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Today's Commons debates - Tuesday 17 July 2012

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- Westminster Hall
- Zimbabwe (Blood Diamonds)

Westminster Hall

Tuesday 17 July 2012

[Mr Dai Havard in the Chair]

Zimbabwe (Blood Diamonds)

Motion made, and Question proposed, That the sitting be now adjourned.—(Bill Wiggin.)

9.30 am

[**Mr Peter Hain \(Neath\) \(Lab\):**](#)

May I welcome you to the Chair, Mr Havard? It is a delight to speak under your guidance, as a fellow south Wales valleys Member of Parliament. I immediately pay tribute to my hon. Friend the Member for Vauxhall (Kate Hoey); in her chairmanship of the all-party group on Zimbabwe, she has provided inspirational leadership for a long time.

In December 2000, the United Nations General Assembly adopted resolution A/RES/55/56, supporting the creation of an international certification scheme for rough diamonds. That led to the Kimberley process, a mechanism for negotiations, and the international treaty banning blood diamonds, established under UN Security Council resolution 1459 in January 2003. I put a great deal of effort into achieving that when I was British Minister for Africa, because illegally traded blood diamonds were paying for arms, which fuelled conflicts in Angola and the Democratic Republic of the Congo, and in Sierra Leone, where those very arms were used against British troops by terrorists. Now we are seeing a different kind of blood diamond from

Marange in Zimbabwe, and it is high time that the Kimberley process and the World Diamond Council stopped turning a blind eye to serious abuse with an anti-democratic, violent purpose.

The history of Zimbabwe has been punctuated with violence. Cecil Rhodes's exercise of colonial power in southern Africa was built on a monopoly of violence. Until it was swept away by the liberation war, which I supported as a British anti-apartheid leader at the time, Ian Smith's racist Rhodesian regime used violence against opponents demanding democracy. Robert Mugabe's ZANU, first elected in a landslide victory in 1980, betrayed the freedom struggle that it once led with distinction, by systematically using violence as a political strategy to maintain power and the privileges of an increasingly corrupt mafia surrounding him. Killings, torture and beatings of ZANU-PF opponents and massive human rights abuses accompanied the elections of 2000, 2002 and 2008. Mugabe's regime specialised in stealing those elections by violence.

My fear is that Zimbabwe's forthcoming election, due by June next year, might be no different despite the Government of national unity, who have given some relief to their beleaguered, suffering nation. In that Government, the Movement for Democratic Change has been given the Ministries of Finance, Education and Health, among others. ZANU-PF retained the Ministry of Defence, the Ministry of Mines and the Office of the President, the home of Zimbabwe's feared secret police—the Central Intelligence Organisation or CIO. Since the MDC took control of the Ministry of Finance and clipped the wings of the Reserve bank, the security mafia loyal to President Mugabe has been on a hunt for sources of off-budget finance. It has now found those sources, thanks to an accident of geology and the failures of the international community.

In 2006, diamonds were found in the Marange fields in eastern Zimbabwe. The area holds one of the world's richest deposits of alluvial diamonds. The gems lie close to the surface of the ground, making them easy to collect by hand. During 2008, the military deployed soldiers and helicopter gunships during the clearance of thousands of small-scale miners from the Marange diamond fields, killing and wounding many people in the process. Nearly every soldier in Marange is involved in one way or another in illegal mining. Soldiers have formed syndicates of diamond panners, whom they protect and escort.

Many of the diamonds are smuggled to the town of Vila de Manica, in Mozambique, only 12 miles from the Zimbabwe border. It is crawling with illegal dealers from countries such as Lebanon, Sierra Leone, Guinea, the Democratic Republic of the Congo, Nigeria and Israel, most living in smart houses, bristling with barbed wire and CCTV cameras, and guarded by armed men, admitting they do so with the help of army syndicates and senior ZANU-PF politicians.

Global Witness deserves our thanks for its impressive report, "Financing a Parallel Government?", which has unearthed devastating evidence on Zimbabwe's blood diamond trade. In Zimbabwe, mineral rights are vested not in the state, but with the President. Robert Mugabe has granted a series of mining concessions. One was to Canadile, a company that has since collapsed amid allegations of corruption, including against Obert Mpofu, the ZANU-PF Minister of Mines. Mpofu is a man on a £1,200 monthly salary, who is now rich enough to spend over £13 million buying a bank. Another was to Mbada Diamonds. Its chief executive officer, Robert Mhlanga, a Mugabe crony, is developing a £20-million mansion in Ballito, KwaZulu-Natal. Behind Mbada Diamonds and up to its neck in its shady start-up, is a South African scrap metal company, New Reclamation, and its former chief executive officer, South African business man, David Kassell.

South African business interests were heavily involved in mining diamonds in Marange or profiting from their irregular sale, in what the South African Broadcasting Company last October reported as a:

"blatant disregard for the rule of law and continued plundering of the diamond fields in Eastern Zimbabwe. New evidence suggests that South African firms have muscled in, and are mining there illegally."

In 2011, 25% of the shares of Mbada were transferred to a mysterious network of shell companies based in Mauritius, Hong Kong and the British Virgin Islands. Those companies are connected to Robert Mhlanga, a retired air vice-marshal in the Zimbabwean air force. The use of secrecy jurisdictions and tax havens should raise a red flag for any legitimate businesses trading with Mbada. They should be asking the question, who are the real beneficial owners of Mbada? We have seen with Libya's Colonel Gaddafi how banks, lawyers and businesses colluded in illicit financial outflows of national wealth. I fear that that is being repeated in Zimbabwe.

A third mining concession was to Sino Zimbabwe Development and a fourth to Anjin Investments. Sino Zimbabwe Development purports to be a joint venture between the state-owned Zimbabwe minerals development corporation and an investor, Sam Pa—a businessman from the Queensway syndicate, a network of companies based in Hong Kong, Singapore and Angola. Sam Pa and the Queensway syndicate were the subject of a recent feature in *The Economist*, which raised two issues in particular. First, the Queensway syndicate's amoral deal in Guinea. Just one month after security forces massacred 150 protestors in a stadium, the syndicate signed a multi-billion dollar deal with the Guinea junta—effectively providing a financial lifeline to that pariah regime. Secondly, *The Economist* alleged that the syndicate was buying Angolan oil ridiculously cheaply and selling it on at market prices to Chinese oil companies—suggesting the Angolan people may have been cheated out of billions of dollars.

In Zimbabwe, several sources suggest that Sam Pa gave the secret police—the CIO—a large sum of money, which one CIO document places at \$100 million, and over 200 Nissan pick-up trucks. In return for that apparent assistance, Sino Zimbabwe Development was granted opportunities in Zimbabwe's diamond and cotton sectors. Sino Zimbabwe Development was set up and registered in Zimbabwe and Singapore. The Singaporean company is in turn part-owned by Strong Achieve Holdings, a company registered in the British Virgin Islands and controlled by someone believed to be a member of the Zimbabwean secret police. That, again, illustrates the highly disreputable role of the British Virgin Islands in facilitating such murky dealings. Sino Zimbabwe Development is ostensibly a legitimate business. Yet its three Zimbabwean directors, Gift Kallisto Machengete, Masimba Ignatius Kamba and Pritchard Zhou are all believed to be members of the CIO, and the firm is in reality a front company for the Zimbabwean secret police.

Anjin Investments purports to be a joint venture between a previously unknown Zimbabwean firm, Matt Bronze, and a Chinese construction company. In reality, Anjin's company secretary is Brigadier Charles Tarumbwa, who is also the Judge Advocate General at Zimbabwe's Ministry of Defence, and is on the EU sanctions list for orchestrating violence. Anjin's executive board includes Martin Rushwaya, the permanent secretary of the Ministry of Defence, and serving and retired military and police officers. Anjin claims to be the biggest diamond mining company in the world and has been described by informed observers as having the potential to be the next De Beers. In reality, Anjin is a front for the Zimbabwean military; nor does that shadowy activity involve only diamonds.

On 27 June, the Russian business newspaper *Kommersant* reported that Zimbabwean officials had approached Russian companies with a prospective platinum deal in exchange for attack helicopters. A Russian joint venture, named by *Kommersant* as involved in the deal, is called Russ Zim and Rushchrome. The deal is ostensibly with the parastatal Zimbabwe Minerals Development Corporation. However, Anjin's Brigadier Charles Tarumbwa is company secretary of the Russian joint venture, and the chairman of its executive board is Martin Rushwaya, the permanent secretary at the Ministry of Defence, who is on the board of Anjin. Again, the planned deal seems to have been cooked up by the Zimbabwean military-industrial complex.

Why is that important? First, the Zimbabwean military and secret police are known for their uncompromising support for ZANU-PF. It has even been alleged that money from Sam Pa has been allocated towards a CIO

smear campaign against MDC Prime Minister Tsvangirai, called Operation Spiderweb. If the secret police have access to off-budget sources of funding, they can set and finance their own agenda, in flagrant breach of democratic and civilian control of the security forces budget.

Secondly, Zimbabwe desperately needs tax revenues. Life expectancy at birth in Zimbabwe is 47 for a man and 50 for a woman. The Government are slowly rebuilding the education and health infrastructure after the devastation wrought by years of misrule and the hyper-inflation of 2008. Out of a budget of US \$4 billion, the MDC Finance Minister Tendai Biti was promised US \$600 million in diamond revenues by the Ministry of Mines and Mining Development. Yet he recently stated that Anjin had not paid one cent to the Zimbabwean Treasury, adding that Anjin's failure to remit diamond proceeds to the consolidated revenue fund was in breach of the constitution. Anjin claims that it paid some money to the ZANU-PF-controlled Zimbabwe Minerals Development Corporation. Yet none of that has yet reached the Finance Ministry's consolidated revenue fund. Diamond revenues are being siphoned off when Zimbabwe needs teachers and nurses, not attack helicopters and secret police thugs.

Thirdly, there is a risk that any money given by Sam Pa, Anjin and Sino Zimbabwe Development to the security forces will fund human rights abuses in the run-up to next year's election. Let us remember that, to cling on to power in the 2008 election, soldiers, ZANU supporters, secret policemen and so-called war veterans—a pseudonym for Mugabe's thugs—killed 200 people, tortured and assaulted 5,000 and forced 36,000 more to flee their homes.

What can the British Government do? I urge them to engage with the Southern African Development Community facilitators to push security sector reform and democratic and civilian control of budgets up the agenda in forthcoming negotiations. In the long term, much more must be done to regulate the diamond industry properly. I feel strongly that the Kimberley process certification scheme, which is designed to stop the trade in blood diamonds, has failed to deliver on the original objectives that we designed for it during my time as a Foreign Office Minister between 2000 and 2002. It has three weaknesses that have not been addressed. It does not cover polished gems—only rough diamonds. It applies only to crimes committed by rebel groups, not to human rights abuses committed by Governments such as Zimbabwe's. It does not enforce its own rules properly: the scheme is found wanting when confronted with problems in Venezuela, Côte d'Ivoire and Zimbabwe.

The Kimberley process report on Anjin praises the modern security procedures of the company, makes small recommendations to reduce the risk of theft and smuggling and thanks the Minister of Mines for his co-operation, yet not once does it ask who owns Anjin. That is wilful blindness, and it has led member states, including the UK, acting through the EU, to authorise exports of Anjin diamonds.

Let us be clear: Zimbabwean military-controlled blood diamonds are now sold in the EU and almost certainly in the UK, appearing on wedding rings all over the place. It is time for jewellery companies to stop hiding behind the facade of the Kimberley process and to take responsibility for their own supply chains. Each company must ask, "Where do my diamonds come from, under what conditions are they mined and traded, and who benefits from their sale?" That system, known in the jargon as supply chain due diligence, was first developed for the trade in conflict minerals sourced from the Democratic Republic of the Congo. It should be adapted for the trade in diamonds and other gems, so that those resources can play a constructive role in the development of other countries at risk, such as Zimbabwe, Afghanistan and Burma.

I urge the British Government to commission the OECD, which has played an important role in working out the details of such a scheme for the trade in gold, tin, tungsten and tantalum, to examine how it could be applied to precious stones such as diamonds. I hope that the Minister will tell us something about that.

The European Union has placed many individuals and entities on restrictive measures: travel bans and asset freezes. One such entity is the Zimbabwe Minerals Development Corporation and its subsidiaries and joint ventures. Bizarrely, Anjin is not on the sanctions list, despite there being a more compelling case for its inclusion than for the inclusion of other mining firms that are sanctioned by virtue of their association with the Zimbabwe Minerals Development Corporation. Recently, the Zimbabwean Deputy Minister of Mines stated in Parliament that

“Anjin is owned by the Chinese and the Government of Zimbabwe where ZMDC owns 10% and Zimbabwe Defence Industries owns a 40% shareholding”.

Given that both Zimbabwe Defence Industries, which is wholly owned by the Ministry of Defence, and the ZMDC are already on sanctions lists, it seems to me that Anjin should be listed as well, not least on the grounds that it is a subsidiary of listed entities.

Even stranger, in my view, is the news that at its Foreign Ministers Council on Monday the EU proposes to remove or suspend some or all targeted sanctions. To do that less than a year before Zimbabwe’s next election could be very damaging. Are EU and UK officials really suggesting removing an asset freeze on someone like Didymus Mutasa, the former State Security Minister, who is accused by the EU of being

“involved in murders in Manicaland”,

or lifting the EU travel ban on our old friend Brigadier Charles Tarumbwa, who is accused by the EU of being “directly involved in the terror campaign waged before and during the elections”

and of being in charge of a

“torture base in Makoni West, Mutasa Central in 2007/2008”?

Instead of suspending sanctions at the behest of ZANU-PF, Monday’s EU Foreign Ministers’ meeting and the British Government should argue for Sam Pa, Anjin and Sino Zimbabwe Development to be placed on the EU’s targeted sanctions list and for the Zimbabwe Minerals Development Corporation to remain on the list. That should remain the case at least until the election—probably less than 12 months away—has passed off peacefully.

If the intention is to wave a carrot and not just a stick, by all means suspend sanctions against some of those lower down the ZANU-PF command list, or examine the more calibrated strategy that is recommended by the International Crisis Group and that is being considered by southern African countries. We must ensure that substantive sanctions, such as asset freezes on Anjin and Sam Pa, are imposed so that the security forces cannot build a war chest before the election.

If off-budget financing of the security forces is not addressed immediately, regardless of what happens to Robert Mugabe, Zimbabwe could soon be ruled by a free-floating securocrat elite: unaccountable, unelectable and unstoppable. More than enough damage has been done already to the wonderful people of Zimbabwe, as a once-prosperous country has been reduced to penury. Let us ensure that we do not perpetuate the terrible damage that has been done by premature suspensions of highly targeted sanctions, especially on those who are responsible for the Marange blood diamonds, when the imperative is to impose more not less.

The World Diamond Council and Governments with a substantial diamond trade must act to block blood diamonds from Marange, or the whole diamond trade could well find itself tarnished and targeted by boycotts

and protesters, just as was threatened until it acted in 2000. I hope that hon. Members will consider these matters and that the Government will take forward the policies that I have recommended for targeted sanctions.

9.52 am

Oliver Colvile (Plymouth, Sutton and Devonport) (Con):

I am grateful for the opportunity to speak in this debate, and it is a pleasure to serve under your chairmanship, Mr Havard. I congratulate the right hon. Member for Neath (Mr Hain) on securing this debate. Much of what he said was incredibly interesting and important, and I am grateful to him for the lesson that he gave.

My own involvement in southern Africa began in 1979 when I spent four months in Zimbabwe, Malawi and South Africa. I had two great uncles working for the Colonial

Service in Nyasaland, which is now Malawi, and a cousin who ran a fruit farm in the east highlands. In 1994, I gave advice to one of the political parties involved in the general election campaign in Malawi. Such experience gave me a good understanding of the political and cultural differences between this country and the west and southern Africa.

I will not pretend for one moment that I have a better knowledge of southern Africa than the right hon. Gentleman. None the less, my understanding of the region's culture, coupled with my experience as a Conservative party agent, means that I understand the need for organisation within places. Added to that, my first ever job was working for the Diamond Corporation, so I have a little understanding of how the diamond world operates and how important southern Africa is to the whole industry.

Let me explain where Zimbabwe is at the moment and how it has got there. In 1965, as the Federation was falling to pieces, Ian Smith declared independence. From that moment on, with perhaps a short period of respite, Zimbabwe has had a very chequered career. UDI lasted for about 15 years and only became unsustainable following a bloody and difficult civil war. Zimbabwe was always considered to be the bread basket of Africa, and was able to deliver food into a part of the world that desperately needed it.

Zimbabwe is a country of strategic importance, as it is the gateway to South Africa, which is the principal regional power in this part of the world. We need to be working very closely with the Southern African Development Community and other countries in the region to deliver the route map that has been agreed. We also need to ensure that the international community begins to prepare for life after Mugabe has gone. Indeed, my understanding is that Mugabe is not well. He is thought to have prostate cancer and is spending a lot of time in Singapore. Therefore, we need to ensure that we have a solution for the future that enables us to get close to the region. We need to encourage the moderates within ZANU-PF for the time when Mugabe has gone.

Although the west views Mugabe as a demon whose regime is most certainly responsible for a series of murderous and bloody attacks, he is still seen, in many parts of southern Africa, as one of the great heroes of the struggle for independence. When the hon. Member for Vauxhall (Kate Hoey) and I were in Zimbabwe last year, we heard the story of how President Zuma took Mugabe into a crowded football stadium, with some 50,000 people, and welcomed him as a war hero. That is one of the difficulties facing President Zuma; how does he keep on side the balance of those people in his country on whom he depends for election but, at the same time, help to deliver this route map as well?

I will not pretend for one moment that Mugabe's presidency has been a success; it most certainly was at the very beginning. Unfortunately, as he has become more isolated, he has turned to more and more violent

activities. I am concerned that the proceeds from the Marange diamonds have ended up being used in a corrupt way to fund the ZANU-PF coffers as it prepares for the general election when that happens—probably in the next year.

We must build relationships with the more moderate elements of ZANU-PF and ensure that we work with them to develop a governance process that will lead to an independent judicial system and a police force that is not corrupt. That is incredibly important. I have been talking with my hon. Friends in the Foreign Office about how we might develop a staff college to help those people from the emerging countries, especially places such as Zimbabwe, and show them how to set up a proper judicial system and a police force that is not corrupt. If we do not do that, people will not be willing to invest in Zimbabwe. They will say to themselves, “What is the point of us putting money and investment into Zimbabwe, if it is just going to end up being filtered and dealt with in a corrupt manner?”

When the hon. Member for Vauxhall and I were in Zimbabwe last year, we heard that some investments from South Africa were under a real threat of being confiscated. If that happens, frankly it will be very difficult to encourage anybody to invest in Zimbabwe.

One of the things that we need to do is to work very closely with South Africa to deliver a route map, and I hope that the Minister will take note of that point. We need to ensure that there is decent registration, and that we have observers in the country during the course of the registration process and before the election. If we do not do that, once again—unfortunately—ZANU-PF and Mugabe will go and steal the election, which would be very difficult to accept. We also need to have an approach that recognises that those people in what is probably the medium part of the military feel that if there is somebody else in power they are going to lose all of their assets. Adopting that approach is going to be another thing that is very difficult for us to go through.

I am also very keen to ensure that we recognise that southern Africa has a fundamental part in the whole of the world political strategy. Indeed, the Cape routes have always been incredibly important to us, because by using them we can ensure that we can export a lot of our goods. It would be most unfortunate if the submarines bases down in Simonstown were to fall into the wrong hands. That could be a threat as far as we are concerned.

As I say, having a judicial system that is free and independent is absolutely vital. I have recently heard stories of some Dutch farmers who have made quite a large investment in Zimbabwe. They have been in a court case and they are having real difficulty in trying to ensure that they can get the moneys that they are owed paid to them.

In conclusion, we need to ensure that there is support for the route map, and also that the more moderate people in ZANU-PF will have the opportunity to find a way out and do not feel that the west has totally and utterly turned its back on a lot of people. It would be helpful if the Minister could set out the Government’s attitude towards Zimbabwe.

10.2 am

Kate Hoey (Vauxhall) (Lab):

It is very nice to serve under your chairmanship, Mr. Havard. It is also very nice to follow the hon. Member for Plymouth, Sutton and Devonport (Oliver Colvile), one of the vice-chairs of the all-party group on Zimbabwe, of which I am the chair.

I pay tribute to my right hon. Friend the Member for Neath (Mr Hain) for his persistence in securing this

debate and for the fact that we are lifting the veil of darkness that sometimes hangs over the whole of the diamond industry generally and particularly in Zimbabwe. He was an outstanding Minister for Africa and I am absolutely delighted that now he is back on the Back Benches he is again able to get more positively engaged in helping Zimbabwe, because his knowledge of southern Africa is absolutely tremendous.

I share most of my right hon. Friend's analysis—in fact, all of it. I will not go through some of the issues related to individuals involved in the Marange diamond area, but I want to raise some further issues related to that area. Having said that, I am absolutely delighted that over the years the all-party group on Zimbabwe has managed to keep some of these issues about Marange to the forefront. Just a couple of years ago, in June 2010, the then vice-chair of the group, Baroness D'Souza, who is now obviously in charge of the House of Lords, and I wrote to Stéphane Chardon, the EU representative who chaired the Kimberley process Working Group on Monitoring at that time. We expressed our grave concern about the way that human rights abuses and reports of killings in the Marange diamond field were being investigated by the group. We did so because in the many years since the situation in Zimbabwe became really serious the UK Government and other Governments around the world have felt powerless, but through the Kimberley process and through having an EU appointee as chair of the group we had some direct responsibility and control. With many of the points that my right hon. Friend made, we need to look at how the Kimberley process is working and consider whether we can make some effective changes.

I pay tribute to some of the members of the all-party group on Zimbabwe, particularly some of those in the House of Lords, who have continued to probe and ask questions about Zimbabwe. Lord Avebury, Baroness Kinnock and Baroness Boothroyd have been assiduous in keeping pressure on our Government and—indirectly—on the EU, and in ensuring that Government Ministers of whatever party have remained closely engaged with Zimbabwe. I also pay tribute to the Under-Secretary of State for Foreign and Commonwealth Affairs, the hon. Member for North West Norfolk (Mr Bellingham), who is the current Minister for Africa, for the close personal interest that he has taken in Zimbabwe and indeed in the whole of southern Africa. I am sorry that he is not here for this debate today. When he phoned me yesterday, he was in Malawi, so I know that he is very intent on trying to see what the British Government can do to help the process in southern Africa.

Of course, Zimbabwe is of close interest to British taxpayers. Through our international development programme, we are expected to pick up the bill eventually—it is quite right that we should do so, and I have no problem with it—for rebuilding much of the infrastructure and institutions of the terribly ruined country of Zimbabwe. However, it would be the most appalling irony if the revenue from the massive national windfall of diamonds should end up in the pockets and overseas bank accounts of the very same army officers and ZANU-PF politicians who have wrecked Zimbabwe, especially if they are allowed to use that windfall to buy weapons, tanks and other vehicles to extend their illegal grip on power.

There is no doubt that, as my right hon. Friend has already said, ZANU-PF functionaries and Ministers are effectively running a parallel economy in Zimbabwe. That is clearly chronicled in the excellent report on Zimbabwe by Global Witness and it is something that we just cannot ignore.

I will mention one particular British company that sometimes does not get mentioned in discussions of Zimbabwe, but that has an involvement in the country. That company is Old Mutual. Last year, we met the chairman of Old Mutual, Patrick O'Sullivan, and its chief executive of long-term savings, Paul Hanratty, here in London just before one of the company's annual general meetings, where some people were turning up to protest against the fact that Old Mutual's wholly-owned subsidiary, Old Mutual Investment Group (South Africa) or OMIGSA, had invested in a South African company, the New Reclamation Group, which of course the right hon. Member has already referred to. New Reclamation Group has a very poor reputation in Johannesburg. It is in fact, as has been said, more or less a scrap metals merchant. It basically presented a

business case to Old Mutual to invest in the Mbada Diamonds company, and that investment was made.

We just cannot ignore the fact that a British company is involved in this way. When we talked to the chairman and chief executive of Old Mutual, of course they made the point that they are representing their shareholders and they cannot actually make policy. However, there is a moral judgment to be made in some of this activity, and as a primary landowner and property manager in Zimbabwe Old Mutual is interwoven within the fabric of society and its investment policy, far from being apolitical or just about business, plays a really important role in the country, and if it wishes to avoid perceptions of collusion or acquiescence in the continuing repression and human rights violations in Zimbabwe, it should disengage completely from anything that is linked with blood diamonds, and I call on it to do so.

I want to talk very briefly about a worry that exists at the moment and that was referred to by my right hon. Friend in his speech. It is a worry about the rumours—in fact, they are not rumours, because we all know that there are discussions on this subject going on within the EU—about whether there could be suspension of some of the sanctions that have been imposed. We need to start from the understanding that we are not involved in a “blame game” about who is right or wrong on whether we should consider suspending sanctions; it is a situation in which everyone wants to do the right thing. Sometimes when we are over here discussing what is happening in Zimbabwe, what may seem to us the right thing may not necessarily be the right thing to the people who are involved in the struggle in Zimbabwe.

There is a strong push, particularly from the Southern African Development Community and South Africa, for a carrot in the form of a vote on the new constitution, probably in an October referendum, as part of the global political agreement—the GPA. That would allow the process to go forward to free and fair elections next year, and I understand that we would then suspend sanctions. The detail may not yet be finalised as to how many would be suspended and whether it would be just sanctions on individuals or also direct sanctions involving, for example, the EU’s funding of industry in Zimbabwe, but they would not be lifted, or rather not suspended—it is important that I use the correct terminology—until such time as there was a free and well-organised referendum on the constitution.

It would be easy for a free and relatively peaceful referendum to take place in the autumn, but those who continue to be able to turn on the tap of violence can do so almost at will, and I worry that once we have suspended the sanctions—should we get a free constitutional process—it will be easy for that tap to be turned on extremely quickly. The violence is still there, whenever ZANU-PF and its apparatchiks want to carry out some atrocity. Just last weekend, they stopped a Movement for Democratic Change rally, so it is clear that they can do huge damage at will, and the money from the illegal diamond sales makes it easier for the violence to be turned on, with the machinery that they have.

SADC and South Africa are absolutely crucial, but I have mixed feelings, and am concerned. Perhaps when discussing the suspension of sanctions we can tie South Africa and SADC into the process, so that if some of the sanctions were suspended, but the GPA were not then fulfilled and violence started again, we could be absolutely certain that South Africa and the other SADC countries would do what they have said they would do if the sanctions were suspended. Disappointingly, the SADC leaders have, time after time, seen their solidarity not with the people of Zimbabwe, not with all those who have bravely and patiently struggled to represent the democratic will of the people, but with the crooks, bullies and corrupt people who are committed to keeping Mugabe in power at any price. If the British Government and the European Union suspend sanctions they will be putting huge trust in SADC, and in South Africa in particular as the guarantor of the safety and rights of the Zimbabwean people, and we must be certain that that trust will be rewarded in full by an unequivocal refusal by South Africa, leading the rest of SADC, to excuse or turn a blind eye to any resurgence of violence.

I do not believe that Mugabe will give up power peacefully, or that he will want what we would call a genuinely free and fair election—even with the best will in the world, I do not think that we can have a really free and fair election as we would see it. We can make next year's election much better than the last one, but only if South Africa and SADC unequivocally accept that they have an international responsibility, and the quid pro quo of removing the ridiculous idea that the sanctions have caused Zimbabwe's economic crisis. We all, and even the most extreme member of ZANU-PF, know that that is nonsense, but it has been a potent weapon, used particularly in rural areas where the broadcasting media are still totally in ZANU-PF's hands, and that has not changed under the GPA. The newspaper media are slightly freer, but the broadcasting media, which are the ones that get into the rural areas, are 100% ZANU-PF dominated. The SADC leaders have too often allowed Mugabe that kind of propaganda victory, by remaining silent on the violence until relatively recently and speaking out only to condemn the targeted measures imposed under the Cotonou agreement.

Many many years ago, when we were young, my right hon. Friend and I joined together in protests about apartheid in South Africa, in what was called the Stop the Seventy Tour, but nothing we did is an excuse for the unleashing of violence and intimidation on Zimbabweans just because Mugabe has a problem with the United Kingdom, the Commonwealth or the United States. Such things are never excusable. I have no expectation that the ZANU-PF hard-liners or the Zimbabwe military will change their ways. They are worried about losing their wealth and their ill-gotten gains.

I hope that we can give enough encouragement to men and women of good will, especially the younger generation who hope for a new Zimbabwe and all the millions of Zimbabweans who have left the country and live around the world. I understand that under the new constitution such people will, importantly, retain their citizenship, and be able to play their part in the new Zimbabwe, and we can help with that. We have to be very careful with the handling of the suspension of sanctions, because some sanctions have worked. It is nonsense to say that they have not—that is why there is such a push to get them lifted—but I accept that there might be some that could be suspended. I absolutely agree with my right hon. Friend, however, that there are some people we cannot possibly take off the lists—indeed, there are one or two we might add.

I want to end by saying that I wish that everyone could read the amazing speech made by one of my Zimbabwean heroes, Roy Bennett, at Rhodes house in Oxford in May. Entitled, “Smoke and Mirrors: another look at politics and ethnicity in Zimbabwe”, it was a wonderful speech, which put into around a dozen pages just what the future for Zimbabwe could be, and how we, as the British Government, can help.

10.18 am

Jim Shannon (Strangford) (DUP):

Thank you, Mr Havard, for allowing me to speak. I congratulate the right hon. Member for Neath (Mr Hain) on bringing this matter, which is of interest to a great many people, to Westminster Hall. The right hon. Gentleman clearly outlined the case for Zimbabwe, and passionately spoke of the need for the British Government, Europe and the free democratic countries to be involved.

It is simply outrageous that some countries are intent on ensuring that blood diamonds are mined and then sold all over the world. Some such countries, as Members have already said, are China—in particular—Russia and the United Arab Emirates. Those countries and others turn a blind eye to where diamonds come from.

I want to focus on the funding through blood diamonds of Robert Mugabe's election terror campaign, and how it will affect the future of Zimbabwe. Who is Zimbabwe's main partner in mining blood diamonds?

China. The shadow of China hangs ominously over many sections of Africa, but nowhere more than in Zimbabwe. Anjin Investments, a Chinese-led venture in Zimbabwe, has announced that it is the biggest diamond producer, with allegedly 3 million carats to sell. In return, that company is funding a new military college in Zimbabwe for Robert Mugabe. The much-feared Central Intelligence Organisation or CIO, Mugabe's secret police force, is well known for torture, brutality and suppression of freedom and rights in Zimbabwe. The CIO is flush with cash.

At the last election, Mugabe's coalition partner controlled finance and, through that, where money went within Zimbabwe. Now, with money coming from blood diamonds, things are changing, and edging much more towards the next election and Mugabe's hopes for the future. Blood diamond money has purchased hundreds of new vehicles in the past few months and has rearmed the army with thousands of new weapons from China. Salaries have been increased, and thousands of new officers have been trained. We must ask why. Is it happening in advance of the election and constitution change later this year, and of future elections? Many suspect that it will be used to intimidate voters in the next election.

The key to the outcome of the next election lies with the problem of blood diamonds. Over the past nine years, the Kimberley process has failed to evolve or to address the clear links between diamonds, violence and tyranny. It has been said:

“The KP has failed to deal with the trade in conflict diamonds from Côte d'Ivoire, breaches of the rules by Venezuela and diamonds fuelling corruption and state-sponsored violence in Zimbabwe”

and

“has turned an international conflict prevention mechanism into a cynical corporate accreditation scheme.”

That sums up exactly where we are.

The EU represents 27 member states. What discussions have the British Government had to work with other EU countries to stop or control the trade in blood diamonds? It is not an issue for the British Government alone; it is also an EU issue. We need to ensure that we work with our partners.

It is alleged that dirty diamonds are being mixed with clean gems, which means that corruption is happening at the highest levels. It is further alleged that officers in the Zimbabwean army hold senior positions in the Anjin partnership mining venture. Anjin has an estimated stockpile of up to 3.6 million carats. Should anyone be in any doubt about the extent to which Mugabe's regime will go, the BBC has claimed in the past few days to have discovered a torture camp known as Diamond Base in one of the areas from which the EU wants to approve exports. Again, I suggest that the British Government and the EU need to work together strongly. Why approve something when evidence clearly indicates that torture, killings and brutality are taking place? We do not want those things to happen. I am sure that the Minister will respond positively.

I have had an interest in Zimbabwe—or Rhodesia, as I knew it then—from an early age. I have many friends who have lived and worked there, helping its economy and its people. That is why I am here to contribute to this debate. Ian Smith, former Prime Minister of Rhodesia, had a famous saying that many Members will remember:

“This is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning.”

I hope that Zimbabwe will have a free, democratic election and that Mugabe will be ousted, but I have some concerns, like the hon. Member for Vauxhall (Kate Hoey), that the elections will be changed by the barrel of a gun and money from blood diamonds. We must, I believe, burst the blister of blood diamonds. The British

Government's involvement is critical.

The Minister is well known for his compassion and his level-headed responses, and we hold him in great respect. I ask him to show us how the British Government, along with their EU partners, will ensure that the democratic process in Zimbabwe is free of violence and brutality, and that the people can decide on their future.

10.25 am

[Neil Parish \(Tiverton and Honiton\) \(Con\):](#)

Thank you, Mr Havard, for allowing me to make a short speech although I was late getting here. I congratulate the right hon. Member for Neath (Mr Hain) on securing this extremely important debate.

I have quite good experience of Zimbabwe, as I was an election observer in 2000. I have been banned by Mugabe from returning to the country, as I was critical of the regime. This debate is one of many that we have had here that are essential to put pressure on the Mugabe regime.

I have some simple points to make. ZANU-PF and the Mugabe regime need to pay for their army and their tyranny, which is why they need money. That is the blunt message that we need to convey in this debate. Blood diamonds are part of the criminal element that feeds into Government. I would go so far as to call it state-sponsored terrorism and violence. Blood diamonds feed a terrible regime that goes on destroying its people despite the so-called coalition Government in Zimbabwe.

The other point that I want to raise with the Minister is that I have a lot of experience of the European Parliament. Undoubtedly, a lot of countries in Europe with colonial backgrounds have links to different countries. It is therefore important not to take it for granted that all European countries will pull together on Zimbabwe. I ask him to speak to his counterparts in France, Belgium, Germany and all the other states of Europe with past links to Africa to ensure that we pull together to put as much pressure as possible on the regime, close down the trade in blood diamonds and bring about real democratic change. All of this is part and parcel of that. The EU has an important role to play. The diamonds are getting through in various ways, and the EU can do more to pull together. Thank you again, Mr Havard, for letting me speak.

10.28 am

[Ian Lucas \(Wrexham\) \(Lab\):](#)

It is a pleasure as always to serve under your chairmanship, Mr Havard. It has been a privilege to listen to my right hon. Friend the Member for Neath (Mr Hain) in this extremely important debate, in which Members have shown their collective experience, knowledge and wisdom. The debate is useful in framing an important period for Zimbabwe. It gives us an opportunity to set some context for the important elections due to take place next year.

I have listened carefully to my right hon. Friend, whose knowledge of the issue we all understand. He brings with him the specific experience of having been a Minister for Africa and having been involved in the Kimberley process. We need to use this debate to consider, analyse and assess where the Kimberley process is. If we are to make progress in dealing not just with Zimbabwe but with Africa as a whole, the steps taken by the international community and international institutions to assess the income from the extractive industries in Africa will be a key part of belief in governance and politics in Africa going forward. It is important that we take that into consideration.

I thank the hon. Member for Plymouth, Sutton and Devonport (Oliver Colvile) for his important observations on the importance of independence in judicial processes, which are still sadly lacking in Zimbabwe. He also made an important point about preparations for next year's elections. Will the Minister reflect on the contribution that parliamentarians can make in observing elections in countries that are undertaking extremely important consultations on constitutional matters? There is an increasing tendency for parliamentarians to be excluded, ironically, from election observation missions. It is a sorry trend. There are a lot of missions. For example, I went to the Congo last year at a very important time for a very important election—the visit was funded by Christian Aid—and I think that I was the only Member of the House of Commons present, although I was joined by a colleague of mine from the House of Lords. It is important that the House of Commons considers the role of parliamentarians at important elections in countries such as Zimbabwe.

With all due respect to the hon. Gentleman, however, we have to be careful and think about the context of our relations with Zimbabwe, the way in which the United Kingdom is perceived there, and our connections and imperial past. That is never an excuse for bad behaviour, but, as I will say later, we need to operate from the perspective of principle and ask what the right thing to do is in dealing with the elections. We must try to avoid the lazy accusation that is so often made against the United Kingdom whereby our actions are perceived through the prism of our imperialist past by some in Zimbabwe, particularly the Zimbabwean Government.

My hon. Friend the Member for Vauxhall (Kate Hoey) made an excellent contribution, as I would expect. I promise to read Roy Bennett's speech, and I am sure that she will give me the full details of it following the debate. An overall assessment of the position in Zimbabwe is desperately needed. We have made some progress. Obviously, the involvement of Mr Tsvangirai in government has mitigated some of the dreadful things that were happening earlier in the decade, but it is clearly the case—much of what my right hon. Friend the Member for Neath has said explains why—that some individuals in Zimbabwe are extracting vast wealth and they are using it for their own personal interest. That explains their desperate efforts to retain power and I take on board the scepticism of my hon. Friend the Member for Vauxhall about them ever giving it up. We have to do all we can to ensure that the people of Zimbabwe, who have suffered so much in recent years, and who still suffer, have the opportunity at the ballot box to elect a Government who truly represent their interests, and not the partial and corrupt interests of many of those people to whom my right hon. Friend the Member for Neath has referred.

We have also heard from the hon. Member for Strangford (Jim Shannon), who made the important point that this is not just a matter for the British Government. Obviously, we operate at a European level through the European Union's institutions, but this process can lead to a positive result only if the international community works together. Institutions need to be developed that can effectively monitor the way in which international trade is conducted and that can ensure that the proceeds of the huge wealth under discussion are used for the benefit of the Zimbabwean people.

On that wealth, transparency in the extractive industries will be key both to effective governance throughout many states in Africa and to dealing with the curse of corruption, which still afflicts so many countries in Africa. We have focused on Zimbabwe and the diamond industry, but the principles of openness and accountability are essential if we are to build credibility and belief in politics in Africa.

Today is an important opportunity for us to reiterate our support for and solidarity with the people of Zimbabwe, following the country's tragic recent history, and to recognise the bravery of so many of the Zimbabwean people who have stood up to state-sponsored violence and intimidation over so many years. We as the United Kingdom have a responsibility to promote peace and democracy in Zimbabwe, and successive British Governments have been guided by the principle of how best to make it possible for the people of Zimbabwe to decide on the future of their own country. Of course, our own relationship has been

perceived through the prism of our historic role, but it is important that our present policy is based on principles of openness and accountability and that it should be seen as such by the Government of Zimbabwe.

To set that relationship in context, the previous Labour Government increased aid to Zimbabwe to £67 million in 2009-10, and I am pleased that the present Government have maintained their own commitment to bilateral support. We want to do all we can to support the people of Zimbabwe, and our own constituents also feel strongly about the issue. The Government of Zimbabwe should recognise that. Our commitment is an historic one and it should continue.

It is extremely important that we pay tribute to the valuable work of a number of organisations in and around Zimbabwe, including Global Witness, to which my right hon. Friend the Member for Neath has referred, the Open Society Foundations, the British Trades Union and Action for Southern Africa, which arose out of the anti-apartheid movement. They have all informed and contributed to the debate.

I note that Members from all parties have started questioning the credibility of the Kimberley process. The evidence produced by my right hon. Friend is extremely important and deeply worrying. What is the UK Government's present assessment of the credibility of the Kimberley process? Do they think that enough is being done to regulate the diamond industry fully and properly, both generally and specifically in relation to Zimbabwe? We have agreed during this debate that the issues are of international importance and that they need to be dealt with on an international basis. In order to achieve an effective international process, we must have belief in the processes that we have set up. My right hon. Friend has raised some real concerns, and unless they are addressed, it will be difficult to retain the trust required in the process to enable us to participate effectively.

This debate is timely, because just a few weeks ago a group of western ambassadors visited two high-security mining fields in Zimbabwe—the Chinese-owned Anjin and Marange resources. The group was headed by the EU ambassador to Zimbabwe, Aldo Dell'Ariccia; the first visit was by foreign diplomats. The Minister will know that, since the EU ambassador's return, he has spoken about his doubts about the transparency of the operations. What discussions have the UK Government had with the EU ambassadors who visited the fields, and what were the outcomes of the recent visit?

We have also heard of Members' concerns about enforcement. Critics believe that the Kimberley process appears to be applying enforcement only to crimes committed by rebel groups, but not to human rights abuses committed by Governments such as Zimbabwe's. The Kimberley process took the decision in November 2011 to lift a ban on the sale of diamonds from the Marange fields in Zimbabwe. We have heard the evidence today; it is deeply disturbing and specific in content, and without a response to those allegations it is difficult to extend further support and confidence to the Kimberley process. What representations have the Government made to those supervising the Kimberley process on human rights abuses in Zimbabwe's diamond fields?

As I have said, transparency is crucial in all extraction mining activities, including

the diamond sector. As my right hon. Friend the Member for Neath set out, the Opposition party, the Movement for Democratic Change, runs the Ministries of Finance, of Education, Sport and Culture, and of Health and Child Welfare, while Mugabe's ZANU-PF retains other Ministries, including the Ministry of Defence and the Ministry of Mines and Mining Development. The Finance Minister, Tendai Biti, reports that the Treasury is yet to receive money from the owned Anjin and Marange diamond reserves, and a crucial and simple question must be addressed: where is the money going?

It is essential that funds from diamond reserves go directly to the Treasury of Zimbabwe so that it can support

the people of that country and their specific needs. As we have heard, life expectancy remains low, but the Zimbabwean Government are slowly rebuilding the education and health infrastructure. We—the British taxpayer—are trying to help with that process, but we must know and understand that the proceeds of Zimbabwe's wealth will be spent on Zimbabwe's real needs: doctors, nurses and teachers.

In a bilateral aid review by the Department for International Development for 2011-12, the Government rightly focused on the UK's commitment to improving health and education for the people of Zimbabwe, including maternal and child health, water and sanitation. We cannot, however, countenance a situation in which the proceeds of Zimbabwe's wealth are used for the personal aggrandisement of politicians, or the corrupting or influencing of elections. It has been widely speculated that money is being diverted away from the progress that we all want to see, and used instead to supplement and support President Mugabe's security forces. None of us wants a repeat of the horror and bloodshed that took place in the run-up to the 2008 elections in Zimbabwe, when ZANU-PF supporters and secret policemen killed and tortured hundreds of people. There are reports that Mugabe's regime has already used diamond money to buy weapons and invest in training to intimidate voters in the elections. Less than a year before Zimbabwe's next election, can we be confident that diamond assets will not go towards funding ZANU-PF electoral violence?

I look forward to hearing the Minister reiterate the UK's support for the reform of security forces in Zimbabwe, particularly with regard to preventing ZANU-PF violence and intimidation in the run-up to elections. What discussions have the UK Government had with the Southern Africa Development Community and the African Union to push the issue of security sector reform?

I hope that the Government are working with the international community to ensure the strong presence of electoral observers—including parliamentary observers—both prior to and during the elections in Zimbabwe next year. Reports suggest that the EU is considering removing or suspending some of the targeted sanctions. What discussions have the Minister or his colleagues had with the EU on that issue, and what is the position of the UK in those discussions?

We all know that Zimbabwe has great potential, not only because of its courageous people but because of its past agricultural productivity, resources and the region's natural advantages. Given our strong historical ties, the UK has a responsibility to do all it can to help to ensure that Zimbabwe becomes a prosperous, stable country. That includes ensuring that the diamond process is transparent, that funds reach the Treasury and that the population benefits. It is our responsibility to exert as much pressure as we can to achieve that end, and I hope that the Minister's comments will reaffirm that collective goal.

Mr Dai Havard (in the Chair):

Thank you. I call Geoffrey Clifton-Brown.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt):

That is not me.

Mr Dai Havard (in the Chair):

I apologise. I should have struck that name off.

10.44 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt):

In the absence of my hon. Friend the Member for The Cotswolds (Geoffrey Clifton-Brown), I will begin by thanking you, Mr Havard, for chairing the debate. It is a pleasure to serve under your chairmanship. I also apologise for the obvious absence of the Minister for Africa, the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for North West Norfolk (Mr Bellingham). As the hon. Member for Vauxhall (Kate Hoey) said, he is currently travelling on the continent, although I know that he has taken a keen interest in this debate. He has followed this issue closely over recent months, and I suspect that he has been in contact with most of the Members present today. He will be interested to read the text of the debate, and he helped me considerably with compiling a response.

I also thank the right hon. Member for Neath (Mr Hain) for initiating the debate. His background in this issue, his courage over the years in dealing with the issues that lie behind this debate, not only in Zimbabwe but in South Africa, and his knowledge of the area and work as a Minister, have been exemplary. I appreciate his comments and I will reflect on them as the debate progresses. I share the comments made by the hon. Member for Wrexham (Ian Lucas) about other hon. Members who have made significant contributions to the debate and expressed their various points of view and knowledge.

I would like to highlight the work of Global Witness and the contribution that it has made with the publication of its report and the various other issues with which it is involved. I commend it for its unrelenting efforts to keep the spotlight firmly on Marange diamonds, and stress how much the Government share its concerns. The issues raised today are of considerable importance for the future of Zimbabwe and the prospects for free and fair elections in that country, and it is therefore important that we approach the debate in that context.

Since the formation of the inclusive Government, the situation in Zimbabwe has grown increasingly complex. We should no longer view Zimbabwe solely through the lens of Mugabe's continued grip on power, although we must not be naive in assessing prospects for the future. The hon. Member for Strangford (Jim Shannon) and other hon. Members have been keen to press that point, and I assure the Chamber that the Government are in no way being naive when assessing the current situation of the Zimbabwean Government. For each reform made, another appears to be ignored. Instances of human rights abuses continue to decline, but low-level intimidation and harassment continue. The visit of the UN high commissioner for Human Rights was an important step forward, but the day after her departure an MDC activist was brutally killed as a result of political violence.

Therefore, before I address in detail the issue of Zimbabwe's diamonds and the relevant EU measures, I would be grateful for a few minutes in which to set out the broader picture as viewed by the Government. First, as has been noted in previous debates, we must acknowledge the fundamental progress that has been made in Zimbabwe since the formation of the inclusive Government in 2009, and particularly the impressive and vital turnaround of the Zimbabwean economy. It is fair to say that the pace of political progress has been slower than economic progress, but there have been steps forward, particularly within the last six months. Two key pieces of legislation—the Human Rights Commission Bill and the Electoral Amendment Bill—are about to pass through Parliament. Those important steps demonstrate that the global political agreement is not yet dead.

Even more important is the progress that has been made in the constitutional process, and we understand that negotiators from all parties have agreed a final draft that will soon be submitted to principals for approval. Once agreed, a second all-stakeholders conference should follow before the constitutional referendum takes place, and that is expected before the end of the year. Understandably, there are critics of the process, and particularly of the violence associated with the early stages of outreach. None the less, it represents a significant achievement and an important step towards the elections that we expect to see next year.

It is also important to recognise the ongoing efforts of President Zuma and his partners in the Southern

African Development Community—a point made strongly by my hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile). At the Luanda summit on 1 June, SADC again confirmed that elections cannot take place until necessary reforms have been completed. We continue to support SADC in its role as guarantor of the global political agreement, and applaud its efforts to work with all parties to keep the reform process moving forward.

The hon. Member for Wrexham raised the issue of freedom and fairness, and of elections and the importance of electoral monitoring including parliamentarians. I strongly support him on that. I was an election observer in South Africa in 1999, for the second elections there. Parliamentarians have an immense contribution to make, and it is increasingly important that they have, and take, the opportunity. We look with some concern at attempts to make it more difficult for parliamentarians to take part, so it is important to keep that process moving forward. More than one hon. Member said that South Africa had to take its responsibilities seriously and ensure that what everyone is talking about, a freer and fairer election process, actually happens on the ground. That will be the acid test of whether those currently in power in Zimbabwe recognise the democratic right of a people to change their Government as and when they wish, and to ensure that the process is there for that to be a possibility.

Such a commitment is vital, despite progress, as there is a long road to travel and a closing window of opportunity. High Commissioner Pillay identified many unresolved issues following her recent visit, in particular, the risk posed by some partisan elements in Zimbabwe's security sector. We share her concerns that

“unless the parties agree quickly on some key major reforms and there is a distinct shift in attitude, the next election... could turn into a repeat of...2008”.

That continues to be the unfortunate, underlying reality of the situation in Zimbabwe. I hope that that note of caution is recognised by the Chamber. We very much understand that reforms are not irreversible. Everything has to be watched very carefully, despite the progress that has been made.

That leads me back to the central issue that is being debated today: the question of Zimbabwe's diamonds and the influence they will have on the coming elections. The concerns raised by the right hon. Gentleman are shared by the Government. As he is aware, there have been some positive developments. The most recent reports by civil society confirm that human rights abuses in Marange have decreased significantly since their peak in 2008, and we welcome that. However, I share the right hon. Gentleman's concerns that revenue from Marange diamonds is being used to build an infrastructure of violence and intimidation in the run-up to elections. It is clear that revenue from diamonds is being siphoned off, as the hon. Gentleman mentioned. Finance Minister Biti reported a shortfall of \$92 million of revenue in the first quarter of 2012.

The question of governance and transparency in diamond revenue flows therefore remains genuinely difficult to answer. It is clear that although there is still an important role for the international community—of course, we have discussed this with partners—solutions will have to be found inside Zimbabwe in light of lack of international unity. We have raised concerns about the handling of diamond finance with the British Virgin Islands. We will continue to work with international partners to support Zimbabwe, but our focus is increasingly on helping to improve conditions for effective regulation of the industry. We are, therefore, supporting initiatives by the World Bank and International Monetary Fund in the mining sector. We will also bring the new Global Witness report allegations on Anjin to the attention of the Chinese.

The challenge in achieving international unity was illustrated by the difficulties faced by the Kimberley process in dealing with the situation in Marange. Despite being unable directly to address human rights violations due to its narrow mandate, the Kimberley process managed to impose a near total ban on Marange diamond

exports from 2009 to 2011. The agreement reached at Kinshasa last November, to allow restricted exports, is robust but fair. It allows Zimbabwe only to export diamonds from the Marange region that comply with Kimberley process standards. It established a credible independent monitoring mechanism to ensure those standards are respected, including a role for civil society—something hon. Members from all parts of House have supported the fight to achieve. However, as is well known to hon. Members, the remit of the Kimberley process only allows it to take action to tackle

“rough diamonds used by rebel movements or their allies to finance conflict aimed at undermining legitimate governments”.

It is unable directly to address the issue of revenue flows from the sale of diamonds in Zimbabwe, although it has played a helpful role in increasing transparency over production and export data from Zimbabwe.

In answer to the questions from the right hon. Member for Neath and others, I confirm that the UK would like to see the Kimberley Process’s mandate expanded to enable it to take human rights more explicitly into consideration. We have negotiated a strong EU position—the hon. Member for Strangford was keen to know what we had been doing with EU members, and their responsibility—that reflects our sense that the mandate of the process must be widened, and we are encouraging other Kimberley process participants to support that position.

Mr Hain:

I welcome the fact that the Minister has indicated that the Government will seek to broaden the remit of the Kimberley process on rough diamonds. However, despite a welcome indication that he will raise the question of Anjin with the Chinese Government, he has not said yet whether Anjin, Sam Pa and the Sino-Zimbabwe development will be put on the EU sanctions list when the British Government go to the Foreign Affairs Council meeting on Monday.

Alistair Burt:

May I address that point a little later in my remarks? The right hon. Gentleman anticipates where I am going.

While in principle we welcome the development of a supplement on diamonds to the OECD due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas, we do not believe that this is the right time to launch such a process given the risk of undermining ongoing efforts to reform the Kimberley process. An OECD-led process would also be effective only if the diamond industry and diamond producing states agreed to participate, and therefore significant further consultations would be needed before any such process could begin.

That leads me on to the important and live question of the EU’s targeted measures on Zimbabwe. As all are aware, those measures are under discussion in Brussels. In answer to the questions from hon. Members, let me set out our aim. We want to support the process towards a credible referendum ahead of free and fair elections in 2013. In doing so, we need to encourage progress and incentivise reform, which is why we need to use the measures in the right way to effect a change in behaviour. Therefore, we, and our EU partners, are looking at what options exist to best respond to the clear calls from reformers, including the Movement for Democratic Change, the UN High Commissioner for Human Rights, and President Zuma and the SADC, for the EU to show flexibility to support the reform process.

I was grateful to the hon. Member for Vauxhall, because she put it correctly when she spoke of mixed feelings about how to proceed, and of the uncertainty. I do not think it would be any surprise to indicate that that is exactly where we all are. It is difficult to get the balance right. However, we believe the best way to

support progress is through a shift in the EU approach. We have, therefore, proposed to partners that, if there is a peaceful and credible constitutional referendum, the EU should respond accordingly with a suspension of the ban on direct EU development aid and a suspension of the asset freeze and travel ban on all but a small core of individuals around President Mugabe, particularly those who will have most influence on the potential for violence in the next election. For the avoidance of doubt, there is no prospect of any suspension being applied to President Mugabe himself. The process will demonstrate to reformers across the political spectrum that the EU is serious about responding to concrete progress on the ground, and reflects our confidence in the facilitation process being undertaken by President Zuma and the leaders of SADC. It also puts the onus on to the Zimbabwe Government to live up to their commitments. If the situation deteriorates, we can, of course, respond appropriately.

As my hon. Friend the Member for Tiverton and Honiton (Neil Parish) said, all EU partners need to agree a shift in approach, and discussions are ongoing. Alternative approaches have also been suggested, including steps the EU could take in advance of a constitutional referendum.

Within that broad approach, the question of diamonds is particularly acute. We are grateful to Global Witness for its continued effort to shine a light on evidence, and to the right hon. Gentleman for the evidence he set out today. We have listened carefully, and I know that my hon. Friend the Under-Secretary of State will do so, too. The militarisation of diamond finance is an issue that has a direct impact on the prospects for free and fair elections, and we are acutely aware of that risk. We are looking very carefully at the evidence and we will share it with partners. Although the dynamic we seek is one of responding to progress, where there is strong evidence we will of course take it seriously and encourage the addition of further names, but hon. Members will understand if I do not go into detail. Ultimately, this decision will be taken by all 27 member states in unanimity, based on the legal arguments.

We have had a very important debate, the consequences of which are long lasting. I hope I have done something to indicate the general approach of the Government, to recognise the evidence raised, and to give an assurance that evidence is taken into account in our discussion with all our partners. We know this is a complex area. We want to see progress and we hope that the deliberations of the Chamber and our own considerations will help that progress to move forward without any suspicion of naivety in our approach to the Government of Zimbabwe.

Mr Dai Havard (in the Chair):

I apologise for my senior moment earlier, Mr Burt, and I thank you for the quality of your responses. We now move to the next debate.