



# Legal and policy framework for local content and sub-contracting in Zimbabwe

Veronica Zano



Improved human conditions through good  
governance of the region's resources.

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# Zimbabwe: Legal and policy framework for local content and sub-contracting

## Introduction

Too many resource-rich countries remain challenged by undiversified economic structures with weak industrial bases, high unemployment, and economies vulnerable to commodity cycles (Inter Governmental Forum; 2020). Many of them are reviewing or revising mining and investment codes and contracts, looking to local content policies to help exploit mining's powerful potential for inclusive economic development. Whilst local content policies and laws have the potential to stimulate broad-based socio-economic development, often their application has achieved mixed results based on an array of issues. Given that local content in the mining sector is a complex and rapidly evolving policy arena, it is critical to analyse the existing policy or legislative frameworks giving effect to local content in Zimbabwe. This is because Zimbabwe is a country that is currently seeking to increase local content across key sectors, par-

ticularly mining and agriculture. Currently, the country imports goods worth US\$6 billion annually, yet the economy has not been doing well (Sunday Mail; 2020). Local imports are relatively high compared to those of other countries in the region. The mining sector is an immense contributor to Zimbabwe's economy, based on its diverse mineral wealth as the world's third-largest exporter of platinum and significant contributions in gold, diamonds, coal, lithium and chrome supply. Mining thus offers a practical opportunity for direct regulation of local content due to the sheer size of individual mine sites and because investing companies are tied to the point of extraction (Business Environment Reform Facility; 2020). In addition, the gross procurement of the mining sector is one of the highest in the country's local economy, thus offering an opportunity to leveraging on local content strategies.

## A Review of the legal and policy framework on local content and sub-contracting in the mining sector

Local content policies or laws have been major instruments for stimulating industrial growth in resource-rich countries. It is important to evaluate how the current policy and legal framework governing Zimbabwe's mining sector is aligned to the tenets of fostering local content

for promoting value addition and beneficiation of mineral resources, employment creation, economic empowerment, as well as trade and fiscal expansion.

## The Constitution of Zimbabwe

Zimbabwe is a constitutional democracy with the constitution being the supreme law.<sup>1</sup> The constitution of Zimbabwe sets out national ob-

jectives to guide the state and all institutions and agencies of government in the formulation and implementation of laws and policy deci-

sions. National development is one of the objectives provided by the constitution, whereby the state and all agencies of government at every level must endeavour to facilitate rapid and equitable development.<sup>2</sup> Some of the measures in line with mainstreaming local content in the mining sector provided include fostering the development of industrial and economic enterprises to empower Zimbabwean citizens. These measures must involve the people in their formulation and implementation of development plans and programmes that affect them, and ensure that local communities benefit from the resources in their areas. Empowerment and employment creation are other national ob-

jectives also provided for by the constitution in line with local content. The state and its institutions of government must endeavour to facilitate and take measures to empower, through appropriate, transparent, fair, and just affirmative action, all marginalised persons, groups, and communities in Zimbabwe. In addition, the government must ensure that appropriate and adequate measures are undertaken to create employment for all Zimbabweans. It can thus be deduced that the constitution provides an important local content foundation framework on which mining as a key economic sector and governing legislation can be guided to ensure that it attains the above highlighted objectives.

## The Zimbabwe National Industrial Development Policy<sup>3</sup>

The Zimbabwe National Industrial Development Policy (ZNIDP) was formulated to encourage value addition through the utilisation of domestic resources and the localisation of supply chains. The ZNIDP acknowledges the country's diversified industrial sector, which needs to be well-integrated with the rest of the economy, exhibiting strong linkages with agriculture, mining, construction, and commerce. It is an economic policy intended to promote competitiveness and local linkages amongst the agricultural, extractive, industrial and service sectors, given that the past two decades have seen the Zimbabwean economy suffering de-industrialisation. The ZNIDP recognises the mining sector as integral to the transformation of the Zimbabwean economy. Minerals beneficiation is recognised as one of the key pillars of the ZNIDP that will shape the next phase of industrialisation in Zimbabwe, given the richly endowed wide variety of mineral resources. Industries such as jew-

ellery, lithium production and motor vehicle manufacturing offer opportunities for the country to move to higher nodes of global and regional value chains by benefiting and value adding local raw mineral products. Under this pillar, major activities will include:

- Ensuring that there is exploration, extraction, and value addition of existing minerals in the country.
- Strengthening the mineral sector through collective, self-reliance and adoption of global best practices.
- Promoting the processing of raw minerals locally such as platinum smelting and refining, processing lithium for use as energy, enhancement of local value addition of chrome, strengthening of the jewellery industry; and
- Encouraging the formation of other industrial clusters around the mining and mineral processing industries,

<sup>1</sup> Zimbabwe Constitution Amendment Number 20 (Act 2013), section 2.

<sup>2</sup> Zimbabwe Constitution Amendment Number 20 (Act 2013), section 13 e

<sup>3</sup> Zimbabwe National Industrial Development Policy (2019-2023)

such as services and consumables suppliers.

The ZNIDP acknowledges local content as part of the policy's broad strategies and instruments which will be adopted to facilitate Zimbabwe's industrial sector to become an engine for sustainable economic growth and development. Implementation of a local content strategy is thus envisaged as presenting an opportunity for increased local production anchored on stimulating the development of local industry value

## Zimbabwe Local Content Strategy

The government of Zimbabwe in June 2019 approved the Zimbabwe Local Content Strategy (ZLCS) which aims to promote local value addition and linkages through the utilisation of domestic resources. The strategy is derived from the ZNIDP and premised on the notion that Zimbabwe is an agriculture-based country and other natural resources (which include mineral resources) should be harnessed for the purposes of ensuring value addition and beneficiation of local resources, employment creation, economic empowerment, as well as trade and fiscal expansion. Implementation of specific strategies to facilitate industrial development is also in line with Vision 2030's goal of transforming Zimbabwe into a prosperous and empowered upper middle-income society.<sup>4</sup> The thrust of Vision 2030 is on moving away from the export of the country's raw minerals towards the export of beneficiated minerals. Beneficiation of the country's minerals will be realised through support for local processing of Zimbabwe's diverse mineral resource endowment, with thresholds for beneficiation and value addition spelt out. Envisaged investments involve bene-

and supply chains as well as promoting local linkages amongst the agricultural, extractive, industrial and service sectors. The value of manufactured exports in 2019 was about US\$140 million (less than 4 per cent of total export earnings). The low export earnings from manufactured goods has been due to the continued export of raw minerals which are then imported as finished products, showcasing the poor implementation of the policy (The Zimbabwe Independent ; 2020).

ficiation of minerals such as platinum, chrome, lithium, nickel, diamond cutting and polishing, copper, gold and coal, with the strengthening of linkages along the mineral value chain.

The ZLCS defines local content as the extent of utilisation of local resources in the production and provision of goods and services in the Zimbabwean economy. "Local goods" refer to goods obtained, produced, or manufactured and having after-sales services in Zimbabwe, and "value chains" refer to all activities involved in ensuring that products are produced and ready for use by a highly industrialised economy with most goods and services provided by local firms and labour to maximise the benefits arising from local value chains. This local definition embodies that of governance frameworks such as the Africa Mining Vision (AMV) and the Organisation for Economic Co-operation and Development (OECD), which are anchored on ensuring that mining projects or businesses promote development along the value chain while investing in a host country.<sup>5</sup> The objectives of the ZLCS are to increase average local

content levels in prioritised sectors (which include the mining sector) from current levels of approximately 25 per cent to around 80 per cent by 2023; increase capacity utilisation in prioritised sectors from current levels of approximately 40 per cent to around 75 per cent by 2023; and increase manufactured exports in prioritised sectors by at least 5 per cent annually between 2019 and 2023.

The following strategies, policy interventions and instruments will be adopted to achieve the objectives of the local content strategy.

- **Preferential local procurement**

Government shall ensure that consumers are going to purchase locally-produced goods and services which meet prescribed minimum local content thresholds. To guide its implementation, the ZLCS provides for the commissioning of market studies to establish minimum local content thresholds for designated sectors. The sectoral market studies were scheduled to have been completed by December 2019, however, nothing has yet been published.

- **Funding to capacitate local suppliers**

Funding is one of the major problems affecting business in Zimbabwe. To successfully achieve the implementation of the Local Content Strategy, there will need to be funding models for the development of local suppliers along the prioritised value chains so that they can meet the needs of the local industry. Financing is expected to come from government, development partners, and private capital from various sources including banks, private equity funds, pension funds, international investors (strategic investors, development finance institutions or DFIs), diaspora remittances, impact and grant providers, as well as Zimbabwean institutional

and private investors.

- **Creating business opportunities for local firms**

This will be achieved through ensuring compulsory local content requirements in bid invitations, backwards and forward linkages, enforcement of local procurement and supplier development, as well as unbundling big contracts to enable participation of Zimbabwean citizens and enterprises.

- **Creating opportunities for women, youth and people with disabilities**

Government shall ensure support in promoting businesses owned by women, youth, and people with disabilities in procurement to augment the equalisation of opportunities and the elimination of barriers that hinder the participation of marginalised groups.

- **Capacity building and employment creation**

Government shall ensure enhancement of the competencies of Zimbabweans in the provision of a full range of services required by industry through interventions such as provision of scholarships, reinstatement of student grants, and exchange programmes.

- **Transfer of technology**

Companies carrying out operations in Zimbabwe will be expected to prepare and implement plans for the transfer of technological know-how and skills relating to the nature of their operations.

- **Research and development (R&D)**

Government will ensure that the capacity of existing research institutions is enhanced to enable them to carry out programmatic research.

<sup>4</sup> Vision 2030 "Towards a Prosperous & Empowered Upper Middle Income Society by 2030", <http://www.zim.gov.zw/index.php/en/government-documents/category/1-vision-2030>, Accessed 14 September 2020

<sup>5</sup> OECD, Trade Policy Note : The Economic Impact of Local Content Requirements.

The Value Chains Revitalisation Funds will also be utilised in funding R&D in the respective value chains.

- **Fiscal support**

Government will continue to proffer fiscal support to the productive sectors such as manufacturers rebates on imported raw materials, a rebate of duty on capital equipment, tax deductibles, valued added tax and duty waivers to companies supporting backwards and forward linkages.

- **Local production and consumption awareness programmes**

Engagement and participation of various pro-

urement entities and consumers is critical in achieving the objectives of the ZLCS. Government, in collaboration with the private sector, will conduct local production and consumption awareness programmes aimed at apprising various stakeholders and consumers of the importance of local production and consumption. The implementation of the ZLCS will be supported by and in line with other policies, laws and regulations, including the Mines and Minerals Act (Chapter 21:05), which is the primary law governing the extraction of minerals. In addition, the enactment of regulatory mechanisms will be vital to ensure that local content requirements in the policy are mainstreamed and implemented in the mining sector.

## The Mines and Minerals Act

The principal Act currently governing mining in Zimbabwe is the Mines and Minerals Act (Chapter 21:05) enacted in 1961, which is however in the process of being amended through the Mines and Minerals Amendment Bill. The law regulates all key facets of the mining sector and provides a plumbline for the resource management model of Zimbabwe. It covers the awarding of mining titles and rights through a licensing regime. Currently, the only provision on local content in the mining sector is on the downstream linkages of mineral beneficiation. The law defines “approved beneficiation plant” meaning a bank assay department, factory, refinery, smelter or treatment plant which has been declared to be an approved beneficiation plant. Section 159(3) e of the Mines and Minerals Act requires any applicant for a Special Mining Licence to furnish the Mining Commissioner with a marketing plan setting out the proposals and a timetable for the beneficiation of the output of the proposed mine. Section 247 of the Act empowers the Minister to declare an institution a beneficiation plant and prescribes

the rate of rebate of the royalty applicable to the mineral being beneficiated at the approved beneficiation plant.

Over the years, the government of Zimbabwe has taken various regulatory measures to minimise the export of unprocessed minerals. These include an export ban on unrefined chrome and export taxes on minerals such as platinum. The aim has been to encourage mining companies to engage in additional downstream processing activities through legislative intervention rather than incentivisation (Eunomix Research ; 2020). In addition, the lack of adequate infrastructure to ensure mineral beneficiation by holders of mining leases has also been a challenge, given years of erratic energy supply in the country (Zimbabwe Economic Policy Analysis and Research Unit ; n.d.).

## The Mines and Minerals Amendment Bill

The Mines and Minerals Amendment Bill provides a new section entirely on beneficiation<sup>6</sup>. Beneficiation is defined as “the use of various mineral processing methods to separate ore into concentrate (valuable mineral) and gangue (tailing or waste material) where the enriched concentrate can be further processed or used directly as a final product”. The extent of beneficiation is defined as the state of a mineral product as beneficiated and differs from mineral to mineral, as prescribed by regulations. Beneficiation plant refers to any plant or unit that is used for the purpose of processing minerals to get rid of gangue, or to obtain a final product (e.g. custom milling plant, cyanidation plant, elution plant, blast furnace, agglomeration plant, smelter, refinery, concentrator) or any other place as provided for in section 247 of the Mines and Minerals Act.

The Bill also proposes the following provisions.

- No mineral (including industrial scrap) derived from minerals in Zimbabwe shall be exported raw or unprocessed except with the written consent of the Minister to the exporter, provided that the Minister shall in regulations made under section 403 prescribe exemptions and applicable taxes thereof.<sup>7</sup> Any person who intends to beneficiate any mineral mined in Zimbabwe outside Zimbabwe shall only do so upon written authorisation from the Minister.
- If the Minister finds that a particular mineral can be beneficiated economically in Zimbabwe, the Minister may promote such beneficiation subject to such terms and conditions as the Minister may determine.

- The Minister shall initiate or prescribe incentives to promote the beneficiation of minerals in Zimbabwe.
- The Minister shall make regulations prescribing export permit fees payable by exporters for the export of unbeneficiated minerals.
- Minerals and metals which require refining such as gold and silver shall be sold in their refined form: Provided that exception is given to refractory gold concentrates resulting from beneficiation of other minerals such as copper ore.

The Minister may, upon the application by the owner thereof, by statutory instrument, declare any bank assay department, factory, refinery, smelter or treatment plant which is situated in Zimbabwe to be an approved beneficiation plant in relation to a mineral or mineral-bearing product to be specified in the notice.<sup>8</sup> The Minister shall specify the rate of rebate of royalty which shall apply in respect of any specified mineral or mineral-bearing product treated at the approved beneficiation plant referred to in the declaration. A person making an application referred to in subsection (1) shall specify the degree of beneficiation which it is proposed to carry out at the bank assay department, factory, refinery, smelter, or treatment plant. The Minister may, by statutory instrument, withdraw a declaration made in terms of subsection (1) in respect of any approved beneficiation plant—

- (a) where the approved beneficiation plant is not operated as such for any period which exceeds, or aggregate of

<sup>6</sup> Mines and Minerals Amendment Bill (MMAB), Clause 307A

<sup>7</sup> Mines and Minerals Amendment Bill (MMAB), Clause 307 (2) I

<sup>8</sup> Mines and Minerals Amendment Bill (MMAB), Clause 307 B

periods which exceed, three months in any one year; or

(b) where the degree of beneficiation carried out at the approved beneficiation plant is reduced below that specified in the application made in terms of subsection (1) relating to that plant.

The owner of an approved beneficiation plant shall, not later than the tenth day of each month, render a return in the form prescribed of all minerals and mineral-bearing products disposed of or received for treatment by the beneficiation plant in the preceding month to the mining commissioner within whose mining district the registered mining location from which the minerals or mineral-bearing products were won is situated. Although mineral beneficiation, which is a key aspect of local content in the mining sector, is provided for in the Bill

in the form of hybrid hard and soft regulatory measures (such as fiscal incentives), the proposed amendments to the principal law unfortunately fail to integrate local content commitments into the mining value chain at the very start of the mine operations, given its missing link in the awarding of mining rights and titles. Importantly, the amendment of the Mines and Minerals Act should embody the tenets of the Zimbabwe Local Content Strategy through the promotion of local players in the mining value chain, providing for utilisation of local mining supplies considering that currently approximately 89 per cent of mining supplies and consumables are being imported. It is imperative that the principal laws assess the feasibility of local content development plans by mining operations as part of the licensing or concession regimes.

## The Indigenisation and Economic Empowerment Act and Regulations

The Indigenisation and Economic Empowerment Act (IEEA)<sup>9</sup> came into force in 2018 in a bid to promote the exploitation of the nation's natural resources by indigenous Zimbabweans. The National Indigenisation and Economic Empowerment Charter found in the fourth schedule of the IEEA sets out the objective as being to develop a competitive, sustainable, and industrialised economy using the country's natural resources. Implementation of the law has mainly targeted mining companies in the country. The IEEA requires all companies above a set threshold, initially US\$500 000, to mandatorily relinquish 51 per cent of the shareholding in their business within a stipulated period to indigenous Zimbabweans.<sup>10</sup> Indigenous Zimbabweans

are defined as any individual who was previously disadvantaged by unfair discrimination on the grounds of his or her race before Zimbabwe independence in 1980. The law confers power to the Minister to review and approve indigenisation and empowerment arrangements related to attaining the 51 per cent shareholding threshold in all companies. The Indigenisation and Economic Empowerment (General) (Amendment) Regulations, 2010 (No. 2) provide for the disposal of shares or interests in a business by sale or donation to achieve or exceed the minimum indigenisation and empowerment quota.<sup>11</sup> This can be through employee, management or community share ownership scheme or trust.<sup>12</sup> Community share ownership trusts are specifi-

cally targeted for companies involved in the exploitation of natural resources in a community, and minerals constituting part of them where a community share ownership scheme or trust is established under the Regulations may be taken into consideration when assessing the extent to which a business has achieved or exceeded the minimum indigenisation and empowerment quota.<sup>13</sup>

The law also prescribes strict measures by stipulating that all government departments, statutory bodies, local authorities, and all companies (including mining companies) are to procure at least fifty per cent of their goods and services (required to be procured in terms of the Procurement Act [Chapter 22:15]) from businesses in which a controlling interest is held by indigenous Zimbabweans.<sup>14</sup> Where goods and services are procured in terms of the Procurement Act [Chapter 22:14] from businesses in which a controlling interest is not held by indigenous Zimbabweans, any sub-contracting required to be done by the supplier shall be done to the prescribed extent in favour of businesses in which a controlling interest is held by indigenous Zimbabweans.<sup>15</sup> The law, however, falls short of drawing up an inventory of the specific goods and services that must be procured or sub-contracted at fifty per cent from business in which a controlling interest is held by indigenous Zimbabweans. In addition, businesses in the mining sector are not required to submit local procurement plans that are monitored by the National Indigenisation and Economic Empowerment Board. It is also important that the Ministries of Trade and Industry or Small and Medium Enterprises establish a supplier certification process and a database that mining companies can draw on when seeking to identify SMEs for local con-

tent opportunities in the sector.

The IEEA establishes the National Indigenisation and Economic Empowerment Fund to foster the supply-side of the backward (upstream) local content aspects in the mining sector. The objective of this fund is (a) to provide financial assistance to indigenous Zimbabweans for any of the following purposes:

- (i) the financing of share acquisitions ; and
- (ii) the warehousing of shares under employee share ownership schemes or trusts ; and
- (iii) management buy-ins and buy-outs.
- (b) to provide finance for business start-ups, rehabilitation, and expansion.
- (c) to finance market research in connection with the objectives of the Act.
- (d) to finance capacity-building projects on behalf of indigenous Zimbabweans.

A condition of any financial assistance provided through the Fund is that the beneficiary shall comply to the best of his or her ability with the framework for ethical and good business conduct contained in the National Indigenisation and Economic Empowerment Charter set out in the Fourth Schedule. The Charter seeks to promote the use of local raw materials and value addition in economic activities. Indigenisation in the law is defined as a deliberate involvement of indigenous Zimbabweans in the economic activities of the country, to which hitherto they had no access, to ensure the equitable ownership of the nation's resources.

<sup>9</sup> The Indigenisation and Economic Act (Chapter 14:33)

<sup>10</sup> Indigenisation and Economic Act, section 3 (1) (a)

<sup>11</sup> SI 2010-116, Indigenisation and Economic Empowerment (Amendment) Regulations, 2010 (No. 2), Section 14 (1), 14 A and 14

<sup>13</sup> SI 2010-116, Indigenisation and Economic Empowerment (Amendment) Regulations, 2010 (No. 2), section 14 B0

<sup>14</sup> The Indigenisation and Economic Act, section 3 (1) (f).

<sup>15</sup> The Indigenisation and Economic Act, section 3 (1) (g).

## Production Responsibility

- (a) All businesses have an obligation to produce or manufacture goods that meet national and international standards.
- (b) all business operations shall be conducted in a cost-effective manner.
- (c) businesses shall, to the extent possible, utilise locally available resources and promote value addition.
- (d) businesses shall utilise indigenous knowledge systems and promote local research and development as well as promote technology transfer.

## Employment Responsibility

All businesses shall subscribe to equal employment opportunities for all, despite no specific threshold to localise the creation of jobs in the mining sector.

Amendments to Zimbabwe's Indigenisation and Economic Empowerment Act, Chapter 14:33, were gazetted on 14 March 2018, making far-reaching changes to pave the way for foreign investors wishing to establish operations in the country and boost the economy. In terms of the amendments, with effect from the gazetted date, the Act, which previously required at least 51 per cent of all public companies and any other business to be owned by indigenous Zimbabweans, will now only apply to companies involved in the diamond or platinum extractive industries and the economic sectors reserved for Zimbabwean citizens. Any other person is free to invest in, form, operate and acquire the ownership or control of any business without restriction.

In the diamond and platinum industry, at least 51 per cent of the shares of designated extractive businesses shall be owned through an appropriate designated entity, namely the Zimbabwe Mining Development Corporation (ZMDC), the Zimbabwe Consolidated Diamond

Company (ZCDC) and the National Indigenisation and Economic Empowerment Fund. This shall, however, be with or without the participation of a community or employee share ownership scheme. Whilst resource nationalism is being fostered by reserving the sectors to state-owned enterprises (such as the ZMDC and ZCDC), their poor performance and mismanagement present more challenges to the local content discourse. In respect of reserved sectors, only a business owned by a Zimbabwean citizen may operate in such sectors. Twelve sectors have been identified as "reserved sectors", including passenger transportation, retail and wholesale trade, grain milling, tobacco grading and packaging, and advertising agencies. Previously, these sectors were reserved for "indigenous locals" instead of Zimbabwean citizens. Accordingly, under the amended Act, anyone of any race may qualify, provided they hold Zimbabwean citizenship. This can be seen as a step backwards in fostering the objective of the law, which was to facilitate measures to economically empower indigenous Zimbabweans who have been marginalised in economic sectors (such as mining).

## Small and Medium Enterprises Act

The Small and Medium Enterprises Act is meant to promote and develop micro, small and medium enterprise (MSMEs) in Zimbabwe, whether operating in the formal or informal sector of the national economy, for sustainable development (Small and Enterprises Act ; Chapter 24: 12). Under the law, the government shall endeavour to create an economic and regulatory environment that promotes MSMEs in order to develop and enhance their contribution to national development. This shall be implemented through appropriate administrative and legislative measures, including,

- (a) ensuring proper coordination and implementation of national policies, legislation and programmes that have a direct impact on the development of MSMEs.
- (b) facilitating the entry by MSMEs into widening spheres of economic activity.
- (c) facilitating the provision of training and advisory services to enhance the managerial and entrepreneurial capacities of persons who own or manage MSMEs.
- (d) fostering joint-ventures, partnerships and other forms of business linkages and associations between, on the one hand, MSMEs, and, on the other hand, statutory corporations and local authorities, and commercial and industrial organisations ; and
- (e) ensuring that, when tendering out con-

tracts for the supply to the state of goods and services, not less than twenty-five per cent of the value of goods or services to be procured are procured (whether by way of the contract or any sub-contract thereunder) by MSMEs, provided that an MSME benefiting from such contracts and sub-contracts shall benefit on terms not less favourable than any other contractor or sub-contractor.

It is important to note that whilst an enabling legislative framework is provided for the MSMEs to contribute towards national development through the provision of relevant goods and services in the mining sector, without access to capital to finance them this will be futile. Government has established financing institutions such as the EmpowerBank<sup>16</sup> for the purpose of providing loans to youth-led business and empowering marginalised communities. In addition, the EmpowerBank is also accessible to small businesses that want to upscale their wealth creation to generate employment opportunities. It is imperative that MSMEs develop well-researched business plans on the provision of goods and services to the mining sector utilising the provisions of the law. In addition, these government-backed financial institutions for MSMEs should not be only beneficial to those enterprises that are linked to politically connected persons if broad-based economic diversification and growth are to be achieved.

<sup>16</sup> EmpowerBank is a registered deposit taking Micro Bank in terms of the Microfinance Act [Chapter 24:29] and is regulated by the Reserve Bank of Zimbabwe

## Conclusion and recommendations

It is encouraging that the Zimbabwean government is following the example of many mineral-producing countries by noting the integral value of local content and its link with the mining sector, given the attendant opportunities. Policies and laws have been developed giving effect to local content, aimed at ensuring that there is economic diversification from the mining sector through employment, enterprise development, and accelerating the transfer of skills and technologies. In addition, to fully maximise the economic opportunities and to harness sustainable growth and development from the country's mining sector, the following recommendations need to be taken into consideration by the government.

1. Alignment of laws to the Zimbabwe Local Content Strategy: the Mines and Minerals Act, which is the primary law regulating mining activities, should include provisions that give effect to the broad range of local content initiatives beyond minerals beneficiation. Principles of inclusive and sustainable industrialisation and economic growth through local procurement, productive employment and decent work should be key aspects included in the mining law.
2. Tracking and measuring progress of the local content strategy implementation matrix: the focus should be on ensuring that the market study of the mining sector is done to guide the specific entry points for implementing the relevant local content policies and laws and assessing the capacity thresholds in the identified areas. This market study should be widely disseminated to the relevant actors for them to make informed strategies in line with the identified opportunities.
3. Investing in infrastructure development: having in place the necessary infrastructure (such as power, water or transport facilities) is critical to the success of local content policies and laws, especially when it comes to value addition and beneficiation of minerals and the production of essential goods by local enterprises.
4. Availing capital to merit-based local suppliers: actors which include government, development partners, and private capital should support local enterprises that are interested in providing goods and services to the mining sector by availing finance to financial institutions. Strict monitoring should be done on the management of these funding streams to avoid political interference and mismanagement.

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## SARW Objectives

Monitor corporate and state conduct in the extraction and beneficiation of natural resources in Southern Africa, and assess to what extent these activities uplift the economic conditions of the region's communities.

- Generate and consolidate research and advocacy on natural resource extraction in Southern Africa.
- Create informed awareness of the specific dynamics of natural resources in Southern Africa, building a distinctive understanding of the regional geo-political dynamics of resource economics.
- Provide a platform of action, coordination and organisation for communities, activists, researchers, policy-makers, corporations, regional and global governing bodies in the watching and strengthening of corporate and state accountability in extractive industries.
- Engage with and support government on building accountable and transparent management of extractive resources.
- Build capacity for communities, civil society, parliaments, and media to hold governments and corporations to account, and to participate in decisions about resource management.
- Advocate and promote human rights and environmental protection in resource extraction activities.
- Support efforts to legislate mandatory public disclosure of and access to financial, social, environmental and regulatory compliance information in the extractives industry.
- Promote extractive industries that create wealth for local communities.

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