investors can increase a workforce's productivity in the target country.
- Increase in a country's income: Another advantage of FDI is the increase of the target country's income. With more jobs and higher wages, the national income normally increases and this promotes economic growth.⁹⁷

Perceptions and Reality

Respondents' perceptions in view of the above indicators were largely negative. Chinese investments are seen as negatively affecting the local people and posing a serious threat to the socio-economic well-being of present and future generations.

The plunder of natural resources and exploitation of the local people by the Chinese is viewed as an economic and national security threat that should not be ignored by policymakers. The parliamentary committee on Defence succinctly stated this when it noted in its conclusion that "all forms of illicit activities in the mining, processing and marketing of minerals risk plunging our country into economic, social and political turmoil. When the economy bleeds, political mischief and social unrest become imminent thereby threatening national security."⁹⁸

⁹¹ Team Pachedu (2023) <https://twitter.com/PacheduZW/status/1499752124984578048?lang=en>

⁹² Meeting with community members on the 17th of February 2023

⁹³ *Ibid*

⁹⁴ *Ibid*

⁹⁵ *Ibid*

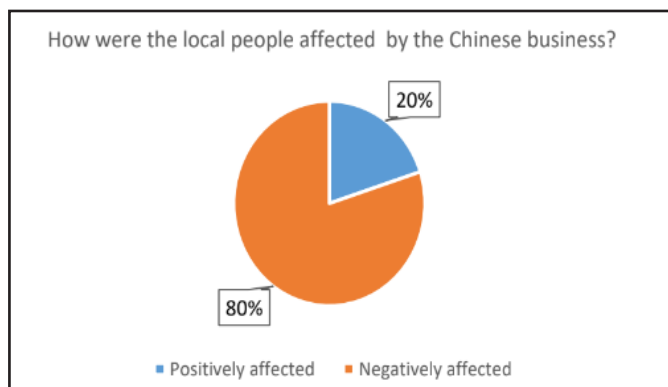
⁹⁶ Researchfdi (2021) *Benefits And Advantages Of Foreign Direct Investment [online] Available at Benefits and advantages of foreign direct investment | Research FDI [Accessed on 13 April 2023]*

⁹⁷ *Ibid*

⁹⁸ *Ibid*

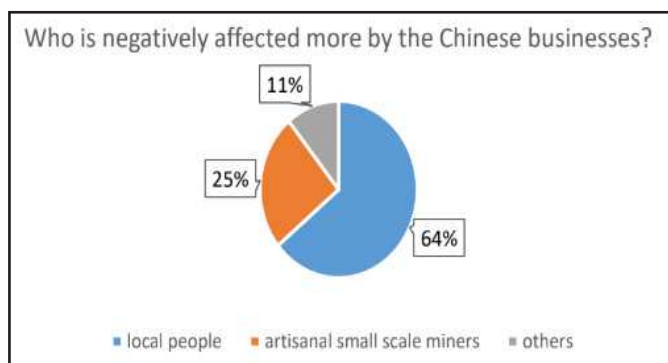
Figure 8 below attests to the negative implications of Chinese investments on local communities. A significant number of respondents (80%) felt that they were negatively affected while 20% said they were positively impacted by the Chinese investments.

Figure 7: Effects of Chinese investments on the local people



In addition, it was established as shown in Figure 9 below, that Chinese investments in Zimbabwe affect the local communities (64%) more than it affects artisanal and small-scale miners, when they are separated from the former (25%). The remainder, 11%, falls in the “others” category, which includes civil society organisations and enforcement agencies.

Figure 8: Victims of the negative effects of Chinese investments



In the Mapanzure area of Zvishavane, Chinese chrome miners displaced the local people from their fields and pastures. Grazing land was fast diminishing, thereby threatening livestock production, which is a significant source of food, income and power for tilling the land. Far from deriving economic benefits from the abundant chrome mineral wealth, the host communities were slowly being driven into poverty.⁹⁹

In the same area of Zvishavane, Chinese chrome miners such as Bunday Technical Mining (Pvt) Ltd displaced the local people and operated from a site where the local artisanal and

small-scale miners were displaced. The ASMs were removed under the pretext that their mining activities were endangering the railway line to Chiredzi. The impression created by Zimbabwean authorities was that the area was a ‘no go area’ for anyone. However, residents were shocked to see Bunday Technical Mining (Pvt) Ltd coming in and carrying out similar mining activities at the same place where they were removed.¹⁰⁰ This way, artisanal and small-scale miners lost mining opportunities at sites that were taken over by Chinese investors.¹⁰¹

The displacement of the local people by the government authorities fronted by the political elite and traditional leaders shows that the Chinese disadvantaged residents of the local communities.

Furthermore, AfroChine Smelting (Pvt) Ltd exploited the local artisanal and small-scale miners that included women. It was buying chrome ore from local artisanal small-scale miners at very low prices per tonne. AfroChine Smelting (Pvt) Ltd dictated the price range, which is between US\$25 to US\$45 per tonne, but the ASMs deemed this to be too low. The ore from the ASMs was bought without grading and the Chinese buyers mostly insisted that the ore was of a low grade even though they went on to sell it at prices three times higher on the international market. Such distortions have awakened the Minerals Marketing Corporation of Zimbabwe (MMCZ) to the need to regulate the prices (<https://www.newsday.co.zw/business/article/200000736/mmcz-moves-to-tackle-chrome-price-crisis>).

A meeting held with artisanal and small-scale miners on 10th May 2023 at Mapazuli business centre in Zvishavane confirmed AfroChine Smelting (Pvt) Ltd’s exploitative tendencies. The company was buying fine chrome ore at US\$10 per tonne while that in block form went for between US\$25 and US\$45. However, the mining company was forcing the ASMs desperate for markets to mix fine ore and that which was in block form and paying US\$10, meaning that the artisanal and small-scale miners were being shortchanged.

Employment Creation

One of the relative benefits of Chinese investments is in the area of employment creation.¹⁰² It was confirmed that, in all the cases studied, the Chinese investors employed varying numbers of local people.

Ming Chang Sino Africa Odzi Mining (Pvt) Ltd had a staff complement of 15 Chinese, 28 semi-skilled workers and 10 general hands that were drawn from the Odzi community.¹⁰³

However, because of insecurity at the mine as well as poor conditions of service, staff turnover was high.¹⁰⁴ Respondents

⁹⁹ Meetings with community members and artisanal small scale miners on 15 February 2023 and on the 10th of May 2023

¹⁰⁰ Meetings with community members and artisanal small scale miners on 15 February 2023 and on the 10th of May 2023

¹⁰¹ Meetings with community members and artisanal small scale miners on 15 February 2023 and on the 10th of May 2023

¹⁰² <https://tradingeconomics.com/zimbabwe/unemployment-rate#:~:text=In%20the%20long%20term%2C%20the,according%20to%20our%20economic%20models.&text=In%20Zimbabwe%2C%20the%20unemployment%20rate,percentage%20of%20the%20labour%20force.>

¹⁰³ Centre for Research and Development (n.d) Workers raise alarm over poor working conditions at Ming Chang Sino Africa Investments in Odzi, Mutare. [online] Available at <http://www.crdzim.org.zw/crd%20press%20statements.html> [Accessed on 27 March 2023]

¹⁰⁴ *ibid*

testified that, in some cases, the locally sourced labour force gained technical and supervisory mining skills and knowledge.¹⁰⁵

However, Ming Chang Sino Africa Odzi Mining (Pvt) Ltd was accused of paying very low wages. For instance, the lowest paid employee was receiving US\$6. Such a rate falls short of the amounts set out in SI 286/21 (Collective Bargaining Agreement: Mining Industry), which stipulates the minimum salary payable at US\$192.98

In Zhombe, Dore Green Customs Milling employed 60 locals and 6 Chinese nationals at its peak, but the figure dropped to 42 locals as disgruntled staff left. Among the 42 workers were 3 women employed as interpreter, cleaner and cook. General labourers were paid an average of US\$80 per month. The locals lost their jobs when the company closed in December 2022.

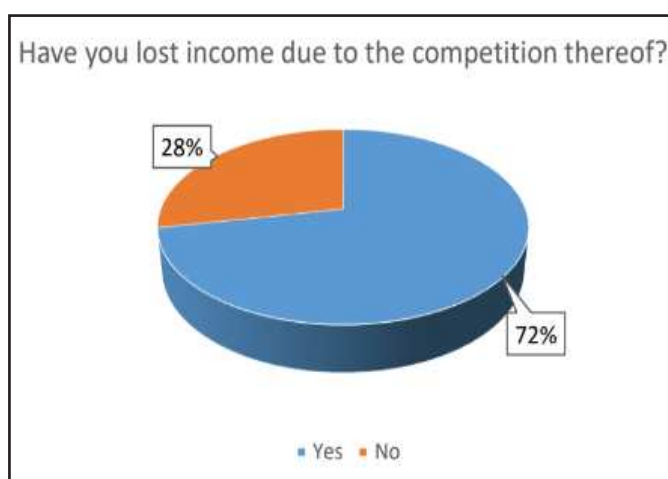
They became jobless, went into artisanal mining or found employment opportunities elsewhere. Participants revealed that Dore Green was not enforcing pension contributions to the National Social Security Authority (NSSA).¹⁰⁶

Chengxi Mining (Pvt) Ltd in Shurugwi employed 150 Zimbabweans, with the managing director (Tapiwa Chipembere) being a Zimbabwean too. However, not all the Zimbabwean workers were from the surrounding communities.

Loss of income and livelihoods due to Chinese activities

Local communities and artisanal and small-scale miners were affected by Chinese projects. As Figure 12 below shows, a significant number (72%) confirmed this trend.

Figure 9: Lost income due to Chinese investments



¹⁰⁵ *ibid*]

¹⁰⁶ <https://www.nssa.org.zw/about-nssa-2/>

In Zhombe, for instance, Dore Green Customs Milling competed with several artisanal and small-scale miners. The Chinese investor had three hammer mills valued at less than US\$30,000. This falls within the category of ASMs. Artisanal small-scale miners lost income due to the activities of Dore Green Customs Milling. Box 2 illustrates how artisanal and small-scale miners were affected.

Box 2: Competition with Local Miners by Dore Green Custom Milling

Competition between Dore Green Custom Milling and local miners in Zhombe Dore Green Customs Milling operated from a communal plot of land initially allocated to one Tawanda Makuvaza who carried out farming and mining concurrently. Tawanda was lured off his land when Lameck Mnangagwa, reportedly a relative of the president, intervened on behalf of Dore Green and the farmer-cum-miner was paid US\$11,000. Adjacent to the Chinese mine is another mine owned by one Blessed Makuvaza, who ran a sole hammer mill that he used to process gold ore for other artisanal and small-scale miners in the area. When the Chinese investor came, Blessed's business was severely affected because the artisanal miners flocked to Dore Green, which, unlike Blessed, offered them free transport to ferry their ore to their milling centre. The research established that at least seven other small miners also lost business when Dore Green established itself in the area. Artisanal miners who took their gold ore for milling at Dore Green Customs Milling later complained they were cheated of their gold alluvial. They said they were receiving far less purified gold, with the miner retaining the dregs for further treatment through cyanidation.

Source: Meeting with the local community and former workers on 17th February 2023.

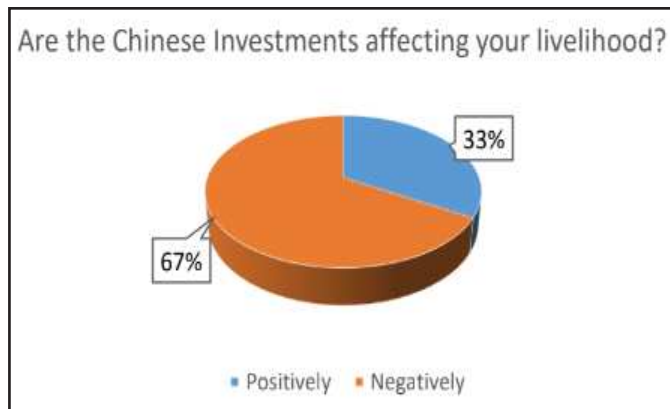
Picture 11 below shows a neighbouring mine owned by one Blessing Makuvaza, whose activities were affected.



Pictorial Evidence 9: Affected locally owned small-scale mine

Figure 13 below shows that Chinese investments had a huge impact on people's livelihoods and capacity to generate income. There were concerns of the exploitation of locals in Zvishavane where local chrome miners depended on the Chinese investors for machinery and a market for ore. In theory, the partnerships are mutually beneficial. But, in practice, Zimbabwean miners said that the relationships are exploitative because the investor makes financial demands that leave them with little to no profits.¹⁰⁷

Figure 10: Effects of Chinese investments on community livelihoods



In Zhombe, the Siziba family abandoned a field that was close to the mine since the Chinese emptied contaminated water in the area. The family was afraid that their crops would be unsuitable for human and animal consumption. In addition, some community members shown in Box 3 below lost cattle and goats.

Box 3: Community members who lost cattle due to contaminated water

Community members who lost their cattle due to negligence by Dore Green Custom Milling

The following community members lost their cattle due to Dore Green Customs Milling activities:

- a) Patricia Moyo - 1 cow
- b) Sibongile Makuva - 2 cows
- c) Mr. Hlongwane - 2 cows

The community members are based close to Dore Green Customs Milling Centre at Zororo Business Centre in Zhombe

Source: Meeting with the local community and former workers on 17th February 2023.

4.4 Environmental Implications of Chinese

Investments in Zimbabwe

Seven major issues have been identified that are associated with mining as enunciated by Environmentgo (<https://environmentgo.com/environmental-impacts-of-open-pit-mining/>) and other sources cited, namely:

1. Soil erosion, Siltation and Pollution

Excavation leads to damage of surface soil, rocks and available vegetation. Topsoil is also eliminated and that causes soil erosion. Land damage and degradation also occur due to excavation of mineral ores and damping of the overburden.¹⁰⁸ Poor waste disposal can also lead to siltation of water bodies.

2. Deforestation and Vegetation Loss

As the process of extraction occurs, land clearance occurs and mineral sites are stripped of trees and vegetation to enable access to the ore.

3. Water Contamination

Unregulated mining practices lead to contamination of water sources and bodies. The overburden produced and then damped creates tonnes of waste. Some waste products are from the mineral ores and others from deliberate mixing of materials during extraction and processing.

4. Species Extinction

Mining affects the environment and associated biota through the removal of vegetation and topsoil, the displacement of fauna, the release of pollutants, and the generation of noise. Open-pit mining is particularly devastating to the ecosystem as it destroys biodiversity.

5. Sinkhole Formation

Poor practices during open-pit mining can create sinkholes and make the environment susceptible to damage. Sinkholes are the cavities formed after the deformation and displacement of the overlying strata. The possible causes of sinkhole formation include weak overburden removal practice, shallow depth extraction, geological disturbances, and rainfall among others,

6. Air Pollution

Mining processes generate an enormous amount of toxic wastes that, after mixing with the atmospheric air, cause air pollution that affects not only mine workers' health but also the local atmosphere, flora and fauna.

7. Negative Impact on Cultural and Aesthetic Resources

"Mining activities can cause direct and indirect impacts to cultural resources. Direct impacts can result from construction and other mining activities. Indirect impacts can result from soil erosion and increased accessibility to current or proposed mining sites. Mining projects can affect sacred landscapes, historical infrastructures, and natural landmarks."¹⁰⁹

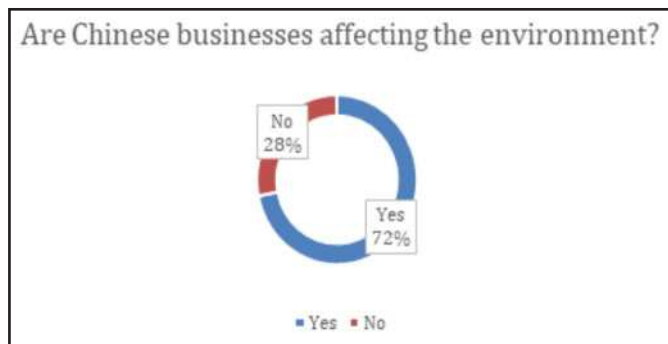
¹⁰⁷ <https://globalpressjournal.com/africa/zimbabwe/tensions-flare-zimbabwe-chrome-miners-chinese-investors/>

¹⁰⁸ "Overburden is the rock or soil layer that needs to be removed in order to access the ore being mined. Overburden is also referred to as spoil or waste." <https://www.flyability.com/overburden>

¹⁰⁹ <https://www.elaw.org/files/mining-eia-guidebook/Chapter1.pdf>

This study established numerous bad practices by the miners that negatively affected the environment. 72% of the participants classified the Chinese mining practices as harmful to the environment.

Figure 11: Effects of Chinese investments on the environment



In Shurugwi, Chengxi Mining (Pvt) Ltd was accused of wanton destruction of forests and the Boterekwa Escarpment. As a result, the escarpment has lost its beauty that was an attraction to local and international tourists. Tourism is considered one of the mainstays of the Zimbabwean economy, so the destruction of the escarpment not only affects the environment, but the local and national economies too.

In the long run, deforestation contributes to climate change, as manifested through extreme weather patterns like droughts or floods and this tends to worsen the vulnerability of communities that are dependent on subsistence farming.

Pictorial Evidence 10: Images of Boterekwa escarpment being destroyed by Chengxi Mining (Pvt) Ltd



As shown in the pictorial evidence above, Chengxi Mining (Pvt) Ltd was using opencast mining that is destroying the escarpment from the top.

In addition, Chengxi Mining (Pvt) Ltd uses the heap leaching process. This entails stacking gold ore onto a heap on an impermeable pad, irrigating the ore for an extended period of time with a chemical solution to dissolve the sought-after metals and collecting the leachate as it percolates from the base of the heap.¹¹⁰

However, heap leaching, according to experts like Catherine Reichardt, exposes communities, livestock, wildlife and fauna to dangerous chemicals from the mine.¹¹¹

The visual below shows the heap leaching process being used by Chengxi Mining (Pvt) Ltd at the Boterekwa escarpment.



Pictorial Evidence 11: Heap Leaching at Chengxi Mining (Pvt) Ltd in Shurugwi

Similarly, Ming Chang Sino Africa's Odzi mine as well as Dore Green used the heap leaching process.

Pictures below show water-filled pits left after chrome mining in Zvishavane. These pits were left open after the exhaustion of the chrome ore.

Pictorial Evidence 12: Water filled open pits in Zvishavane



¹¹⁰<https://www.sciencedirect.com/science/article/pii/B9780444636584000256#:~:text=Heap%20leaching%20involves%20stacking%20of,the%20base%20of%20the%20heap.>

¹¹¹ <https://thebossmagazine.com/heap-leaching/>

In Zvishavane, villagers accused the sampled mine and other Chinese mining companies operating in their areas of destroying the environment and encroaching into their crop fields. The villagers are incensed that the Ministry of Mines and Mining Development has given large swathes of their land to Chinese mining companies. The Chinese nationals started mining operations without even consulting or engaging the villagers or the Rural District Council.¹¹² A scramble for Zimbabwean chrome by Chinese miners has left a trail of destruction on the environment along the Great Dyke where abandoned pits are posing a deadly threat to human life and livestock.¹¹³



Pictorial Evidence 13: Reduced rural farmland bordering a mine dump in rural Zvishavane

In Zvishavane, AfroChine buys chrome ore from miners like Bunday Technical Mining (Pvt) Ltd and Ritcol Resources (Pvt) Ltd. However, it is alleged that Bunday Technical Mining (Pvt) Ltd started operating without an EIA. It acquired an EIA way after it had already started operating.

The acquisition process was unprocedural since local stakeholders were not consulted. The local people urged an investigation into why EMA issued an EIA without confirming whether or not due procedure had been followed.

The area has numerous deep, open and unsecured mining pits that turn into huge water bodies during the rainy season. Some of these pits have been left open for many years and there is no hope that they will be rehabilitated.

AfroChine was not rehabilitating pits, insisting that the responsibility to do so was with the artisanal and small-scale miners. However, artisanal and small-scale miners and some tributary operators allege that the Chinese should be responsible for environmental rehabilitation since they withhold environmental rehabilitation fees on chrome sales. It is also important to note that the claims in the area are in the name of ZIMASCO114 which, in that capacity as the claim owner, should also be accountable for land rehabilitation.

Below are some of the effects of the activities of one of the sampled cases, Dore Green, on the environment.

Box 4: Effects of Dore Green Custom Milling activities on the environment

Contaminated Water from the Dore Green Custom Milling Centre

The community stated that Dore Green Custom Milling started operating without an EIA. The Chinese came into the area without any consultations with the community. The EIA was only obtained after the community had raised concerns following loss of livestock due to cyanide poisoning.

The Chinese company used cyanide and other chemicals such as mercury to extract gold at the launder level. Contaminated water passed through the launder into a tank and then into the nearby fields and, finally, into Somalala Dam whose water is used by the entire community for consumption, fishing and irrigation for 30 villages.

Furthermore, birds died in their hundreds, and a local source indicated that the community especially children, herd boys and mine workers consumed them.

Source: Meeting with the local community and former workers on the 17th of February 2023.

In Zhombe, Dore Green Custom Milling left dumps that contain chemicals that pose threats to human and animal life. The picture below shows the dumps.



Pictorial Evidence 14: Mine dumps and unsecured fence at Dore Green Milling

¹¹² <https://allafrica.com/stories/201205210545.html>

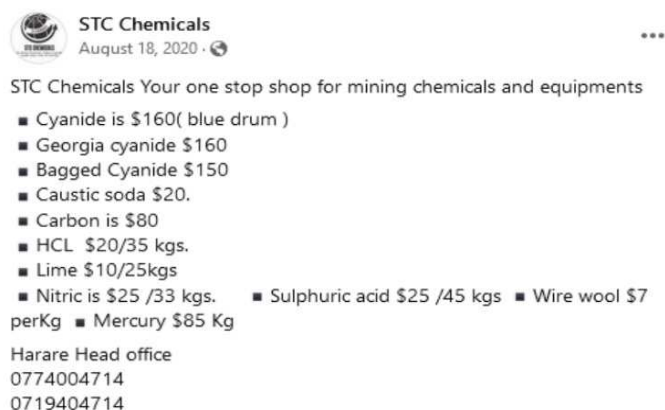
¹¹³ <https://www.newzimbabwe.com/feature-chinese-scramble-for-zims-chrome-leaves-communal-lands-scarred/>

¹¹⁴ <https://www.linkedin.com/company/zimasco-pvt-ltd/>

One of the chosen case studies, STC Chemicals (Pvt) Ltd, is pregnant with examples of how a Chinese company is contributing to environmental degradation. It describes itself as a “one stop shop for mining chemicals and equipment”.¹¹⁵

The list of chemicals sold by the Chinese investor is shown in the below figure.

Figure 12: STC chemicals, products and services



STC Chemicals
August 18, 2020 · 🌐

STC Chemicals Your one stop shop for mining chemicals and equipments

- Cyanide is \$160(blue drum)
- Georgia cyanide \$160
- Bagged Cyanide \$150
- Caustic soda \$20.
- Carbon is \$80
- HCL \$20/35 kgs.
- Lime \$10/25kgs
- Nitric is \$25 /33 kgs. ■ Sulphuric acid \$25 /45 kgs ■ Wire wool \$7 perKg
- Mercury \$85 Kg

Harare Head office
0774004714
0719404714

STC Chemicals (Pvt) Ltd billboards advertising mercury and other chemicals are prominently placed along major highways in Zimbabwe.



Pictorial Evidence 15: Billboard along Kadoma- Harare Highway

There are legal, health and environmental concerns associated with one of the products STC sells to miners, namely mercury. Mercury is a persistent, highly toxic heavy metal whose continued inhalation can cause death¹¹⁶. Trading in mercury is an issue of great concern that prompted the development of the Minamata Convention on Mercury. This is an international treaty designed to protect human health and the environment from anthropogenic emissions and releases of mercury and its compounds. Both Zimbabwe and China have both signed and

ratified the Minamata Convention and the former banned mercury use in mining in December 2020 (<https://www.reuters.com/article/zimbabwe-mining-mercury-idUKL8N2J50CP>).

Globally, the single largest source of human-made mercury emissions is the artisanal and small-scale gold mining sector, which is responsible for the release of as much as 1,000 tonnes of mercury to the atmosphere every year.¹¹⁷

Despite the ban, STC Chemicals is still selling mercury to artisanal and small-scale miners who do not have adequate knowledge on how to use it with care. In this sense, STC is driving the illegal use of mercury and, in turn, acute harm to the environment as well human and animal health.

Generally, the sale of mercury is not banned, though. The ban is limited to mining and other harmful industrial uses and practices. This is apparently the loophole that STC Chemicals is thriving on. It emerged that the company did not vet clients who buy mercury from it and it is likely that it knows some of them as artisanal gold miners.

A research—under the Global Mercury Project—by the United Nations Industrial Development Organisation (UNIDO) which was conducted from 2007 to 2012 revealed that Zimbabwe had an estimated 500, 000 artisanal gold miners, and the number is expected to have increased over the years.

Toxic mercury vapour from the process of burning the amalgam during gold processing impacts negatively on miners, their families and nearby communities¹¹⁸. Most gold mining activities are carried out in rivers and streams, which drain into dams and lakes. “Mercury contaminates water, accumulates in sediments and bio-accumulates in fish and tissues of other aquatic species. The following may be noted about the chemical.

- Mercury in the air may settle into water bodies and affect water quality;
- Methyl mercury accumulates in fish at levels that may harm fish and the other animals that eat them;
- Methyl mercury exposure on wildlife can cause mortality, reduced fertility, slower growth and development and abnormal behaviour that affects survival;
- Research indicates that the endocrine system of fish, which plays an important role in fish development and reproduction, may be altered by the levels of methyl mercury found in the environment;¹¹⁹

Once present in aquatic ecosystems, elemental and inorganic mercury can undergo chemical transformations to methylated mercury and enter the food web and high-level predators such as birds and humans could be in danger of contamination.¹²⁰

¹¹⁵ STC Chemicals (2020). . [online] Available at <https://www.facebook.com/profile.php?id=100070196534812> [Accessed on 14 February 2023]

¹¹⁶<https://my.clevelandclinic.org/health/diseases/23420-mercury-poisoning#:~:text=Elemental%20mercury%2C%20if%20inhaled%2C%20can,to%20death%20if%20not%20treated.>

¹¹⁷ "Minamata Convention on Mercury Aims #MakeMercuryHistory". No. Online. ABC Live India. Retrieved 16 August 2020

¹¹⁸ <https://www.zarnet.ac.zw/evol/environ/mercury-and-the-environment/>

¹¹⁹ <https://www.zarnet.ac.zw/evol/environ/mercury-and-the-environment/>

¹²⁰ Ministry of Environment, Water & Climate (2018). Mercury and the environment [online] Available at <http://www.zarnet.ac.zw/evol/environ/mercury-and-the-environment/> [Accessed on 16 February 2023]

¹²¹ <https://www.hsbc.co.uk/investments/what-is-sustainable-investing/>

4.5 Sustainability of Chinese Investments in Zimbabwe

In the context of this study, “sustainable investment” refers to specific investment approaches that aim to generate long-term financial, social, environmental and economic returns while advancing lasting business solutions and outcomes.¹²¹ Thus, sustainability of Chinese investments was assessed on the basis of the long-term financial and other benefits brought by the projects, taking into account their local—or community or regional level—and national reach and influence.

Sustainability was also premised on the duration of the investments and job security for the local people. Largely, the Chinese investments that were studied did not demonstrate that they were based on deliberate organisational mechanisms or models to ensure sustainability.

Some of the Chinese investments studied were short-lived and, therefore, hugely unsustainable. For instance, Dore Green Customs Milling commenced operations around 2015 and closed down on 31st December 2022. In addition, Ming Chang Sino Africa (Pvt) Ltd stopped its operations in Kwekwe in 2022 before it handed over mining operations to Vigilant Resources (Pvt) Ltd, which is allegedly linked to PEPs.

It is clear that the two companies did not have long-term operational or strategic plans. If they had thoroughly assessed the economic and political environment, evaluated their weaknesses, threats and opportunities and designed a solutions matrix, these mines might have lasted far longer.

So, evidently, the companies were operating on a largely ad hoc basis with no long-term business plans. Resultantly, they exploited the available resources without taking the needs of current and future generations into account, nor the enduring survival of the companies in mind.

Closure of the two Chinese investments had disastrous effects on the well-being of workers who lost employment. In addition, Ming Chang Sino Africa (Pvt) Ltd in Kwekwe left a huge electricity bill that remained unpaid at the time of reporting.¹²² In the process, it disrupted the operations of Vigilant Resources (Pvt) Ltd when ZETDC switched off electricity due to the unpaid bill. As a result of the temporary nature of some Chinese investments, worker security, as noted by Longhi (2012), is compromised.

¹²³ Companies like Dore Green and Ming Chang should have learnt essential lessons from other and bigger Chinese firms. In 2012, for example, the Chinese state-owned Anhui Foreign Economic Construction Company (AFECC) that built the National Defence College at a cost of USD98-million loan from the China Export and Import Bank dumped over 2,000 workers that had

been hired to build the military institution.¹²⁴

In addition, it was established that the sampled Chinese companies did not sufficiently invest in their workers. They housed them in temporary, often sub-standard, shelter, did not place the employees on pension to cater for life after employment and lacked systematic up-skilling strategies. Their relationship with the workers was mostly adversarial and there was no evidence that the companies had adopted plans to train the workers.

This contrasts sharply with some notable non-Chinese investors such as Anglo- America through its Unki project¹²⁵ and Mimosa operating in the Midlands Province. Mimosa Mining (Pvt) Ltd considers its employees as an integral part of the company and has provided an employee housing scheme that aims at ensuring that all workers have access to modern and comfortable housing.¹²⁶ The following is a juxtaposition of Mimosa and Ming Chang housing structures.



Pictorial Evidence 16: Mimosa housing units for Employees
Source: Mimosa (2023) *Our People | MIMOSA Mining* <https://www.mimosa.co.zw/sustainability/social/our-people>



Pictorial Evidence 17:: Ming Chang Sino Africa substandard accommodation for employees
Source: www.crdzim.org.zw

¹²² Meeting with former workers on the 10th of March 2023

¹²³ Longhi, V (2012) *Chinese companies free to exploit workers in Zimbabwe*. [online] Available at *Chinese companies free to exploit workers in Zimbabwe - Equal Times* [Accessed on 12 April 2023]

¹²⁴ Ibid

¹²⁵ <https://miningdataonline.com/property/1248/Unki-Mine.aspx#:~:text=Indirect-,Anglo%20American%20Platinum%20Ltd.,and%20operates%20the%20Unki%20mine.>

¹²⁶ *Our People | MIMOSA Mining*

Dore Green Custom Milling did not offer any accommodation for its staff. Accommodation was only provided for Chinese nationals, whilst the rest of the workers commuted from their respective villages. Workers finding it difficult to commute from their homesteads ended up renting at the nearby business centre and adjacent villages. Ming Chang Sino Africa (Pvt) Ltd offered accommodation to only some of its workers, especially loss control officers like security guards.

The sampled mines did not implement corporate social responsibility projects. They did not invest in community health and education, nor did they participate in local infrastructural development.

It is common cause, though, that CSR initiatives are not only meant to plough back and thank the host communities. They also help enhance human capital through better health, education and more effective means of transport, for instance. They motivate workers and reinforce local buy-in into the business. An investment that is resented or rejected by the local community is bound to fail or operate below optimal capacity.

In addition, Chinese investors leave a trail of massive environmental damage that makes it difficult for the present and future generations to use the same to generate income to sustain themselves.

For instance, chrome mining in Zvishavane by AfroChine Smelting (Pvt) Ltd has left deep gullies that make it difficult for the local communities to use the same land for farming purposes, which is their main source of income. The gullies also make the local communities vulnerable to outbreaks of diseases such as cholera and malaria.

If the repeated allegations of smuggling of minerals hold water, then the Chinese companies are unsustainable in another sense. Smuggling robs communities and the country of revenue since the money realised by the smugglers is externalised to other countries and, therefore, is not used to develop the country and the communities. The host communities are, therefore, left worse off than before because none of the proceeds of the mining get back to them.

Chapter 5

Conclusion and Recommendations

5.1 Conclusion

It is undeniable that Zimbabwe and China have traditionally enjoyed good bilateral relations from the time the former was fighting for independence against colonial rule. This relations dating back before the attainment of independence on 18th April 1980. The political, cultural and trade relations have grown over the decade and were upgraded to strategic status when President Mnangagwa took over from the late Robert Mugabe through a military-assisted power transition in November 2017.

The deliberate prioritisation of Chinese investments has seen a spike in investments of varying sizes from the Asian country. While this trend is touted as part of Zimbabwe's thrust to bolster FDI to revive and grow the economy, samples of Chinese companies that were chosen for study demonstrated that there is a preponderance of negative impacts that the investments have brought.

There is an overwhelming perception that the investments are not bringing desired benefits to local communities and the country.

Most of the investments are locally registered, but this sign of compliance is overshadowed by the fact that the companies, which enjoy protection from PEPs, are largely operating with impunity and in contravention of the Constitution of Zimbabwe, local statutes and regulatory frameworks as well as international conventions.

These contraventions manifest in environmental, human rights, labour rights and socio-economic violations. The investments tend to lack sustainability as they are short-sighted and ad hoc in nature, and lack mechanisms to ensure, produce and maintain long term benefits and solutions for themselves, local communities and the nation.

5.2 Recommendations

In keeping with the above, the following recommendations are made:

- **Audit of Chengxi Mining (Pvt) Ltd, AfroChine Smelting (Pvt) Ltd, Dore Green Customs Milling, STC Chemicals (Pvt) Ltd and Ming Chang Sino Africa (Pvt) Ltd:** Chinese investors should be audited considering a plethora of allegations that have been leveled against them by local communities and other key stakeholders.
- **Enforce national laws and policies against the Chinese without fear or favour or prejudice:** Law enforcement agents and other regulatory authorities should enforce the law against Chinese investors who are largely accused of disregarding national laws and policy frameworks, violating labour rights, committing human rights violations, degrading the environment, and corruption,

- **Investigate Chinese investments' contribution to the national fiscus:** An investigation should be instituted to assess the contributions of Chinese investments to the national fiscus.
- **Legalise Chinese investments:** Chinese companies should legalise their operations, comply with the law and respect the values of the country.
- **Monitor Chinese investments in Zimbabwe:** Regulatory authorities should closely monitor Chinese investments considering the numerous claims and evidence of violations of national legal and policy frameworks, including smuggling of gold, chrome, lithium and other precious resources.
- **Protect local artisanal small-scale miners:** Several Chinese investments directly compete with local artisanal small-scale miners. The government should strictly enforce adherence to the law to ensure that the local artisanal small-scale miners are protected in the reserved sectors of the economy.
- **Compensate local communities:** Communities that lost income and whose household livelihoods were destroyed through Chinese mining activities should be compensated.
- **Enforce ban on the use of mercury:** Law enforcement agencies and other relevant regulatory authorities must investigate and monitor the sale of mercury to artisanal miners.
- **Rehabilitate the environment:** Chinese investors should be ordered to rehabilitate the environment where they are still operational or left without rehabilitating the environment.
- **Introduce stiffer penalties for wrongdoing:** Stiffer penalties should be imposed against investors flouting national laws and regulations.
- **Engage in Corporate Social Responsibilities (CSR) and make it mandatory¹²⁷:** The Ministry of Mines and Mining Development and relevant authorities should make CSR activities mandatory and not leave it to the whim of individual investors.
- **Ban unsustainable Chinese investments from operating:** Based on the finding that some Chinese investments such as Dore Green Customs Milling and Ming Chang Sino Africa closed and left workers and other stakeholders stranded, the government should ban all investments deemed unsustainable. It must come up with a blueprint for the sustainability of investments
- **Improve employees' conditions of service:** Apart from low wages, this investigation found out that Chinese investors do not offer pension to their employees and also that they do not offer long term contracts. Efforts should be made by the Chinese to improve workers' conditions of service.
- **Disclose mineral output:** Chinese gold miners should disclose information on the gold and other minerals that they produce.

In addition to the above, the following areas are proposed for future research

- An investigation of smuggling of gold, lithium and chrome alleged against Chinese investors
- Similar research into other facets of the Zimbabwean economy such as investments in recreational parks, agriculture, and manufacturing, among others.

¹²⁷ <https://www.intechopen.com/chapters/83098>

References

- WorldAtlas.com (2023), Countries with Most Chinese outside China. [Online] Available at <https://www.worldatlas.com/articles/countries-with-most-chinese-outside-china.html>
- Government of Zimbabwe (2022), Zimbabwe is Open for Business [Online], Available at <http://www.zim.gov.zw/index.php/en/my-government/government-ministries/finance-and-economic-development/9-uncategorised/381-zimbabwe-is-open-for-business>
- Reserve Bank of Zimbabwe (2022), Foreign Investment & Trade Framework [Online], Available at <https://www.rbz.co.zw/index.php/regulation-supervision/exchange-control/foreign-investment-trade-framework/89-foreign-investment-trade-operational-framework>
- Xinhua (2021), Zimbabwe Welcomes More Chinese Investment: Minister, [Online], Available at http://www.xinhuanet.com/english/africa/2021-02/12/c_139738114.htm
- Shaochun, G (2019), Welcome Message from H.E. Ambassador Guo Shaochun [Online], Available at http://zw.china-embassy.gov.cn/eng/dsxx/dsxc/201510/t20151016_6848007.htm
- Kamidza, R and Ojamarotu, V (2018) Look East Policy: The Case of Zimbabwe–China Political and Economic Relations Since 2000, India Quarterly, Vol. 74, No. 1 (March 2018), pp. 17-41 [Online], Available at <https://www.jstor.org/stable/48505568>
- Ministry of Foreign Affairs & International Trade (2023), Mining Sector [Online], Available at <http://www.zimfa.gov.zw/index.php/trade-and-investment/mining-sector>
- Chinese Embassy in Zimbabwe (2023), False News and Truth [Online], Available at <http://zw.china-embassy.gov.cn/eng/sszx/>
- Matasva, F (2022), Chinese Miner in a Workers Ill-Treatment Storm. [Online], Available at <https://allafrica.com/stories/202209260403.html>
- Chiwanika, A (2023), Chinese Mine Allays Dears over Boterekwa Escarpment [Online], Available at <https://masvingomirror.com/chinese-mine-allays-fears-over-boterekwa-escarpment%E0%B8%8C/>
- Parliament of Zimbabwe (2013), Report - Chrome Mining Sector in Zimbabwe 2013
- Khupe, A (2019), Rampant Abuse at Chinese-owned Mine [Online], Available at <https://cite.org.zw/tag/ming-chang-sino-africa-mining-investments/>
- NewsDay (2023), Gold Miner Brings Cheer to Odzi Villagers [Online], Available at <https://www.newsday.co.zw/local-news/article/200007289/gold-miner-brings-cheer-to-odzi-villagers>
- TeamPachedu (2023), (Online), Available at <https://twitter.com/PacheduZW/status/1499752124984578048?lang=en>
- Centre for Research and Development, Workers Raise Alarm over Poor Working Conditions at Ming Chang Sino Africa Investments in Odzi, Mutare [Online], Available at <http://www.crdzim.org.zw/crd%20press%20statements.html>
- Mavhunga, C (2022) Zimbabwe Villagers Fear Being Evicted to Make Way for Chinese Mining Company [Online], Available at <https://www.voanews.com/a/zimbabwe-villagers-fear-being-evicted-to-make-way-for-chinese-quarry-mining-company/6423911.html>
- Kasiwulaya, K (2022) Shurugwi Miners in Land Rehabilitation Drive [Online], Available at <https://thesunnews.co.zw/shurugwi-miners-in-land-rehabilitation-drive/>
- Chiwanika, A (2023), Chinese Mine Allays Fears over Boterekwa Escarpment [Online], Available at <https://masvingomirror.com/chinese-mine-allays-fears-over-boterekwa-escarpment%E0%B8%8C/>
- Ministry of Environment, Water & Climate (2018). Mercury and the Environment [Online], Available at <http://www.zarnet.ac.zw/evol/environ/mercury-and-the-environment/>
- Khupe, A (2019) Rampant Abuse at Chinese-owned Mine [Online], Available at <https://cite.org.zw/tag/ming-chang-sino-africa-mining-investments/>
- Longhi, V (2012) Chinese Companies Free to Exploit Workers in Zimbabwe [Online], Available at <https://www.equaltimes.org/chinese-companies-free-to-exploit?lang=en>
- Friedrich Ebert Stiftung (2004), The Look East Policy of Zimbabwe Now Focuses on China. Policy Brief Paper [Online], Available at <https://library.fes.de/pdf-files/iez/50063.pdf>

Case Studies

Annex 1: Chengxi Mining (Pvt) Ltd

Overview

Chengxi Mining (Pvt) Ltd is a US\$21 million¹²⁸ Chinese gold mining and processing company that operates at Wolfshall Pass, commonly known by locals as Boterekwa, in Shurugwi in the Midlands province of Zimbabwe. It is located within a mineral-rich Achaean greenstone belt known as the Selukwe Schist Belt.¹²⁹ The presence of this belt makes the area around the town of Shurugwi one of the most attractive mineral-rich areas in the country. Wolfshall Pass has been well known for its beauty that was at one time a prime attraction for local and foreign tourists. This case study of Chengxi Mining (Pvt) Ltd gives information on the implications of its mining activities on local economic development, especially looking at how it affects artisanal small-scale miners and local communities in Shurugwi.

The tables below provides in more detail, the profile of Chengxi Mining (Pvt) Ltd and the implications of its investments on artisanal and small-scale miners and local communities.

Profile

Local Company Name	Chengxi Mining (Pvt) Ltd
Form of Registration	Registered under the Companies and Other Business Entities Act, 2019 [Chapter 24:31] ¹³⁰
Tax Number	0200243871 ¹³¹
Name of Managing Director	Tapiwa Chipembere
District	Shurugwi
Province	Midlands Province
Product	Gold, through open cast mining

¹²⁸ Chiwanika, A (2023) Chinese Mine allays fears over Boterekwa escarpment. [online] <https://masvingomirror.com/chinese-mine-allays-fears-over-boterekwa-escarpment%EF%BF%BC/> [Accessed on 27 January 2022]

¹²⁹ "Selukwe". www.rhodesia.me.uk. Archived from the original on 10 October 2014.

Stagman J G.(1978) *An Outline of the Geology of Rhodesia*. Rhodesia Geological Survey Bulletin No.80, p32

¹³⁰ <https://zimlil.org/akn/zw/act/2019/4/eng%402019-11-15>

¹³¹ https://www.comxport.com/co/chengxi_mining_pvt_ltd-zimbabwe-244199.php

Compliance with national laws and policy frameworks

<p>Compliance with national laws: the Constitution of Zimbabwe, 2013, Zimbabwe Investment Development Act (Chapter 14:37), Zimbabwe Revenue Authority Act, Environmental Management Act [Chapter 20: 27], Indigenisation and Economic Empowerment Act [Chapter 14:33], Labour Act [Chapter 28:01], Base Minerals Export Control (Unbeneficiated Base¹³² Mineral Ores) Order 2023, , Gold Act (21: 03), and Finance Act (Chapter 23:04)</p>	<p>A cross-section of the society that includes the local people, the media, environmentalists and others have largely accused Chengxi Mining (Pvt) Ltd of disrespecting national laws and policy frameworks The following are classic examples of the non-compliance thereof:</p> <ul style="list-style-type: none"> ● A police informant in Shurugwi indicated that the company was charged by EMA for operating without an EIA, which is one of the key requirements under the Environmental Management Act [Chapter 20: 27)].¹³³ ● Former workers at Chengxi Mining (Pvt) Ltd complained of poor conditions of service characterised by ill-treatment of workers and underpayment. In some cases. workers were forced to work without protective clothing, thereby being exposed to injuries and other health hazards.¹³⁴ ● The workers are barred from forming a workers' committee and joining any labour union. At the time of the compilation of the case study. there was no workers committee in existence at Chengxi Mine.¹³⁵ This is deemed to be in violation of Section 65 of the Constitution of Zimbabwe.¹³⁶ ● Chengxi Mining (Pvt) Ltd is accused of disturbing or compromising the scenic nature of the escarpment through open cast mining and removal of soil for leaching purposes.¹³⁷ ● Concerns were raised that gold production at the mine is secretive. Most of the stakeholders are in the dark about the extent of gold output. It is also not clear how much of it is sold to Fidelity Printers and Refiners in terms of the laws of the country.¹³⁸ Chengxi Mining (Pvt) Ltd displaced several registered and unregistered artisanal and small-scale miners. ● The company uses toxic substances in its gold leaching process. The tanks are situated uphill with a greater chance of the same toxic chemicals getting into rivers such as the nearby Mutevekwi that wild animals, livestock and local people use for consumption and irrigation¹³⁹ A mining expert who was interviewed suggested that the type of leaching used by Chengxi Mining (Pvt) Ltd should be investigated.¹⁴⁰ ● Chengxi pays its workers, wages and salaries below stipulated minimums, in contravention of the Labour Act [Chapter 28:01] and the Constitution of Zimbabwe, 2013, especially Section 65. ● There is a strong suspicion among the community members and other stakeholders that Chengxi Mining (Pvt) Ltd is violating the Gold Act (21: 03). The suspicion stems from the fact that the amount of gold that the company produces per month remains secretive. It is also not clear how much of the gold produced is sold to Fidelity Printers and Refiners.¹⁴¹
---	---

¹³² Base minerals means all minerals and mineral substances, other than the nuclear energy source material, precious metals, precious stones, mineral oils, natural gases and coal

¹³³ Meeting with a police officer on 20 May 2023

¹³⁴ Meeting with a former worker on 20 May 2023

¹³⁵ Meeting with a police officer on 20 May 2023

¹³⁶ Meeting with a former worker on 20 May 2023

¹³⁷ "Selukwe". www.rhodesia.me.uk. Archived from the original on 10 October 2014.

Stagman J G.(1978) An Outline of the Geology of Rhodesia. Rhodesia Geological Survey Bulletin No.80, p32

¹³⁸ Meeting with community members on 20 May 2023

¹³⁹ Meeting with a mining expert on 22 May 2023

¹⁴⁰ Ibid

¹⁴¹ Meeting with community members on 22 May 2023

Socio-economic impact and implications

<ul style="list-style-type: none"> ● Employment of locals (Number of staff members) disaggregation by gender and position ● Knowledge transfer (Extent of impartation of skills to nationals) ● Technological transfer ● Salary scales of local employees vs what is paid to the Chinese working in Zimbabwe) ● Corporate Social Responsibility (CSR) activities 	<ul style="list-style-type: none"> ● The company employed 150 workers, with the Managing Director (Tapiwa Chipembere) being a Zimbabwean. ● In surrounding areas in Shurugwi were several artisanal small-scale mining activities that were removed to pave the way for the company. These artisanal and small-scale miners were estimated by locals to be more than 500, as compared to 150 local Zimbabweans employed by Chengxi Mining (Pvt) Ltd.¹⁴² ● There were concerns that most of the employees were brought elsewhere yet there were many unemployed youths in the area. ● On the question of CSR, the company was quoted along with Unki Mines and JRG Goddard as having provided assistance towards the reclamation of old chrome pits that were claiming lives of animals.¹⁴³ However, the community noted with concern that the company had hardly done anything in terms of contributing to the development of health and education in the area.¹⁴⁴
---	---

Socio-economic impact and implications

<ul style="list-style-type: none"> ● Environmental management ● Consultations 	<ul style="list-style-type: none"> ● Chengxi Mining (Pvt) Ltd was in 2022 charged for operating without an EIA, in violation of the Environmental Management Act [Chapter 20: 27)]¹⁴⁵ ● Mining activities have contributed to serious destruction of trees and other forms of natural flora and fauna on the top of the escarpment. The situation has been worsened by the significant removal of layers of earth through excavation. ● The opencast mine is approaching the Gweru—Zvishavane highway that passes through the escarpment, amid fears that this might lead to landfalls and serious damages to the road. The highway is a significant commercial route as it leads to other cities like Masvingo, in addition to Botswana and South Africa. ● Participants from the community indicated that they were not consulted and were surprised to wake up to the new mine already mining on the escarpment.
---	--

Impact and implications of selected foreign investments on local business opportunities, with special focus on artisanal mining and actual as well as potential support investments by locals

<ul style="list-style-type: none"> ● Displacements of local people ● Competition with artisanal and small scale miners ● Lost income by local communities due to activities of the Chinese ● Jobs lost due to activities of the Chinese ● Lost mining opportunities 	<ul style="list-style-type: none"> ● The company operates from a site where artisanal and small-scale miners were displaced to pave way for Chengxi Mining (Pvt) Ltd. With very few of these local artisanal and small-scale miners having been taken on board by the new company, it means that most of the 500-plus ASMs lost income. Participants indicated that the company did not prioritise locals and artisanal miners when recruiting.
--	--

¹⁴² Interview with a community member on the 29th of March 2023

¹⁴³ Kasiwulaya, K (2022) Shurugwi miners in land rehabilitation drive. [online] Available at <https://thesunnews.co.zw/shurugwi-miners-in-land-rehabilitation-drive/> [Accessed on 27 January 2022]

¹⁴⁴ Meeting with community members on 22 May 2023

¹⁴⁵ Mawere, R (2022) Vagari vekuShurugwi, kuMdilands, Voshushikana neKuparadzwa Kwavanoti Kwoitwa Gomo reBoterekwa neVanotsvaga Zvicherwa . [online] Available at <https://www.voashona.com/a/6790458.html> [Accessed on 27 January 2023]

Beneficiation

Mineral extracted, beneficiation and sales	The company extracts and processes gold ore into gold bars ready for the market that includes the Fidelity Printers and Refiners. There is suspicion from the community and former workers that most of the gold is smuggled out of the country and very little is sold to the Fidelity Printers and Refiners. This is one of the areas where the GoZ should monitor to prevent gold leakages.
--	--

Accountability

Compliance with national laws and policy frameworks and political connections	<p>It is alleged that there is little action that has been taken by relevant authorities against the Chengxi Mining (Pvt) Ltd for violating national laws and policy frameworks. Lack of sanctions for wrongdoing is attributed to protection that the company gets from PEPs.</p> <p>The Managing Director of the Mine, Mr. Tapiwa Chipembere, was quoted by Chiwanika (2023) as having promised that Chengxi Mining (Pvt) Ltd was going to repair vehicles owned by Chief Nhema and the ruling ZANU PF political party. In addition, Chengxi Mining (Pvt) Ltd was asked to assist in the construction of an office for war veterans in Shurugwi.¹⁴⁶</p> <p>In addition, Chengxi Mining (Pvt) Ltd was asked to assist in the construction of an office for war veterans in Shurugwi. Zanu PF District Coordinating Committee (DCC) member Shepherd Mudhara appealed to the mine to also give back to the community.¹⁴⁷ In addition, Chengxi Mining (Pvt) Ltd promised to patch up potholes at Boterekwa and to drill boreholes in the area.¹⁴⁸</p> <p>However, the support to Zanu PF, Chief Nhema and the War Veterans Association is largely viewed as part of efforts to seek protection against an angry general populace that is not happy with the Chinese investor.</p> <p>Whilst the community raised grave concerns on the negative implications of Chengxi Mining (Pvt) Ltd, the War Veterans Association represented by Isaac Chibendere was quoted by Chiwanika (2023) as having hailed the Chinese company for its investment. He said that the stakeholders' complaints against the mine came out of misinformation.¹⁴⁹</p>
---	--

¹⁴⁶ Chiwanika, A (2023) Chinese Mine allays fears over Boterekwa escarpment. [online] <https://masvingomirror.com/chinese-mine-allays-fears-over-boterekwa-escarpment%Ef%BF%BC/> [Accessed on 27 January 2022]

¹⁴⁷ Chiwanika, A (2023) Chinese Mine allays fears over Boterekwa escarpment. [online] <https://masvingomirror.com/chinese-mine-allays-fears-over-boterekwa-escarpment%Ef%BF%BC/> [Accessed on 27 January 2022]

¹⁴⁸ Ibid

¹⁴⁹ Chiwanika, A (2023) Chinese Mine allays fears over Boterekwa escarpment. [online] <https://masvingomirror.com/chinese-mine-allays-fears-over-boterekwa-escarpment%Ef%BF%BC/> [Accessed on 27 January 2022]

Annex 2: AfroChine Smelting (Pvt) Ltd

Overview

AfroChine Smelting (Pvt) Ltd was established in 2012 and is a subsidiary of China's second-biggest stainless steel products manufacturer known as Tsingshan Group.¹⁵⁰ AfroChine's smelting plant is located in Selous, Chegutu, where its smelters are capable of producing in excess of 50,000 metric tonnes of ferrochrome annually.¹⁵¹ Besides its own mining activities, the company buys chrome from artisanal and small-scale miners from its base at Muzvondiwa under Chief Mapanzure in Zvishavane in the Midlands province of Zimbabwe.¹⁵² There are other Chinese chrome miners including Bunday Technical Mining (Pvt) Ltd and Ritcol Resources (Pvt) Ltd that also either supply chrome to AfroChine or export it directly to China. The AfroChine smelting plant used 120, 000 metric tonnes of chrome ore and 24,000 metric tonnes of coke during the first year of operation and the quantity of these raw materials continues to increase.¹⁵³ In the first year, the company realized in excess of US\$90 million from an initial investment of US\$25 million.¹⁵⁴

The tables below explain in more detail, the company investments.

Local company name	AfroChine Smelting (Pvt) Ltd
Form of registration	Registered under the Companies and Other Business Entities Act, 2019 [Chapter 24:31] ¹⁵⁵
District Zvishavane	Province Midlands

Products and services

Mineral : Lithium	<p>AfroChine Smelting (Pvt) Ltd is engaged in chrome mining and smelting.</p> <p>However, on 15th February 2023, artisanal and small-scale miners alleged that AfroChine Smelting (Pvt) Ltd was hoarding more than 40 tonnes of lithium at its base in the Muzvondiwa area of Zvishavane where it buys chrome ore from local and Chinese miners, which include Bunday Technical Mining (Pvt) Ltd and Ritcol Resources (Pvt) Ltd.¹⁵⁶</p> <p>The company is not registered as a lithium concern, so it was not clear why it had lithium ore at its Muzvondiwa base in Zvishavane.</p>
----------------------	--

¹⁵⁰ <https://zw.linkedin.com/company/afrochine-smelting-p-l>

¹⁵¹ <https://africachinareporting.com/afrochine-chrome-smelting-breaks-chains-of-poverty-to-improve-the-lives-of-zimbabweans/>

¹⁵² Meeting with artisanal small scale miners held on the 15th of February 2023 at Mapazuli business centre

¹⁵³ <https://africachinareporting.com/afrochine-chrome-smelting-breaks-chains-of-poverty-to-improve-the-lives-of-zimbabweans/>

¹⁵⁴ <https://africachinareporting.com/afrochine-chrome-smelting-breaks-chains-of-poverty-to-improve-the-lives-of-zimbabweans/>

¹⁵⁵ <https://zimlil.org/akn/zw/act/2019/4/eng%402019-11-15>

¹⁵⁶ Meeting with community members on 15 February 2023

Compliance with national laws and policy frameworks

<p>Compliance with national laws: the Constitution of Zimbabwe, 2013, Zimbabwe Investment Development Act (Chapter 14:37), Zimbabwe Revenue Authority Act, Environmental Management Act [Chapter 20: 27], Indigenisation and Economic Empowerment Act [Chapter 14:33], Labour Act [Chapter 28:01], Base Minerals Export Control (Unbeneficiated Base¹⁵⁷ Mineral Ores) Order 2023, Gold Act (21:03), Gold Act (21: 03), and Finance Act (Chapter 23:04)</p>	<p>AfroChine Smelting (Pvt) Ltd and its partners that supply it with chrome ore such as Bunday Technical Mining (Pvt) Ltd and Ritcol Resources (Pvt) Ltd have been accused of violating national laws and policy frameworks.</p> <ul style="list-style-type: none"> ● At a meeting held with artisanal and small-scale miners on 10th May 2023, it was reported that AfroChine Smelting (Pvt) Ltd buys most of its chrome ore from illegal and unregistered artisanal and small scale miners.¹⁵⁸ That way, AfroChine Smelting (Pvt) Ltd is, by association, engaged in criminal activities ● In addition, it was reported that, in the Zvishavane area, AfroChine Smelting (Pvt) Ltd was carrying out chrome mining on mines owned by local artisanal and small scale miners. Most of these local small-scale miners do not have EIAs, in contravention of the Environmental Management Act [Chapter 20: 27]. Bunday Technical Mining (Pvt) Ltd is reported to also have started operating without an EIA. ● AfroChine Smelting (Pvt) Ltd pays ‘slave’ wages to its employees who are not allowed to form a workers committee, in contravention of Section 65 of the Constitution of Zimbabwe ● Violations of the Environmental Management Act [Chapter 20: 27], are also evident in that AfroChine Smelting (Pvt) Ltd and its suppliers of chrome ore have caused massive environmental damage. Opencast chrome mining has led to massive deforestation, disappearance of wetlands and land degradation. Deforestation contributes to climate change that manifests as extreme phenomena such as drought and variations as well as variability of seasons. ● The area has numerous deep, open, unsecured and un-rehabilitated mining pits, most of which are now water bodies. Some of these pits have been left open for many years and the community has lost hope that they will be rehabilitated. ● Violations of the Labour Act [Chapter 28:01] are evidenced by a plethora of labour malpractices that include wages below stipulated rates, uncertainty of tenure at work as contracts are short term, lack of protective clothing and long hours of work
---	--

¹⁵⁷ Base minerals means all minerals and mineral substances, other than the nuclear energy source material, precious metals, precious stones, mineral oils, natural gases and coal

¹⁵⁸ Meeting held with artisanal small scale miners held on the 10th of May 2023

Socio-economic impact and implications

<ul style="list-style-type: none"> ● Employment of locals ● Knowledge transfer ● Remuneration ● Perceived exploitation ● Displacements ● Unfair competition 	<ul style="list-style-type: none"> ● AfroChine Smelting (Pvt) Ltd has been accused of exploitative behavior. As at the 15th of February 2023, AfroChine Smelting (Pvt) Ltd paid artisanal and small-scale chrome miners between US\$25 and US\$45 per tonne of chrome for the lowest and highest quality, respectively.¹⁵⁹ It is believed to have been selling the same ore at three or so times more in turn. ● In addition, women contracted to select low grade ore at Bunday Technical Mining (Pvt) Ltd were paid US\$10 per tonne, which was said to be too low as compared to the laborious nature of the sorting process. ● Artisanal and small-scale chrome miners felt that the money paid by AfroChine Smelting (Pvt) Ltd was too low, in view of the amount of labour that they put in the extraction of the ore.¹⁶⁰ ● A meeting with an artisanal and small-scale miner on 10th May 2023 at Mapazuli Business Centre revealed that AfroChine Smelting (Pvt) Ltd's bought fine ore at US\$10 per tonne. Later, the fine ore is mixed with block ore. The blocks are supposed to fetch between US\$25 and US\$45. However, when the blocks are mixed with the fine ore, the entire tonnage is bought at the price of fine ore. That way, AfroChine Smelting (Pvt) Ltd is accused of shortchanging the labourers. ● The system of chrome ore grading by AfroChine Smelting (Pvt) Ltd staff was viewed as scandalous. There was no standard grading system in place. Chrome ore from the same pit was being placed in different grades. In most cases, the chrome ore was graded lowly, apparently as a ruse to pay less to the artisanal miners.¹⁶¹ ● One of AfroChine Smelting (Pvt) Ltd's Chinese partners, Bunday Technical Mining (Pvt) Ltd, displaced local people and artisanal miners who were forced to leave the area by government authorities under the pretext that they were damaging the railway line to Chiredzi. However, the company did not bother to participate in resettling the displaced locals. ● AfroChine Smelting (Pvt) Ltd employed both locals and Chinese nationals. However, most of the locals employed by AfroChine Smelting (Pvt) Ltd in the Midlands province were from areas outside Zvishavane.¹⁶² ● It has been highlighted that AfroChine Smelting (Pvt) Ltd does not prefer having written contracts with artisanal and small-scale miners from whom it buys its chrome. This means that the local suppliers have weakened bargaining power.¹⁶³ ● In cases where artisanal and small-scale miners use AfroChine Smelting (Pvt) Ltd equipment, the spoils are shared equally after deduction of costs between the 'haves' (Chinese sponsors) and the 'have nots' (locals). However, to hire equipment such as excavators, AfroChine and other Chinese miners operating in the area charge US\$120 per hour, which these miners felt was too high.¹⁶⁴ This tended to leave the small-scale miners with little to take home. ● The area where AfroChine and its other Chinese suppliers are operating are marked by open pits that are a danger to human and animal life. Some of these pits were reported to have caused the deaths of people who fell into them. These have been identified as: Tamiriraisho Dube who died in January 2023; Augustine Chatira, Fortunate Siziba; Magwa and Sinazu (brothers).¹⁶⁵ ● In addition, grazing land for livestock has been reduced by opencast mining. In addition, villagers lost several herds of cattle after they fell into the pits and died. One Mr Mangena was identified as a victim who lost a cow.¹⁶⁶ ● There was no evidence that the company had a deliberate plan for the transfer of technology or technological expertise to the local community. ● Focus group discussion participants at Mapazuli Business Centre could not identify any CSR work that AfroChine had done.¹⁶⁷ ● Heavy trucks ferrying chrome from Zvishavane to Chegutu and Mberengwa have damaged roads but AfroChine has not taken the burden to repair them.
---	--

Environmental implications

<p>Environmental management</p>	<ul style="list-style-type: none"> ● As mentioned above, AfroChine Smelting (Pvt) Ltd buys chrome ore from artisanal and small-scale miners and other Chinese miners such as Bunday Technical Mining (Pvt) Ltd and Ritcol Resources (Pvt) Ltd that started operating without EIAs. To date several small-scale miners that supply chrome ore to AfroChine Smelting (Pvt) Ltd have no EIAs. Bunday Technical Mining (Pvt) Ltd only acquired an EIA way after it had already started operating. The acquisition was rated as 'dubious' since local stakeholders were not consulted.¹⁶⁸ The local people demanded an inquiry into why EMA issued an EIA without proper procedure being followed. ● Chrome mining activities in the Mapanzure and Mhondongori areas located along the Great Dyke that benefit AfroChine Smelting (Pvt) Ltd have led to massive deforestation, disappearance of wetlands and land degradation.
---------------------------------	--

Impact and implications on local business opportunities

<ul style="list-style-type: none"> ● Displacements ● Competition with artisanal and small scale miners ● Lost income by local communities due to activities of the Chinese ● Lost mining opportunities 	<p>Chrome mining activities by AfroChine Smelting (Pvt) Ltd and its suppliers of ore have had negative effects on local business opportunities, particularly artisanal mining and potential support investments by locals. They:</p> <ul style="list-style-type: none"> ● Led to the reduction of grazing land to make way for opencast mining. The area is traditionally dependent on farming for subsistence and modest crop sales. , which is a significant source of income and food for the locals Far from deriving economic benefit from the abundant chrome mineral wealth, the host chrome mining communities are being driven into poverty. Like the other major minerals that foreign investors are mining, chrome is fast turning into a curse rather than a blessing. ● Chinese investments such as Bunday Technical Mining (Pvt) Ltd and Ritcol Resources (Pvt) Ltd that supply chrome ore to AfroChine Smelting (Pvt) Ltd operated from sites where the local artisanal and small-scale miners were working from before. These local miners were removed under the pretext that their mining activities were endangering the railway line to Chiredzi yet the Chinese came to do exactly what the artisanal and small-scale miners were doing. This way, government authorities were perceived as favouring the Chinese and disadvantaging the locals.
--	---

¹⁵⁹ Meeting with community members on 15 February 2023

¹⁶⁰ Meeting with community members on 15 February 2023

¹⁶¹ Meeting with an artisanal small scale miner on the 10th of May 2023 at Mapazuli Business Centre

¹⁶² Meeting with an artisanal small scale miner on the 10th of May 2023 at Mapazuli Business Centre

¹⁶³ Ibid

¹⁶⁴ Ibid

¹⁶⁵ Meeting with community members on 15 February 2023

¹⁶⁶ Meeting with an artisanal small scale miner on the 15th of February 2023 at Mapazuli Business Centre.

¹⁶⁷ Ibid

¹⁶⁸ Meeting with an artisanal small scale miner on the 15th of February 2023 at Mapazuli Business Centre.

Beneficiation

<ul style="list-style-type: none"> • Mineral extracted • Efforts towards beneficiation • State of the mineral upon export • Destination of export 	<p>AfroChine Smelting (Pvt) Ltd is engaged in chrome mining and smelting. The Chrome ore from Zvishavane is transported to Selous, in Chegutu, Mashonaland West province, where there is a smelting plant owned by AfroChine Smelting (Pvt) Ltd. There is a chrome cleaning plant that is situated in Meta in Mberengwa district, Midlands province.</p>	
---	--	---

Accountability

<p>Non-compliance with national laws and policy frameworks</p>	<p>There is no known action that has been taken against AfroChine Smelting (Pvt) Ltd and other Chinese investors for violations of the law. Local community members alleged that AfroChine Smelting (Pvt) Ltd was protected by the ruling elite.</p>
--	--

Annex 3: Dore Green Custom Milling

Overview

Dore Green Customs Milling (Pvt) Ltd is a Chinese gold mine that started operations around 2015 but closed down on 31st December 2022. It was situated close to the Zororo business centre in Zhombe under Kwekwe district in the Midlands province. The mine operated from a communal plot initially allocated to one Tawanda Makuvaza. Informants said Mr. Makuvaza was paid US\$11 000 by the Chinese mining company to hand over the plot. A businessman identified as Lameck Mngangwa who is ostensibly a relative of the Zimbabwean president brought the Dore Green directors to the area and described himself as a key partner in the project. When Dore Green abandoned its operations, it left the site in the hands of one of the workers identified by the informants only as Felix. Prior to their exit, the Chinese sold most of the mine equipment, leaving Felix with hardly anything to use. As a result, he subsequently gave it up. Power utility ZETDC has since switched off the plant. The gold ore milled at the centre was extracted from a nearby area where the Chinese had dug shafts and placed some rigs, about a kilometre from the milling centre. This means that Dore Green was not just a miller, but a gold mining company too. Efforts to get information on the registration status of the investment was difficult, with most of the key informants alleging that the project was not registered. Supervision by regulatory authorities was minimal as Lameck Mngangwa's involvement and influence reportedly deterred them.

The tables below summarise information regarding the investment and its implications on artisanal and small-scale miners, the environment and the local community.

Profile

Local company name	Dore Green Custom Milling
Form of registration	Registered under the Companies and Other Business Entities Act, 2019 [Chapter 24:31] ¹⁶⁹
Name of Managing Director	Xin Wang (Passport No. EH4737107)
Date of commencement of business in Zimbabwe	Around 2015
District	Zhombe, Kwekwe
Province	Midlands
Products	Gold

Shareholding

Whilst the legal status could not be established, individuals linked to the investment included Lameck Mngangwa and the following Chinese nationals:

Lyu Xingwei- Chinese national

Wang, Xin- Chinese National



Compliance with national laws and policy frameworks

Compliance with national laws: the Constitution of Zimbabwe, 2013, Zimbabwe Investment Development Act (Chapter 14:37), Zimbabwe Revenue Authority Act, Environmental Management Act [Chapter 20: 27]), Indigenisation and Economic Empowerment Act [Chapter 14:33], Labour Act [Chapter 28:01], Base Minerals Export Control (Unbeneficiated Base¹⁷⁰ Mineral Ores) Order 2023, Gold Act (21: 03), Gold Act (21: 03), and Finance Act (Chapter 23:04)

Dore Green Customs Milling was accused by the informants of several violations of national laws with impunity. Against this background, relevant regulatory authorities were hesitant to take action because of the presence of Mr. Lameck Mngangwa who introduced himself as a key partner at Dore Green.¹⁷¹ The following are some of the reported violations:

- Dore Green negligence led to the poisoning of water bodies. Some households lost several herd of cattle that apparently drank poisoned water from the Chinese entity's cyanide leaching tanks. Patricia Moyo, Sibongile Makuvaza and one Mr. Hlongwane collectively lost six cattle. Furthermore, hundreds of birds died as a result of consuming polluted water, and a local source indicated that the community members, especially children, herd boys and workers at the mine ate these birds regardless of the implications on their health. The fence around the leaching tanks was damaged and, as a result, livestock roamed into the area freely, in violation of the law that requires such areas to be properly secured.
- The Chinese located a mine dump close to two community boreholes. One of the community members pointed out that a local health official took the water from one of the boreholes for testing and it was confirmed that the borehole water had traces of unspecified poisoning.¹⁷²
- One of the Chinese nationals at the mine was accused of treating local workers in a cruel and degrading manner in violation of national laws and policy frameworks. For instance, former employees Robson Moyo, and Tichaona Siziba were subjected to thorough and humiliating beatings by the Chinese.
- On the question of equal employment opportunities afforded to men and women, it was noted that most of the workers were men with the exception of the interpreter, cleaner and cook who were women. Whilst several women also wanted jobs, the Chinese were accused of favouring men because of the nature of the work that needed carrying of heavy loads. The Chinese designed their wheelbarrows in such a manner that once loaded one could rest until reaching the intended.
- Locals were not allowed to exercise their right to demonstrate or petition against

¹⁷⁰ Base minerals means all minerals and mineral substances, other than the nuclear energy source material, precious metals, precious stones, mineral oils, natural gases and coal

¹⁷¹ Meeting with former workers and community members on 17 February 2023

¹⁷² Meeting with former workers and community members on 17 February 2023

Compliance with national laws and policy frameworks

the Chinese company. One of the employees who did not want his name to be published for fear of victimisation was dismissed from work because he mobilised other workers to demand improved conditions of service.¹⁷³ This was in contravention of Section 65 of the Constitution.

- Dore Green Customs Milling employees worked without safety clothing. It was the company policy that one only got safety clothing after being confirmed as a permanent employee, yet the company had structured its recruitment policy in such a way that all employees signed daily contracts. One of the former workers consulted confirmed that he signed these daily contracts for a period of six (6) years.¹⁷⁴ It was also not made clear to the employees when and how they qualified to be a full-time employee. This also ran foul of the law.

- In terms of fair and reasonable wages, most of the employees were paid between US\$80-US\$100 per month, way below the gazetted minimum rates. Making matters worse is that employees were prohibited from forming workers committees to collectively claim their rights. That explains why one of the employees was dismissed from work because he had advocated for the setting up of a Workers Committee to demand for improved conditions of service.¹⁷⁵

- Most of the participants were of the opinion that Dore Green Customs Milling was doing small-scale and artisanal mining, thereby competing illegally with the locals. As said above, it had 3 hammer mills and out of the 3 only 2 were working. In the same area, there were several local artisanal small-scale miners who had better quality hammer mills of a better quality than Dore Green Customs Milling. Investing in artisanal mining is ordinarily outlawed under Section 14 of the Zimbabwe Investment and Development Act [Chapter 14:37]. The fact that the company operated for so long without action being taken against it means that the relevant enforcement agencies were not doing their work properly, hence the impunity.

- It was also noted that the Chinese investment was being unduly protected. For instance, its carbon rooms were not monitored by law enforcement agents and other regulatory authorities.

- Community members pointed out that polluted water from Dore Green Customs Milling was first directed into nearby maize fields, with the one owned by the Siziba family being one of the examples. Following repeated complaints, the company constructed a waterway that eventually offloaded the dirty water into the Somalala dam that caters for the entire community. The area has more than 30 villages whose occupants depend on the dam for irrigation. The cattle dip tank also gets its water from the dam.

- Dore Green competed with local miners in breach of investment law that reserves artisanal mining for locals.

- As shown above, Dore Green managers acted in violation of the Criminal Law (Codification and Reform) Act, Labour Act [Chapter 28:01], the Constitution and international human rights conventions by treating workers in a degrading manner by subjecting them to beatings for wrongdoing, among other legal and policy frameworks. Examples include the beating up of workers. Some of the cases were brought to the attention of the police in Zhombe but no action was taken against the assailants.

¹⁷⁰ Base minerals means all minerals and mineral substances, other than the nuclear energy source material, precious metals, precious stones, mineral oils, natural gases and coal

¹⁷³ Meeting with former workers on 17 February 2023


¹⁷⁴ Meeting with former workers on 17 February 2023

¹⁷⁵ Meeting with former workers on 17 February 2023

Socio-economic impact and implications

<ul style="list-style-type: none"> ● Employment of locals ● Knowledge transfer (Extend of impartation of skills to nationals) ● Technological transfer ● Remuneration ● Corporate Social Responsibility 	<p>At its peak, the company employed 60 locals, but the number dropped to 42 locals and 6 Chinese nationals. Staff turnover was high due to the ill-treatment of workers and poor conditions of service. Among the 42 local workers were only three women who worked as interpreter, cleaner and cook, respectively). Most of the locals lost their jobs when the company closed in December 2022. As at the time of reporting some remained unemployed, whilst others resorted to artisanal small-scale mining in the area. There was no evidence that the company adopted deliberate procedures and policies to upskill its local employees.</p> <p>Knowledge transfer at Dore Green Customs Milling was said to be difficult because of language barriers. Most of the Chinese at the mine only used Chinese language and it was difficult for them to explain new concepts to the workers. An interpreter was largely used when the mine had important visitors.¹⁷⁶</p> <p>The workers were paid salaries below stipulated rates as mentioned above. Dore Green Customs Milling did not bring new or innovated technology to the area. Most of the equipment used was locally available and sold in local shops. The only difference was that Dore Green had leaching tanks that were rare in the area.</p> <p>Besides, when the company folded. The owners sold off all the key equipment. There are no notable CSR activities done by Dore Green Customs Milling (Pvt) Ltd apart from spreading gravel on the road surface close to a shop at Zororo Business Centre where one of the Chinese managers is rumoured to have been in a relationship with a local woman. The company also constructed a shallow weir to act as a water reservoir for livestock. However, the weir did not last long beyond the rainy season.</p>
--	--

Environmental implications

<p>Environmental management</p>	<p>The Chinese came into the area accompanied by Mr. Lameck Mhangagwa but started operating without an EIA. The EIA was only obtained after the community had raised concerns following incidents in which locals lost their herd of cattle due to cyanide poisoning. Regardless of the lethal nature of mercury, the Chinese used mercury and cyanide to extract gold. Water contaminated by cyanide and mercury escaped into a tank and then into nearby maize fields.</p>  <p><i>Pictorial Evidence 13: Dore Green Custom Milling discharging contaminated water into a field owned by the Siziba family of Zhombe</i></p>
---------------------------------	---

¹⁷⁶ Ibid

Impact and implications on local business opportunities

<ul style="list-style-type: none"> ● Displacements of local people ● Competition with artisanal and small-scale miners ● Lost income 	<p>The investment operated from a communal land initially allocated to Mr. Tawanda Makuvaza who was displaced to pave way to Dore Green Customs Milling. In breach of the criteria set out in s14 of the Zimbabwe Investment Development Act [Chapter 14:37] and s3A (10) (as per the First Schedule) of the Act, Dore Green Customs Milling (Pvt) Ltd competed with the locals. Zororo Business Centre is located close to at least seven miners who have their own mines and hammer mills. In addition, some artisanal and small-scale miners who had no hammer mills and relied on Dore Green Customs Milling (Pvt) Ltd were left stranded when the company closed.</p> <p>Former employees lost their jobs when the company closed.</p>
---	---


Beneficiation

Value addition and sales	Dore Green Customs Milling extracted gold ore, which was processed at its milling centre. However, the amount of gold produced and where it was sold remained secretive up to the time the mine closed down.
--------------------------	--

Political links

Participation in politics	<p>Apart from Mr. Lameck Mnangagwa having publicly confirmed that he was part of the Chinese company, Dore Green Custom Milling is said to have provided transport to Zanu PF supporters during the 2018 election campaigns.¹⁷⁷ When some locals lost their cattle, named politicians are said to have tried to suppress the issue and reportedly threatened individuals who were speaking out against the Chinese investment.</p>
---------------------------	---

Sustainability of Chinese investments

Longevity and value	<p>The investment is rated as unsustainable because it was short term, based on opportunistic exploitation of natural resources and did not plough back into the community. Dore Green Customs Milling closed its operations on 31st December 2022 after around 7 years of business, with nothing to show for the time it operated. The figure below shows an abandoned shed that housed the hammer mills, the most notable relic of the mine.</p>  <p><i>Pictorial Evidence 14: Empty Shade at Dore Green Custom Milling after Closure</i></p> <p><i>In addition, Dore Green Customs Milling did not put up permanent structures apart from its offices. There were no houses or pensions for staff.</i></p>
---------------------	---


¹⁷⁷ Meeting with former workers on x

Annex 4: STC Mine Cynide Chemical (Pvt) Ltd

Overview

STC Mine Cynide Chemical (Pvt) Ltd calls itself a 'one-stop shop for mining chemicals and equipment'¹⁷⁸ that include mercury, which is banned for industrial production and processes. The major area of concern is mercury, which is one of the chemicals that the company sells indiscriminately to artisanal and small-scale miners. Mercury causes serious health.

Profile

Description	
Local Company Name	STC Mine Cynide Chemical (Pvt) Ltd
Contacts	<ul style="list-style-type: none"> ● Harare Head office (0774004714, 0719404714) ● Kadoma branch (0774114085, 0712491210) ● Kwekwe branch (0777940066, 0717622711) ● Shurugwi Branch (0774424825) ● Mberengwa branch (0777909994)
Registration status	<p>Registered under the Companies and Other Business Entities Act, 2019 [Chapter 24:31]¹⁷⁹</p> 
Branches	Harare (Head office), Kadoma, Kwekwe, Shurugwi, Mberengwa
Provinces	Harare, Mashonaland West, Midlands and Bulawayo
Products	Cyanide, Georgia cyanide, bagged cyanide, caustic soda, carbon, HCL,Lime, Nitric, Sulphuric acid, Wire wool and mercury

¹⁷⁸ STC Chemicals (2020). STC Chemicals. [online] Available at <https://www.facebook.com/profile.php?id=100070196534812> [Accessed on 14 February 2023]

¹⁷⁹ <https://zimlil.org/akn/zw/act/2019/4/eng%402019-11-15>

Compliance with national laws and policy frameworks

<p>Compliance with national laws: the Constitution of Zimbabwe, 2013, Zimbabwe Investment Development Act (Chapter 14:37), Zimbabwe Revenue Authority Act, Environmental Management Act [Chapter 20: 27], Indigenisation and Economic Empowerment Act [Chapter 14:33], Labour Act [Chapter 28:01], Base Minerals Export Control (Unbeneficiated Base¹⁸⁰ Mineral Ores) Order 2023, Gold Act (21: 03), Gold Act (21:03), and Finance Act (Chapter 23:04)</p>	<p>The major issue with STC Chemicals is compliance with national laws and the dictates of the Minamata convention that regulates the use of mercury, which poses threats to human and animal life including flora. By virtue of selling mercury the company is indirectly affecting the environment and thus threatening the right of people in Zimbabwe to a clean and harm-free environment. In addition, STC sells mercury to all types of miners including artisanal and small-scale miners who have little knowledge of how to use it without endangering their lives, families and animal life. The company sells to artisanal miners despite Zimbabwe having banned mercury</p>
--	---

Socio-economic impact and implications

<p>Socio-economic impact and implications</p>	<p>STC employs local people in all its branches. These employees include merchandisers, front office and clerical staff, transport personnel and accounting staff, in addition to external service providers. This study did not establish the exact numbers employed by the company or their disaggregation by sex, position or nationality.</p>
---	---

Environmental implications

<p>Trade in mercury</p>	<p>Expert evidence indicates mercury-related contamination in artisanal and small-scale gold mining contributes to negative and serious health and ecological impacts.¹⁸¹ Mercury impacts negatively on the environment in many ways. According to the Ministry of Environment, Water & Climate (2018) toxic mercury vapour from the process of burning amalgam impacts affects miners, their families and nearby communities when inhaled.¹⁸² Most gold mining activities are carried out along or on rivers. The water, in turn, flows into dams and lakes.</p> <p>Mercury contaminates water, accumulates in sediments and bio accumulates in fish and tissues and other aquatic species.</p> <p>In such areas like Zvishavane, Kwekwe and Kadoma, STC and other Chinese outlets distribute mercury to their agents who sell it indiscriminately to artisanal and small-scale miners who use it widely in processing gold. They are directly exposed to the negative effects through skin absorption and inhalation, but, as already said, the mercury spreads into water and the ground.</p>
-------------------------	--

Accountability

<p>Compliance with national, regional and international laws and policy frameworks</p>	<p>Despite having ratified the Minamata Convention, there is still no action against distributors of mercury in the country. EMA and other relevant government departments are not taking appropriate action to stem the sale of mercury to artisanal miners.</p>
--	---

¹⁸⁰ Base minerals means all minerals and mineral substances, other than the nuclear energy source material, precious metals, precious stones, mineral oils, natural gases and coal

¹⁸¹ Ministry of Environment, Water & Climate (2018). Mercury and the environment [online] Available at <http://www.zarnet.ac.zw/evol/environ/mercury-and-the-environment/> [Accessed on 16 February 2023]

¹⁸² Ministry of Environment, Water & Climate (2018). Mercury and the environment [online] Available at <http://www.zarnet.ac.zw/evol/environ/mercury-and-the-environment/> [Accessed on 16 February 2023]

Annex 5: Ming Chang Sino Africa

Overview

Ming Chang Sino Africa (Pvt) Ltd is a Chinese mining company that operates several gold, lime and other mines in Zimbabwe. It is present in Bubi, Mashava, Mbalabala, Bulawayo, Mazowe, Kwekwe, and Odzi¹⁸³. The mining operations consist of multiple companies that include Ming Chang Sino Africa Shamva Mining (Pvt) Ltd and Ming Chang Sino Africa Odzi Mining (Pvt) Ltd. In Bubi, Ming Chang Sino Africa (Pvt) Ltd operates a lime plant. In Kwekwe, Ming Chang Sino Africa (Pvt) Ltd is engaged in gold mining activities that include gold ore extraction, custom-milling and gold leaching. The gold ore was brought to the milling centre from an area known as Chaka area close to Amaveni Township in Kwekwe. Additional gold ore was brought to its milling centre by artisanal and small-scale miners around Kwekwe. Ming Chang has been offering its own transport resources to both registered and illegal artisanal and small-scale miners to ferry gold ore within Kwekwe.¹⁸⁴

The Kwekwe-based gold milling and processing plant was taken over by Vigilant Mining Resources (Pvt) Ltd that is wholly owned by locals allegedly linked to Vice President Chiwenga. In Odzi in Manicaland province, Ming Chang Sino Africa (Pvt) Ltd operates a gold mine under the name of Ming Chang Sino Africa Odzi Mining (Pvt) Ltd that has the capacity to process 10 000 tonnes of gold ore monthly.

The following tables give specific details relating to the profile and impact of Ming Chang Sino Africa (Pvt) Ltd.

Profile

Local company name	Ming Chang Sino Africa (Pvt) Ltd and its subsidiaries such as Ming Chang Sino Africa Odzi Mining (Pvt) Ltd and Ming Chang Sino Africa Shamva Mining (Pvt) Ltd
Form of registration	Registered under the Companies and Other Business Entities Act, 2019 [Chapter 24:31] ¹⁸⁵
Registration number	Ming Chang Sino Africa Odzi Mining (Pvt) Ltd - Registered on 1st December 2010 under registration number 5334/2010 Ming Chang Sino Africa Shamva Mining (Pvt) Ltd - Registered on 26th of November 2010 under registration number 5266/2010
Tax number	To be updated
Name of public officer	Ming Chang Sino Africa Odzi Mining (Pvt) Ltd- Xing Shan Shan (Passport Number G25401422) ¹⁸⁶ Ming Chang Sino Africa Shamva Mining (Pvt) Ltd- Xing Shan Shan (Passport Number G25401422) ¹⁸⁷
Mine manager	Mr. Liu Xialong (Mine Manager- Ming Chang Sino Africa Odzi Mining (Pvt) Ltd) ¹⁸⁸ Johnson Xie ¹⁸⁹
Date of commencement of business in Zimbabwe	Ming Chang Sino Africa Odzi Mining (Pvt) Ltd started in June 2022 ¹⁹⁰
Districts	Bubi, Mashava, Mbalabala, Bulawayo, Mazowe, Kwekwe, and Odzi
Provinces	Bulawayo, Manicaland, Midlands, Matabeleland South

Shareholding

Nationalities

As shown in the Figure above Ming Chang Sino Africa Odzi Mining (Pvt) Ltd directors include: Cao Xing Dong (Passport Number: G43520938), Xing Shan Shan (Passport Number G25401422), and Xing Ming Chang (Passport Number G26727923)

Particulars (a) of Directors AND OF ANY CHANGES				
MINS CHANG SINO AFRICA SHAMVA MINING PRIVATE Limited				
1. Date of Appointment (b)	2. Present Christian Names and Surnames	3. Nationality	4. Any Former Names	5. Full Residential or Business Address and Postal Address
Directors (c)				
26/11/10	XING SHAN SHAN 525401422	CHINESE	--do--	172 RHODESVILLE RD SREEDALE HARARE
--do--	XING MINS CHANG Pass: 926727923	CHINESE	--do--	--do--
29/04/11	KASUSO ACTION ID: 63-586991-742	ZIM	--do--	--do--

Figure 6: Directors of Ming Chang Sino Africa Shamva Mining (Pvt) Ltd

Furthermore, Ming Chang Sino Africa Shamva Mining (Pvt) Ltd include Xing Shan Shan (Passport Number G25401422), Xing Ming Chang (Passport Number G26727923) and Kasuso Action (Registration Number 63-586991-T42

Particulars (a) of Directors AND OF ANY CHANGES				
Ming Chang Sino Africa Odzi Mining (Private) Limited				
1. Date of Appointment (b)	2. Present Christian Names and Surnames	3. Nationality	4. Any Former Names	5. Full Residential or Business Address and Postal Address
Directors (c)				
DATE OF INCORPORATION	Cao Xing Dong G43520938	Chinese	N/A	172 Rhodesville A Greendale, Harare.
	Xing Shan Shan G25401422	Chinese	N/A	172 Rhodesville A Greendale Harare.
	Xing Ming Chang G26727923	Chinese	N/A	172 Rhodesville / Greendale Harare.
	Secretaries (d) or Principal Officer (e)			
	Xing Shan Shan G25401422	Chinese	N/A	172 Rhodesville A Greendale, Harare

Figure 7: Directors of Ming Chang Sino Africa Odzi Mining (Pvt) Ltd

Compliance with national laws and policy frameworks

Compliance with national laws: the Constitution of Zimbabwe, 2013, Zimbabwe Investment Development Act (Chapter 14:37), Zimbabwe Revenue Authority Act, Environmental Management Act [Chapter 20: 27] , Indigenisation and Economic Empowerment Act [Chapter 14:33], Labour Act [Chapter 28:01], Base Minerals Export Control (Un-beneficiated Base Mineral Ores) Order 2023, Gold Act (21:03), Gold Act (21: 03), and Finance Act (Chapter 23:04)

Ming Chang Sino Africa Odzi Mining (Pvt) Ltd is accused of several violations of the Constitution of Zimbabwe and other national legal and policy frameworks.

- It is accused of ill-treating and abusing its workers. These abuses include underpayment and forcing workers to report for duty in mine shafts without protective clothing, which exposes them to injuries and other health hazards.¹⁹¹ The lowest paid employee was receiving US\$6 and the highest getting \$11 per day.¹⁹² This is well below gazetted rates for that time. In addition, the workers are barred from joining labour unions. The workers engaged the National Employment Council to take the matter to court but the Chinese owners never appeared for the hearing and no action was taken against them.¹⁹³

- In addition, Ming Chang Sino Africa (Pvt) Ltd's lime plant in Bubi caused pollution through the emission of hazardous gases into the atmosphere and lime dust. The company did not have an acceptable plan to dispose of tar, a byproduct from the coal gas maker and there were no suppression mechanisms for dust emitted from the kiln and gas maker.¹⁹⁴

- A dispute between workers and Ming Chang Sino Africa (Pvt) Ltd in Bubi spilled into the labour court after the Chinese owners reportedly fired 34 employees accusing them of engaging in industrial action. This came after the employees reportedly confronted the plant management claiming that they were underpaid and forced to work in the mine shaft without protective clothing. The employees held a series of meetings at the mine premises resulting in the Chinese owners shutting down the plant and ordering the 34 employees not to report for duty. The Chinese firm also engaged its lawyers from Mutumbwa, Mugabe and Partners who approached the labour court seeking a show cause order and disposal order against the 34 employees, who were cited as respondents. The charge against the employees read:

The workers, through their representatives, the Zimbabwe Diamond Miners Workers Union (ZDMWU), dismissed the allegations, arguing that they did not embark on a strike but were locked out of the premises by the employer.¹⁹⁵

- The Centre for Research and Development (CRD) based in Mutare confirmed that 3 workers sustained burns on their faces and hands from handling chemicals without protective clothing. Excavator and tipper truck drivers worked at the Odzi mining site without protective clothing as well and some of them actually wore worn-out slippers.¹⁹⁶

¹⁹¹ *Ibid*

¹⁹² *Ibid*

¹⁹³ *Ibid*

¹⁹⁴ Khupe, A (2019) Rampant abuse at Chinese-owned mine. [online] Available at <https://cite.org.zw/tag/ming-chang-sino-africa-mining-investments/> [Accessed on 1 March 2023]

¹⁹⁵ <https://cite.org.zw/chinese-firm-embroiled-in-mine-dispute/>

¹⁹⁶ *Ibid*



Pictorial Evidence 15: Ming Chang Exposing Workers to Hazardous Chemicals

Source: <https://cite.org.zw/chinese-firm-embroiled-in-mine-dispute/>

- CRD also confirmed that the company provided its workers with poorly ventilated, rudimentary and unhygienic accommodation.
- In addition, CRD and other stakeholders decried that Ming Chang Sino Africa (Pvt) Ltd was not paying employees on time, intimidating and making false allegations against them so as to forestall their demands for better working conditions. The police were implicated for also harassing the workers.¹⁹⁷
- One of the meetings attended by CRD to discuss concerns of workers had to be aborted after the company threatened everyone who attended with violence. Three of the employees had pleaded with the company to provide PPE and food for the workers. Two of the workers confirmed that they had been dismissed for raising workers' concerns at the meeting.¹⁹⁸
- In 2016 the High Court of Zimbabwe ordered Ming Chang Sino Africa Mining Investments to pay US\$32,000 compensation for injuries sustained by one of its workers. The High Court ruled that the company was negligent by “failing to provide adequate and safe working conditions at work which entails that employees are appropriately dressed for the tasks they are about to perform.”¹⁹⁹
- In addition, the mine did not keep emergency medical kits as required by the law.
- Zimbabwe Diamond and Allied Minerals Workers Union (ZDAMWU), in a letter dated 19th September 2022, urged the Chinese embassy in Zimbabwe to intervene and ensure that Chinese investors that included Ming Chang Sino Africa comply with the laws of the country.²⁰⁰ However, one of the Mine Managers in Odzi known as Liu confirmed to CRD that the company had strong political and military links that enabled the company to violate national laws and policies with impunity.²⁰¹

¹⁹⁷ (<https://www.263chat.com/chinese-miner-commences-operation-at-odzi-gold-mine/>)

¹⁹⁸ (<https://www.263chat.com/chinese-miner-commences-operation-at-odzi-gold-mine/>)

¹⁹⁹ (<https://www.263chat.com/chinese-miner-commences-operation-at-odzi-gold-mine/>)

²⁰⁰ Matasva, F (2022) Zimbabwe: Chinese Miner in a Workers Ill-Treatment Storm. [online] Available at <https://allafrica.com/stories/202209260403.html> [Accessed on 27 March 2023]

²⁰¹ Matasva, F (2022) Zimbabwe: Chinese Miner in a Workers Ill-Treatment Storm. [online] Available at <https://allafrica.com/stories/202209260403.html> [Accessed on 27 March 2023]

Socio-economic impact and implications

<ul style="list-style-type: none"> ● Employment of locals ● Conditions of service 	<p>Ming Chang Sino Africa Odzi Mining (Pvt) Ltd has a staff complement of 15 Chinese, 28 semi-skilled workers and 10 general hands that are drawn not only from the Odzi community, but also other parts of the country. The Odzi mine, however, has more than half of the staff complement being Chinese nationals doing work that locals can do. However, because of insecurity at the mine as well as poor conditions of service staff turnover is high.²⁰² The company proposed in its second phase of the project that it would increase the number of locals to 60 and beyond as the project grew.²⁰³ On the positive, the Odzi based Ming Chang has employed local operators of its equipment which has brought about skills transfer to the local people.²⁰⁴</p> <p>In February 2023, six months after commencing operations, the company commenced major road rehabilitation and community projects. The works involved re-surfacing and improving drainage of a 15-kilometre stretch on the Harare-Mutare highway at a cost of US150 000.²⁰⁵</p> <p>However, in Kwekwe, Ming Chang Sino Africa Odzi Mining (Pvt) Ltd left a huge electricity bill at a plant taken over by Vigilant Resources (Pvt) Ltd. As at the time of compiling this report, Vigilant Resources (Pvt) Ltd had its power switched off by ZETDC, and that significantly affected the company and its workers.</p>
---	--

²⁰² Centre for Research and Development (n.d) Workers raise alarm over poor working conditions at Ming Chang Sino Africa Investments in Odzi, Mutare. [online] Available at <http://www.crdzim.org.zw/crd%20press%20statements.html> [Accessed on 27 March 2023]

²⁰³ NewsDay (2023) Gold miner brings cheer to Odzi villagers. [online] Available at <https://www.newsday.co.zw/local-news/article/200007289/gold-miner-brings-cheer-to-odzi-villagers> [Accessed on 27 March 2023]

²⁰⁴ Centre for Research and Development (n.d) Workers raise alarm over poor working conditions at Ming Chang Sino Africa Investments in Odzi, Mutare. [online] Available at <http://www.crdzim.org.zw/crd%20press%20statements.html> [Accessed on 27 March 2023]

²⁰⁵ NewsDay (2023) Gold miner brings cheer to Odzi villagers. [online] Available at <https://www.newsday.co.zw/local-news/article/200007289/gold-miner-brings-cheer-to-odzi-villagers> [Accessed on 27 March 2023]

Environmental implications of the selected investments

- Environmental management

- It could not be established on whether or not Ming Chang Sino Africa (Pvt) Ltd and its establishments had EIAs. However, several environmental implications were raised.

- In Odzi it uses opencast mining, which results in deforestation. The picture below by CRD shows the contrast between an area the company operates at and the nearby environment.



Pictorial Evidence 16: Deforestation by Ming Chang SinoAfrica (Pvt) Ltd

- In Odzi, CRD reported that the company was processing gold through heap leaching, a process that uses chemicals such as caustic soda, lime and cyanide.²⁰⁶ However, regulatory authorities such as EMA were accused of not adequately monitoring the company's operations because of its political connections.²⁰⁷

- In Bindura, Ming Chang Sino Africa (Pvt) Ltd, has been accused of poisoning Simona Village animal and human life with cyanide. The mining activities take place very close to residential areas. Furthermore, the local people complain about noise and regular tremours.²⁰⁸

- At its lime plant in Bubi district, the community alleged pollution caused by the emission of hazardous gases and lime dust.

- In Odzi, the company was sanctioned by EMA for its illegal dumpsite. However, the company moved the dumpsite to a hidden place that is still in breach of the environmental regulations.²⁰⁹

The CRD raised concerns against the environmental degradation and had in the past urged EMA, the Ministry of Mines and Mining Development (MMMD) and the National Social Security Authority (NSSA) to take action.

²⁰⁶ Centre for Research and Development (n.d) Workers raise alarm over poor working conditions at Ming Chang Sino Africa Investments in Odzi, Mutare. [online] Available at <http://www.crdzim.org.zw/crd%20press%20statements.html> [Accessed on 27 March 2023]

²⁰⁷ Meeting with community members on 18 March 2023

²⁰⁸ Team Pachedu (2023) <https://twitter.com/PacheduZW/status/1499752124984578048?lang=en>

²⁰⁹ Meeting with community members on 18 March 2023

Impact and implications on local business opportunities

<ul style="list-style-type: none">● Displacements of local people● Safety of affected miners● Lost income jobs and income	<p>The site where Ming Chang Sino Africa is based in Odzi was occupied by local artisanal small-scale miners and some were forcibly moved from the site. These displaced miners resorted to unsafe mining in order to eke out a living. For instance, some of the artisanal and small-scale miners in Odzi moved to Redwing Mine where numerous deaths have been reported due to unsafe mining methods.²¹⁰</p> <p>In Kwekwe, Ming Chang closed its mine and gave it to Vigilant Resources (Pvt) Ltd. In that process jobs were lost, a situation that reached full circle when Vigilant Resources (Pvt) Ltd subsequently closed due to a ZETDC electricity bill left by the Chinese. The closure resulted in a massive loss of employment.</p>
---	---

Accountability

It has been widely reported in Kwekwe and Odzi that relevant authorities such as EMA, ZRP, and the Ministry of Mines and Mining Development fear taking action against Ming Chang Sino Africa (Pvt) Ltd because of its political connections. This is confirmed by a Chinese mine manager in Odzi named as Liu who boasted that he and other Chinese nationals enjoyed military and political links.



Open pits are now breeding ground for waterborne diseases



Open pits pose a danger to human life and livestock



Opencast mining has scarred the face of the earth in local communities



Mine dump



Afrochine expresses commitment to beneficiation



Communities and artisanal miners in Shurugwi are worried by the damage caused by Chengxi Mining



Miners leave dumps when they stop operations



The once scenic Boterekwa Escarpment



Unreclaimed pits are a major occurrence



Poisonous substances are discharged into rivers



Rural households have been left more vulnerable by Chinese mining activities

