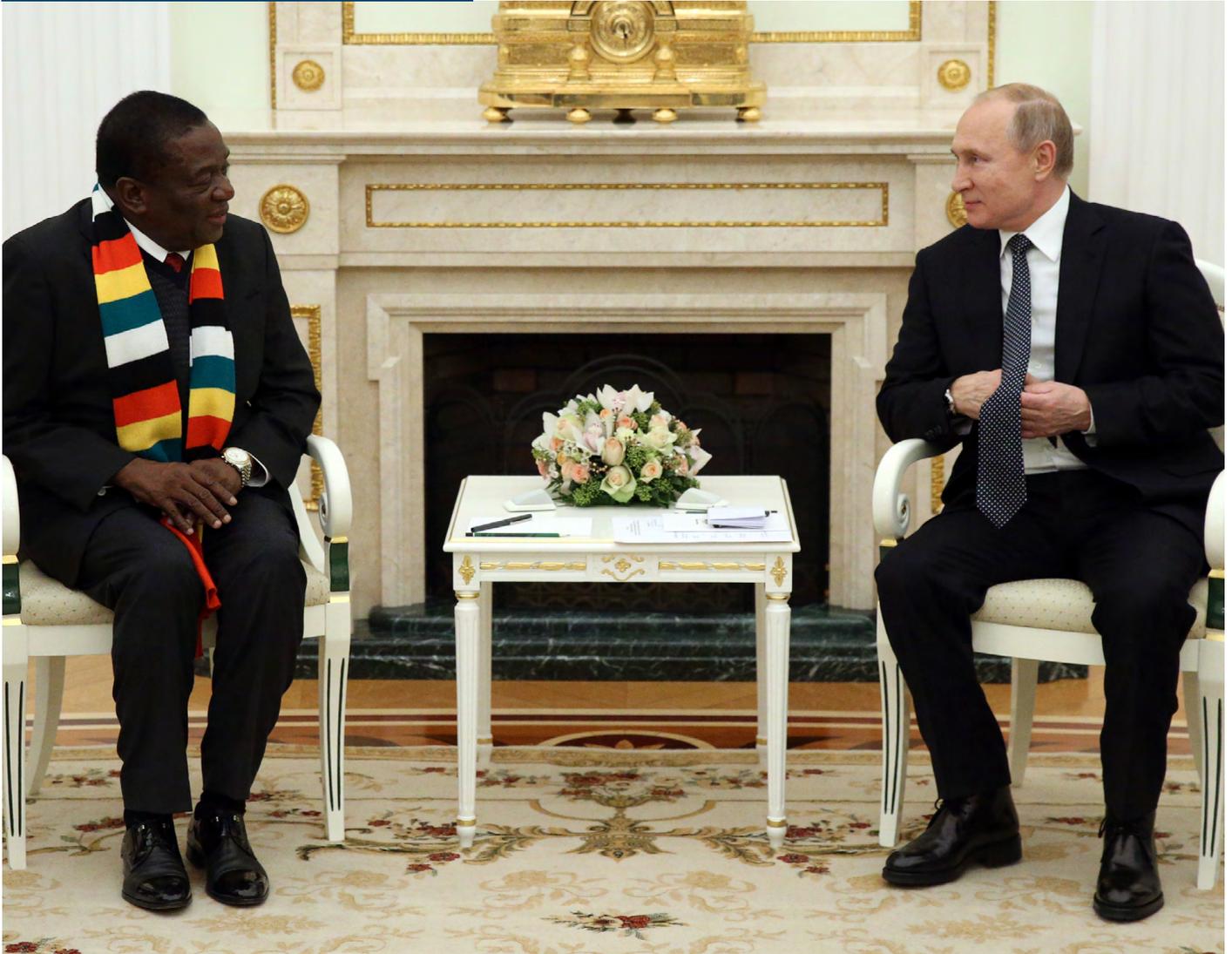


Special Report

November 2020



Russia's Resurgence in Africa: Zimbabwe and Mozambique

DZVINKA KACHUR

African perspectives
Global insights

Executive summary

While Russia's relationship with Africa goes back decades, to the continent's anti-colonial struggles, the past few years have seen a resurgence in relations. The 2019 Russia–Africa Summit is only the most visible sign that the Putin regime is interested in reawakening relations with African countries. This is driven by declining global oil prices and continuing sanctions against Russia. This report takes a closer look at two examples of resurgent Africa–Russia relations: Zimbabwe and Mozambique. It gives a detailed mapping of Russian activities in these two countries, and shows how they have developed over time. While Russian actors are involved in a large number of projects in Zimbabwe and Mozambique, the main focus is on three sectors: the extractive industries, the arms trade, and political cooperation. Russian involvement in Zimbabwe has been driven by, and gained momentum from, both countries' status as targets of Western sanctions. Mutual attempts to evade these sanctions have boosted the relationship, which has been cemented by high-level corruption. While Mozambique has more international options than its neighbour, elite–elite relationships play a key part in its dealings with Russia. This includes shadowy collaboration in the military and political realms. In addition, Russian actors have played significant roles in both countries' elections, with contentious results. Thus, while Russia's involvement in African countries like Mozambique and Zimbabwe is considerably narrower and more elite-directed than, for example, that of China, it is still becoming a notable player in Southern Africa, and one that deserves more attention.

Abbreviations & acronyms

Afreximbank	African Export-Import Bank
AFRIC	Association for Free Research and International Cooperation
BIPPA	Bilateral Investment Protection and Promotion Agreement
CNPC	China National Petroleum Corporation
DRC	Democratic Republic of Congo
ENH	National Hydrocarbons Company (Empresa Nacional de Hidrocarbonetos)
EU	European Union
FDI	foreign direct investment
Frelimo	Frente de Libertação de Moçambique
GDI	Great Dyke Investments
GDP	gross domestic product
IMF	International Monetary Fund
INP	Instituto Nacional de Petróleo
IRA	Internet Research Agency
JSC	joint stock company
LNG	liquefied natural gas
NRZ	National Railways of Zimbabwe
PGMs	platinum group metals
REC	Russian Export Center
Renamo	Resistência Nacional Moçambicana
SADC	Southern African Development Community
SIPRI	Stockholm International Peace Research Institute
UN	United Nations
UNSC	United Nations Security Council
US	United States
VEB.RF	Vnesheconombank
WFP	World Food Programme
ZANU PF	Zimbabwe African National Union – Patriotic Front
ZCDC	Zimbabwe Consolidated Diamond Company

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Cover image

Russian President Vladimir Putin (R) greets President of Zimbabwe Emmerson Mnangagwa (L) during their meeting in Moscow, Russia, January, 15, 2019. Zimbabwe's President Emmerson Mnangagwa was on his first visit to Russia (Mikhail Svetlov/Getty Images)

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Introduction

The Russia–Africa Summit in October 2019 drew attention to Russia’s growing presence on the continent. Its involvement with Africa is commonly associated with the decolonisation era, mercenaries, election meddling, arms deals and nuclear projects. This report takes a closer look at how true these perceptions are, by focusing on Russian engagements with two countries often seen as its close allies: Mozambique and Zimbabwe.

The Russian economic presence on the continent is almost 10 times smaller than that of another great power – China – with \$20 billion vs \$200 billion worth of trade. Russia is not among the 10 countries with the highest foreign direct investment (FDI) from 2014–2018 (a group led by the US and France).¹ Unlike China, Russia is also not among the top export partners of Zimbabwe, Mozambique or South Africa (see Table 1). And while Russian exports to Africa are growing steadily, almost two-thirds are still going to Algeria and Egypt; primarily consisting of military equipment and grain.

Nevertheless, as Mozambiquan Foreign Affairs Minister Jose Condungua Pacheco has stated, while China and South Africa are Mozambique’s main partners, ‘there is room for Russia to become good partners with us too. We look at Russia as a good friend, and we want it to be our strategic partner in different fields.’²

Despite its limited economic presence, Russia remains an important player globally. It has veto power in the UN Security Council and has positioned itself together with its BRICS partners as a counterweight to Western countries. With its history of support for decolonisation and anti-apartheid movements, it widely uses anti-Western rhetoric, which it links to the promotion of the sovereignty of African states and acceptance of non-democratic forms of governance. It also has a high tolerance for corruption. Transparency International’s Corruption Perception 2019 Index ranked Russia at 137 out of 198, close to Mozambique (146) and Zimbabwe (158). In comparison, China is ranked at 80 and South Africa at 70 (Table 1).

After the imposition of Western sanctions on Russian businesses and individuals in 2014, Russian activity on the continent increased significantly. The 2019 Russia–Africa Summit heralds a new strategy, and despite COVID-19 Russia is launching several institutions that could reprioritise Russian business interests in Africa.

1 EY Attractiveness Program Africa, *How Can Bold Action Become Everyday Action?*, September 2019, https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/attractiveness/ey-africa-attractiveness-report-2019.pdf.

2 “Mozambique Willing to Boost Cooperation with Russia, China”, TASS, May 28, 2018, <https://tass.com/world/1006784>.

The historical involvement of the Soviet Union in decolonisation on the continent gives it easier access to mineral resources at a time when the drop in oil prices and Western sanctions are causing significant economic challenges.

TABLE 1 ZIMBABWE, MOZAMBIQUE, SOUTH AFRICA, RUSSIA AND CHINA'S KEY INDICATORS					
	Zimbabwe	Mozambique	South Africa	Russia	China
Population (million)	14 439	29 496	57 793	145 734	1 427 648
Gross domestic product (GDP) (\$ million)	\$34,279	\$14,554	\$368,000	\$1,629,198	\$13,605,253
GDP growth	1.30%	3.25%	0,80%	2.30%	6.59%
FDI (\$ million)	\$744.64	\$2,711.13	\$5,334.00	\$13,332.40	\$139,043.49
Top 5 export partners	<ul style="list-style-type: none"> • South Africa • United Arab Emirates • China • Mozambique • Indonesia 	<ul style="list-style-type: none"> • India • South Africa • Netherlands • China • Italy 	<ul style="list-style-type: none"> • China • Germany • US • UK • Japan 	<ul style="list-style-type: none"> • China • Netherlands • Germany • Belarus • Turkey 	<ul style="list-style-type: none"> • US • China/ Hong Kong • Japan • Korea • Vietnam
International Corruption Perception Index 2019	158	146	70	137	80

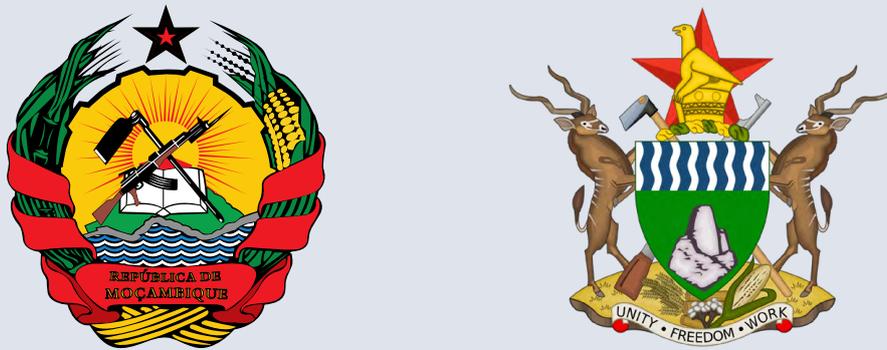
Source: Transparency International, "Corruption Perceptions Index," 2019; UNCTAD, "Country Profiles," 2018, <https://unctadstat.unctad.org/EN/About.html>

CHAPTER 2

Historical connections: The Soviet Union and the anti-colonial struggle

The long-standing collaboration between the Soviet Union and both Mozambique and Zimbabwe can be seen in the coats of arms of the African countries (Figure 1) – both are decorated with the Russian Kalashnikov assault rifle (AK-47). However, their respective relationships with Russia after independence differ significantly.

Figure 1 Coat of arms: Mozambique (L) and Zimbabwe (R)



In December 1960, on the Soviet's Union initiative, the UN General Assembly adopted the Declaration on the Granting of Independence to Colonial Countries and Peoples (UN General Assembly Resolution 1514 (XV)). This document became a milestone in the decolonisation process. Russia, as a successor of the Soviet Union, still stresses the importance of the comprehensive assistance and support provided.

The Soviet Union supported FRELIMO (Frente de Libertação de Moçambique) from 1964–1975. Mozambique gained independence on 25 June 1975, and on the same day established diplomatic relations with the Soviet Union. In 1977 an agreement on friendship and cooperation was signed between the two countries. Mozambique's first president, the socialist Samora Moisés Machel (1975–1986) visited the Soviet Union four times and died in a plane crash while being piloted by a Russian crew. His successor, Joaquim Chissano (1986–2005), visited Moscow only once, in 1987. Before the collapse of the Soviet Union in 1991, more than 1 500 Soviet specialists were working in defence, healthcare and public service in Mozambique. However, from the collapse of the Soviet Union until 2014 the relationship was relatively inactive.

Russia also supported the Zimbabwean anti-colonial movement. Support was given to the National Democratic Party founded by Joshua Nkomo, of which Robert Mugabe was

initially a member. When the party was banned by the Rhodesian regime, the Soviet Union provided Nkomo and his new Zimbabwe African People's Union with arms, training by Soviet military advisers and other military support. Mugabe was the leader of the Zimbabwe African National Union (ZANU), which was not backed by the Soviets. As a result, he looked to China for support.³ The diplomatic relationship between Russia and Zimbabwe was only established 10 months after independence, on 18 February 1981, while the diplomatic relationship with China was established on the day of independence. In 2003 Harare announced its 'Look East' Policy in the face of economic sanctions by the West. It aimed to expand bilateral and trade relations with mainly China, but also Malaysia, Singapore, Vietnam, Japan, South Korea, India and Russia.

In 2005, during a G8 meeting, Russian President Vladimir Putin stated: 'We should not be afraid to stop support for the dictators, such as the leader of Zimbabwe – Mugabe.'⁴

In 2008, as a result of widespread violence during the presidential elections in Zimbabwe, the UN Security Council initiated a resolution to impose an arms embargo and sanctions on Mugabe and his allies. Russia and China vetoed the resolution. Yet even this move did not warm up the frosty relationship between Russia and Zimbabwe.

Russian presidents' visits to African countries

Russia's current activities in Africa are closely connected to Putin's nationalistic vision of Russia and the idea of a multipolar world. Russia's first president, Boris Yeltsin (1991–1999), did not make a single visit to the African continent. The collapse of the Soviet Union in 1991 led to a sudden change from a planned to a market economy and resulted in significant economic challenges. Russia became the inheritor of the Soviet Union, and for almost two decades it was focused on internal issues.

Putin came to power in March 2000 with a vision of 'Great Russia' – a controlled centralised state. He regained control over key strategic industries linked to natural resources and energy generation that allowed him to control domestic politics and leverage geopolitical powers.⁵ For most of the two decades of his leadership⁶ Africa was not a priority. During his presidency Putin has visited only a handful of African countries:

3 Eldar Salahetdinov, "Россия и Республика Зимбабве: Основные Направления и Перспективы Сотрудничества" (Russia and the Republic of Zimbabwe: Key Directions and Prospects of Cooperation) *Прямые Инвестиции In&out* (Direct Investments In &Out), 2013, 37–48.

4 Translated from Russian: "Не нужно бояться прекратить помощь диктаторам, таким как лидер Зимбабве – Мугабе" RBC, "Путин Отказался Помогать Африканским Диктаторам," *Lenta.Ru*, July 6, 2005, <https://lenta.ru/news/2005/07/06/africa/>.

5 Timothy Snyder, *The Road to Unfreedom: Russia, Europe, America* (London: Tim Duggan Books, 2018).

6 Before 2020 the Russian constitution allowed the president to be re-elected for only two consecutive terms, and thus Putin's trusted Prime Minister Dmitri Medvedev was elected as president from 2008–2012. To avoid the need to reshuffle for the next elections in 2024, Putin has amended the Russian constitution, which now allows him to be elected for two more terms. See Dzvinka Kachur, "Russian Constitutional Change Entrenches Putin's Rule, Heralds a Dystopian Future", *Daily Maverick*, 5 August 2020, <https://www.dailymaverick.co.za/article/2020-08-05-russian-constitutional-change-entrenches-putins-rule-heralds-a-dystopian-future/>

- Egypt, where Russia is constructing a nuclear power plant, in 2005, 2015 and 2017;
- South Africa, the only sub-Saharan country visited twice – in 2006 for an official visit and in 2013 for a BRICS meeting where a controversial nuclear deal with the Zuma administration was signed;
- Algeria, Russia's primary arms buyer, in 2006;
- Morocco, Russia's second-largest economic partner on the continent, in 2006; and
- Libya, where oil and gas exploration projects and an agreement on establishing an OPEC-style gas group was discussed with Muammar Gaddafi, in 2006.

In the 2008–2012 period between Putin's two terms in office, Dmitry Medvedev, his trusted prime minister, became president. He visited five African countries. In June 2009, on a four-day tour to Egypt, Nigeria, Namibia and Angola, Medvedev was accompanied by a large business delegation that included the heads of major Russian companies such as Gazprom (a partially state-owned multinational energy corporation) and Alrosa (Russia's largest diamond mining company). In October 2010 Medvedev visited Algeria to promote the sale of a mobile phone operator to Russian company VimpelCom, and to renegotiate an arms contract. This arms contract faltered in 2007 when Algeria rejected MiG-29 fighter jets supplied by Russia in favour of French Rafale fighters.

No Russian leaders have visited Zimbabwe or Mozambique. However, Russian interest in Africa changed in 2014, when it faced Western sanctions and needed new markets.

Sanctions and oil prices trigger new African policy

In March 2014 Russia illegally annexed Ukrainian Crimea and initiated an armed conflict in the east of Ukraine, which resulted in Western sanctions. As of 2020, 690 individuals⁷ have been targeted by US sanctions and 177 by the EU.⁸ They include Russian government officials, arms sector executives, and businessmen who trade/invest in Crimea or are close to Putin's administration. Among them are two well-known figures in Africa: Viktor Vekselberg, the owner and president of Renova Group, and Vitali Machitski, a founder and owner of Vi Holding.

Sanctions were imposed on Russia's financial, energy and defence sectors, including worldwide shale oil projects where its ownership interest is over 33%, as well as export and import bans on arms. In addition, the US has frozen the assets of individuals or entities

7 Dianne Rennack and Cory Welt, *US Sanctions on Russia: An Overview*, Report (Washington DC: Congressional Research Service, March 23, 2020), <https://crsreports.congress.gov>.

8 EUR-Lex, "Restrictive Measures in Respect of Actions Undermining or Threatening the Territorial Integrity, Sovereignty and Independence of Ukraine", October 1, 2020, <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1602561727680&uri=CELEX:32020D1368>.

targeted by the sanctions. Since the imposition of Western sanctions, Africa has become the only region in the world to consistently increase imports from Russia.⁹

The decline in oil prices has had an even worse impact on the Russian economy.¹⁰ Putin's presidency coincided with a steady increase in oil prices, from \$40 per barrel in 2000 to \$100 in 2014.¹¹ The growing revenue was used to finance expensive wars in Georgia, Ukraine and Syria, aimed at extending Russia's geopolitical reach across the region. However, since December 2014 oil prices have dropped: to \$31 in January 2016 and \$19 in April 2020 (the lowest so far).¹²

These two factors – sanctions and oil prices – are the driving forces behind the new Russian Africa Strategy.

9 DUMA, "Legislative Support of Trade and Economic Cooperation between Russia and African Countries," in *International Forum "Development of Parliamentarism"* (Moscow, 2019), 34, <http://duma.gov.ru/media/files/luGwsgc7lzn9al9GofQIbNNvdr7iiL8b.pdf>. Africa has become the only region in the world to consistently increase the import of goods from Russia, first of all those of non-commodity and non-energy portfolio. The structure of Russia's export to Africa is now becoming one of the incentives for adding value and developing export-oriented non-commodity sectors economy. Over the past three years, Russian exports to Africa have doubled. Despite its steady growth and non-commodity (and therefore more sustainable

10 L Tyll, K Pernica and M Arltová, "The Impact of Economic Sanctions on Russian Economy and the RUB/USD Exchange Rate", *Journal of International Studies* 11, no. 1 (2018): 21-33, <https://doi.org/10.14254/2071-8330.2018/11-1/2>.

11 MacroTrends, "Crude Oil Prices: 70-Year Historical Chart", <https://www.macrotrends.net/1369/crude-oil-price-history-chart>.

12 MacroTrends, "Crude Oil Prices".

CHAPTER 3

The Russian approach to Africa

Russia is an active player in the UN system, with a strong historical and military presence on the African continent. More recently it has become associated with energy interventions, especially nuclear and gas; and has been accused of using disinformation campaigns as political tools.¹³

UN engagements

Russia is an active member of the UN and is promoting the restructuring of the UN system, in particular the UN Security Council (UNSC). This chimes with the AU's push for UNSC reform, with Russia seen as a lobbying power that could facilitate greater African representation.

Russia is also actively involved in providing African countries with humanitarian aid in areas like food security, public healthcare and the effects of climate change.

In April 2019 tropical Cyclone Idai hit Mozambique and Zimbabwe, and Russia provided each country with tents, blankets and 30 tonnes of food.¹⁴

Russia also contributes to international assistance programmes (from which Africa benefits) in the framework of the UN Development Programme (UNDP), the World Food Programme (WFP) and the International Civil Defence Organisation. It is involved in the WFP's \$40 million school meals project. Since 2011 WFP offices in Africa have received donations of 258 KAMAZ trucks, and another 75 trucks were shipped in 2019¹⁵ as in-kind support.

In addition, Russia supports efforts aimed at controlling the spread of infectious diseases (including Ebola), providing natural disaster relief, addressing existing conflicts and preventing new crises.¹⁶ In Mozambique and Zimbabwe it supports programmes against tuberculosis.

In 2018 Russia made \$1 million available to Zimbabwe to help the country implement its Low Emission Development Strategy as part of its nationally determined contributions under the Paris Agreement on climate change. The UNDP is implementing the three-year project in partnership with the Zimbabwean Ministry of Environment Water and

13 Nina Callaghan, Dzvinka Kachur and Mark Swilling, "China and Russia in Africa: Development Allies or Geopolitical Opportunists?", *Daily Maverick*, August 5, 2020, <https://www.dailymaverick.co.za/article/2020-08-05-china-and-russia-in-africa-development-allies-or-geopolitical-opportunists/>.

14 "Putin: Russia Ready to Compete for Cooperation with Africa", *TASS*, October 20, 2019, <https://tass.com/politics/1084143>.

15 "Putin: Russia Ready to Compete".

16 "Putin: Russia Ready to Compete".

Climate. The funding will be used to update technology in line with international emission standards and to facilitate partnerships with investors and companies, including Russian businesses and academic institutions, in order to foster collaboration and technological exchange for low emission development.¹⁷

Russia has supported Zimbabwe's tendency to distribute humanitarian aid mostly to Zanu PF's political supporters. On 29 May 2020, to commemorate Africa Day, the Russian Embassy delivered gifts to war veterans' families at the Zimbabwe African National Union (ZANU-PF) headquarters. A total of 1.5 tonnes of staple goods was symbolically presented to ZANU-PF's secretary for war veteran affairs by the Russian ambassador.¹⁸

The anti-West narrative

Putin has tried to use African countries' historical relationships with the Soviet Union and the support provided to anti-colonial movements as an entry point to promote Russia's economic agenda over that of Western countries with an active presence on the continent. The narrative is that Western countries are colonisers that exploit African nations under the pretext of promoting democracy, while the West's stringent conditions on cooperation and trade are used to extend this neo-colonial power.

At the Russia-Africa Summit, Putin characterised the proposed cooperation between the two parties as 'no strings attached', meaning that financing need not follow the liberal principles of transparency and accountability. This approach could be seen in the 2014 nuclear deal with South Africa, which became one of the major examples of the state capture that almost collapsed the South African economy.¹⁹ Even after the corrupt relationships were revealed, ex-president Jacob Zuma insisted that 'they [the Russians] will never sink us; they will lift us'.²⁰ Zimbabwe's President Emmerson Mnangagwa echoed these sentiments:²¹

We feel very free to trade with the Russian Federation, than with any other Western country that colonised us ... This is evidence from the past relation, no strings at all. This is in fact mutual trade, mutual relationship and mutual cooperation.

17 Innocent Ruwende and Timo Shihepo, "Russia Avails USD1m for Low Emission Development Plan", *The Herald*, February 1, 2018, <https://www.herald.co.zw/russia-avails-1m-for-low-emission-development-plan/>.

18 Embassy of the Russian Federation to the Republic of Zimbabwe, "Russian Ambassador Congratulated the Zimbabwe National Liberation War Veterans Association with Africa Day", May 29, 2020, https://zimbabwe.mid.ru/en_GB/news/russia-zimbabwe/-/asset_publisher/IV3C2cclfnLK/content/posol-rossii-pozdravil-zimbabvjskuu-associaciu-veteranov-osvoboditel-noj-vojny-s-dnem-afriki?inheritRedirect=false&redirect=https%3A%2F%2Fzimbabwe.mid.ru%3A443%2Fen.

19 Mark Swilling, *The Age of Sustainability: Just Transitions in a Complex World* (London: Routledge, 2020), <https://doi.org/https://doi.org/10.4324/9780429057823>; D Kachur and N Callaghan, "How State Capture Went Nuclear", in *Anatomy of State Capture* (Cape Town: CST, 2020).

20 Karyn Maughan, "Load-Shedding Would Be History If SA Had Signed Russian Deal, Says Jacob Zuma", *BusinessDay*, March 22, 2019, <https://www.businesslive.co.za/bd/national/2019-03-22-zuma-stands-by-his-russian-nuclear-deal/>.

21 ZBC News, "President Mnangagwa Speaks on Russian Investments", YouTube, October 24, 2019, <https://www.youtube.com/watch?v=NhH7g1E57DM&list=UUxiWiiTMYgjh7Qgkiyj2PQ&index=55>.

Educating African leaders in Russia

Education was one of the forms of support offered by the Soviet Union. Following the UN declaration on decolonisation in 1960, the Peoples' Friendship University of Russia, also known as RUDN University, was established in Moscow to provide higher education to students from the developing world. The People's University was a centre for indoctrinating students in Marxism and Leninism, and became a tool of the Soviet Cold War geopolitical strategy.²²

From 1960 onwards, thousands of students studied in the Soviet Union, making it one of the top donors of educational aid and the third biggest host country for African students after France and the US. For example, in 1988, 4 412 annual scholarships were provided to sub-Saharan students,²³ while 743 students from Mozambique studied in the Soviet Union in the 1989-1990 academic year.²⁴ Since independence in 1981, Zimbabwe has received 100 stipends annually.²⁵ Many African leaders, businesspeople and officials have studied in the Soviet Union and hold warm memories of their time there.

In Russia, scholarships are managed by the Federal Agency for the Commonwealth of Independent States, Compatriots Living Abroad and International Humanitarian Cooperation, commonly known as *Rossotrudnichestvo*, established in 2008 by presidential decree. It is an autonomous Russian federal government agency under the jurisdiction of the Russian Ministry of Foreign Affairs.²⁶ There are *Rossotrudnichestvo* centres in eight African countries: Egypt (Alexandria and Cairo), Ethiopia, Tanzania, Morocco, Zambia, the Democratic Republic of Congo (DRC), Tunisia and South Africa (Johannesburg).

While the Zimbabwean and Mozambican elite might not view Russian institutions as the most prestigious, preferring Western education²⁷ (one reason why the number of applications for studies in Russia is decreasing),²⁸ it remains an important political instrument. As of 2020, Russia provides 15 000 scholarships for international students that cover tuition fees, a stipend of \$22 per month and accommodation.²⁹ In 2018/2019 Russia reserved 1 517 scholarships for sub-Saharan African countries, of which 71 scholarships were awarded to Zimbabwean nationals³⁰ and 30 to Mozambicans.³¹

22 Constantin Katsakioris, "The Lumumba University in Moscow: Higher Education for a Soviet-Third World Alliance, 1960-91", *Journal of Global History* 14, no. 2 (July 8, 2019): 281-300, <https://doi.org/10.1017/S174002281900007X>.

23 Katsakioris, "The Lumumba University", 298.

24 Franziska B Keller et al., "Political Astroturfing on Twitter: How to Coordinate a Disinformation Campaign", *Political Communication* 37, no. 2 (March 3, 2020): 256-80, <https://doi.org/10.1080/10584609.2019.1661888>.

25 Russian Embassy in Zimbabwe, "Russian Embassy in Zimbabwe - Posts", Facebook, April 18, 2020, <https://www.facebook.com/RuEmbZimbabwe/posts/d41d8cd9/1589262284570720/>.

26 *Rossotrudnichestvo*, "About *Rossotrudnichestvo*", <http://rs.gov.ru/en/about>

27 Business representative from Zimbabwe, interview by Dzvinika Kachur, October 2020.

28 Yevgeny Primakov, Head of *Rossotrudnichestvo*, presentation of the strategic cooperation committee for Russia-Africa forum, September 9, 2020.

29 StudyInRussia.ru, "Russian Government Scholarships", December 19, 2018, <https://studyinrussia.ru/study-in-russia/scholarships/>.

30 Russian Embassy in Zimbabwe, "Russian Embassy in Zimbabwe".

31 StudyInRussia.ru, "Russian Government Scholarships".

Military cooperation

Globally, Russia is the second-largest arms exporter after the US, although its share of arms exports dropped from 27% in 2010–2014 to 21% in 2015–2019.³² Africa imported 49% in 2015–2019 (up from 39% in 2013–2017) of its military equipment from Russia, almost double the imports from the US (14%) and China (13%).³³ Sub-Saharan Africa is responsible for 26% of the total African imports, with 36% of that coming from Russia. Rosoboronexport contracts with Africa came to \$21 billion, out of its total of \$56 billion in 2016 (Rosoboronexport is the official Russian defence industry and dual-use product exporting agency).³⁴ Instability on the African continent supports Russian exports, which are limited by sanctions.

Russia does not disclose information about its arms exports, and thus data is scarce. However, in an interview with a local newspaper the Russian deputy defence minister said the ministry had signed over 100 agreements on military cooperation, and that cooperation with Mozambique increased after the Russia-Africa Summit.³⁵

Rosoboronexport has long-term contracts with multiple African countries, including Zimbabwe, Egypt, Angola, Mali and Uganda. Cooperation with Mozambique, Cameroon, Tanzania and Equatorial Guinea has intensified since August 2014, when new contracts were signed.

Nuclear cooperation

Nuclear energy is another field in which Russia is leading globally. In 2007 Russia launched its long-term strategy to promote nuclear reactors worldwide via Rosatom, the state nuclear energy corporation. In 2012 a Rosatom regional office for Southern and Central Africa was opened in Johannesburg, South Africa.³⁶

Egypt might become the second African country with a nuclear reactor if its four third-generation VVER 1200 reactors come online in 2028–2029 at El Dabaa. Currently, South Africa is the only African country with a nuclear reactor, built in 1980. Rosatom is also actively negotiating the construction of nuclear power plants in more than 15 African countries, including Nigeria, Uganda, Rwanda and Ghana.³⁷ However, most African

32 Pieter Wezeman et al., "Trends In International Arms Transfers, 2019" (Factsheet, Stockholm International Peace Research Institute, Stockholm, March 2020), 7, https://www.sipri.org/sites/default/files/2020-03/fs_2003_at_2019.pdf.

33 Wezeman et al., "Trends In International Arms", 7.

34 "Russian Arms Exporter's Contracts with African Countries Stand at Above USD21 Bln", TASS, September 16, 2016, <https://tass.com/defense/899458>.

35 Roman Kretsul and Alexei Ramm, "Мы Настроены На Серьезный Диалог с НАТО" (We are Ready For a Serious Dialog with NATO), *Izvestiya*, March 23, 2020, <https://iz.ru/989300/roman-kretsul-aleksei-ramm/bezopasnost-strany-budet-obespechena-pri-liubom-razvitii-sobyti>.

36 Rosatom Africa, "Regional Office", <https://rosatomafrica.com/en/regional-office/>.

37 Nazaraliev, "Российские Нефтегазовые Компании в Африке: Успехи, Риски и Перспективы" (Russian Oil and Gas Companies in Africa: Successes, Risks and Prospectives), *Rambler/Finance*, October 22, 2019, <https://finance.rambler.ru/markets/43030739-rossiyskie-neftegazovye-kompanii-v-afrike-uspehi-riski-i-perspektivy/>.

countries lack the grid capacity to distribute the amount of the energy produced by a nuclear power station.³⁸

In August 2019 Zimbabwe and Russia signed a memorandum of understanding (MoU) on the peaceful use of nuclear energy.³⁹ In July 2020 the Zimbabwean energy minister touted a national integrated energy resource plan 'for the first time in this country'.⁴⁰ Taking into account the cost of a nuclear energy programme and international regulation of the industry, it is unlikely that Zimbabwe will start constructing a nuclear power plant anytime soon.

Russian parastatal companies and organisations

Russia's information strategy is three-pronged: state media such as *Russia Today* and *Sputnik*; parastatal company Internet Research Agency (IRA), managed by Yevgeny Prigozhin; and diaspora organisations (which play a negligible role in African countries).⁴¹ *Russia Today* and *Sputnik* broadcast in most African countries. While there are no similar studies for the African continent, in Europe media articles on the COVID-19 pandemic generated by Russian and Chinese state-backed media see up to 16 times higher engagement on social media platforms than those of prominent news sources such as *Le Monde*, *Der Spiegel* and *El País*.⁴²

The IRA has been actively involved on the African continent since 2017. In 2019 a network of IRA-related accounts was taken down by Facebook in Libya, Sudan, Central African Republic, the DRC, Rwanda, Madagascar, Mozambique and South Africa, after charges of disinformation.⁴³

The Association for Free Research and International Cooperation (AFRIC) is a proxy organisation for the Russian government. It presents itself as an Africa-based network of experts and is involved in election monitoring. It is closely connected to Kremlin

38 Abigail Sah et al., "Atoms for Africa: Is There a Future for Civil Nuclear Energy in Sub-Saharan Africa?" (Policy Paper, Center for Global Development, Washington DC, 2018), <https://www.cgdev.org/publication/atoms-africa-there-future-civil-nuclear-energy-sub-saharan-africa>

39 Leopold Munhende, "Zimbabwe: Electricity-Crippled Zimbabwe Turns to Nuclear Enrichment, with Help from Russia Power", *NewZimbabwe*, August 22, 2019, <https://allafrica.com/stories/201908230188.html>.

40 Mugove Tafirenyika, "Zimbabwe Sets Its Sights on Nuclear Power", *Energy Central*, July 14, 2020, <https://energycentral.com/news/zimbabwe-sets-its-sights-nuclear-power>.

41 Markus Kolga, "Stemming the Virus: Understanding and Responding to the Threat of Russian Disinformation" (Macdonald-Laurier Institute), 2019, https://macdonaldlaurier.ca/files/pdf/20181211_MLI_Russian_Disinformation_PAPER_FWeb.pdf.

42 Katarina Rebello et al., "Covid-19 News and Information from State-Backed Outlets Targeting French, German and Spanish-Speaking Social Media Users: Understanding Chinese, Iranian, Russian and Turkish Outlets" (COMPROP Data Memo 2020.4, Oxford Internet Institute, Oxford, July 29, 2020), <https://comprop.oii.ox.ac.uk/wp-content/uploads/sites/93/2020/06/Covid-19-Misinfo-Targeting-French-German-and-Spanish-Social-Media-Users-Final.pdf>.

43 Shelby Grossman, Daniel Bush and Renée Diresta, "Evidence of Russia-Linked Influence Operations in Africa" (White Paper, Freeman Spogli Institute for International Studies, Stanford, 2019), 1-55.

disinformation structures and one of the frontline organisations that promote Russian political and economic interests.⁴⁴

During the elections in Zimbabwe (2018) and Mozambique (2019), AFRIC registered a team of observers. In Zimbabwe, AFRIC reported that 43 of its international observers were present at more than 100 polling stations in all 10 regions of the country. It claimed that 'international observers were allowed to work at the elections in Zimbabwe for the first time in the country's history'.⁴⁵ However, it was later revealed that the real number of observers might have been significantly lower than reported.⁴⁶ It is unclear how effective AFRIC's strategy was.

The Carnegie Moscow Center reported that 'Russians played a significant role in the July 2018 presidential election' in Zimbabwe, supporting Mnangagwa.⁴⁷ In March 2018 Zimbabwe's electoral commission head Priscilla Chigumba and a presidential advisor visited Moscow. Chigumba and Nikolai Levichev, a member of Russia's central election commission, discussed 'issues of electoral sovereignty' during their meeting, raising suspicions of collusion. Russia happily outsources Kremlin-linked *polittechnologists* ('political strategists') to African leaders who struggle to get organic support from the public.

44 Anton Shekhovtsov, *Fake Election Observation as Russia's Tool of Election Interference: The Case of AFRIC* (Berlin: European Platform for Democratic Elections, 2020).

45 Association for Free Research and International Cooperation, "AFRIC Election Observation Mission in Zimbabwe", July 21, 2018, <https://afric.online/projects/afric-election-observation-mission-in-zimbabwe/>.

46 Shekhovtsov, *Fake Election Observation*.

47 Andrey Maslov and Vadim Zaytsev, "What's Behind Russia's Newfound Interest in Zimbabwe", Carnegie Moscow Center, November 14, 2018, <https://carnegie.ru/commentary/77707>.

New broad-based strategy for collaboration: Russia–Africa Summit

The seriousness of Russia’s intention to return to Africa became apparent at the Russia–Africa Summit, which took place from 23–25 October 2019. A total of 43 African heads of state attended the summit, and 11 more sent high-level representation – significantly higher numbers than at UN meetings. This shows that Russia is seen as a strategically important partner for Africa. The slogan of the summit was ‘For Peace, Security and Development’.

In his welcome speech Putin declared:⁴⁸

We are not going to participate in a new ‘repartition’ of the continent’s wealth; rather, we are ready to engage in competition for cooperation with Africa, provided that this competition is civilised and develops in compliance with the law. We have a lot to offer to our African friends.

The underlying goal of the summit was to get the support of African states against the EU and US sanctions: ‘[T]ogether with our African partners, [we] are committed to protecting our common economic interests and defending them against unilateral sanctions, including by reducing our dollar dependency and switching to other currencies in mutual settlements.’⁴⁹ The summit declaration also states support for the concept of a multipolar world and opposition to unilateral sanctions.⁵⁰ This confirms that Russia is looking for partners that want to build a coalition against the West. As Putin put it, ‘Our African agenda is positive and future-oriented. We do not ally with someone against someone else, and we strongly oppose any geopolitical “games” involving Africa.’⁵¹

Putin added that current funding mechanisms between Russia and African states were market-oriented. However, in practice Russia has made it clear how important geopolitical considerations are in its investments.

Following the Russia–Africa Summit, several new institutions were established in 2020 to coordinate the resultant cooperation.

48 “Putin: Russia Ready to Compete”.

49 Russia–Africa Summit and Economic Forum, “Declaration of the First Russia–Africa Summit”, 2019, <https://summitafrica.ru/en/about-summit/declaration/>.

50 Russia–Africa Summit and Economic Forum, “Declaration of the First”.

51 “Putin: Russia Ready to Compete”.

Russia–Africa Partnership Forum

On 9 September 2020 the Russia–Africa Partnership Forum was established to plan the next Russia–Africa Summit. It is managed by the Secretariat of the Russia–Africa Partnership Forum. Mikhail Bogdanov, a special presidential representative for the Middle East and Africa and the Russian deputy minister of foreign affairs, will also be involved.

The secretariat will organise annual meetings of ministers of foreign affairs and a biannual summit for leaders. It will also coordinate various institutions involved in Russian–African relationships, such as Rossotrudnichestvo and the JSC Russian Export Center (REC), as well as a few newly established structures.

The Association of Economic Cooperation with African States – launched following a directive by Putin dated 21 March 2020 – will work in cooperation with the Russian Ministry of Foreign Affairs to assist Russian companies interested in entering the African market. In September 2020 it was announced that six primary association members would drive economic collaboration, namely Gazprombank, Transmashholding, Vi Holding, Uralkali, Alrosa and Rosatom. Most of these companies have interests in multiple African countries, including Zimbabwe and Mozambique.

Another mechanism established within the Russia–Africa Partnership Forum is a platform for political meetings with the past, present and future chairs of the AU. There has been one meeting of the ‘trinity’ (currently South Africa, Egypt and the DRC) in July 2020.

On 27 October, at its first meeting, the secretariat signed an agreement on cooperation with the news agency TASS, suggesting that information would play an important role in the relationship.

JSC Russian Export Centre

The REC was established as part of Vnesheconombank (VEB, currently subject to Western sanctions) with the support of the Russian government in June 2015. It incorporates the Russian Agency for Export Credit and Investment Insurance and Eximbank of Russia. The REC was envisioned as a ‘one-stop shop’, providing Russian exporters with a wide range of financial and non-financial support, and has been at the forefront of Russia–Africa partnerships. One of its goals is to secure funding for Russian companies facing sanctions.

On 23 October 2019 Mozambique, Zimbabwe, Angola, Ethiopia and a few other African countries signed a four-way agreement bringing together the REC, Sberbank, VEB.RF and Gemcorp Capital. The agreement is aimed at furthering cooperation with African countries

by establishing a framework to finance joint projects and giving Russian exporters access to the African market. According to the REC,⁵²

[t]he deal is designed to develop cooperation with African states by arranging mechanisms of issuing loans for joint foreign trade projects, and it opens up opportunities for increasing the volume of Russian exports through the financial support of Russian goods supplies to the African continent.

Over the last three years the REC has developed a close partnership with the African Export-Import Bank (Afreximbank) and is using Afreximbank as a primary financing institution for Russian business interests. In December 2017 the REC signed an agreement with Afreximbank becoming a Class 'C' shareholder.⁵³

Since the signing of the agreement, the relationship between the Afreximbank board and Russian authorities has intensified significantly. The two organisations have signed several MoUs to finance projects in various African countries, including in those where Russian organisations face sanctions. InDepthNews reported that Russia has been developing various projects in cooperation with Afreximbank, including one entailing the shipment of Russian ground transport, others aimed at financing the construction of industrial infrastructure, and modernisation projects in Nigeria and Angola.⁵⁴

The agreements between Russian companies, the REC and Afreximbank are usually signed in the presence of presidents and/or high-level officials, suggesting their political involvement. One of these agreements is between Afreximbank and VneshTorgBank, a Russian bank that has been targeted by sanctions. The agreement falls within the framework of Afreximbank's trade confirmation guarantee programme, under which Afreximbank takes a direct risk on African banks by confirming letters of credit issued by them on behalf of African importers.

As a sign of its close partnership with Russia, the 26th Annual General Meeting of Shareholders of Afreximbank and an associated Russia-Africa economic conference took place in Moscow on 18–22 June 2019. The events were organised by the Roscongress Foundation, Afreximbank and the REC.⁵⁵ Medvedev spoke at the opening ceremony:⁵⁶

I am convinced that this new agenda of Russian-African cooperation is predetermined by objective factors. First of all, by the transformation of the current

52 Sberbank, "Sberbank, REC, VEB.RF and Gemcorp Capital LLP Sign USD5 Bln Agreement", Press Release, October 23, 2019, https://www.sberbank.ru/en/press_center/all/article?newsID=74e8bc7f-d257-485e-8335-dc7c6b8f6be4&blockID=1539®ionID=77&lang=en&type=NEWS.

53 Afreximbank, "JSC Russian Export Centre Joins Afreximbank as Shareholder", Press Release, February 22, 2018, <https://www.afreximbank.com/jsc-russian-export-centre-joins-afreximbank-as-shareholder/>.

54 Kester Klomegah, "Russia-Africa Economic Partnership Under the Spotlight", *InDepthNews*, June 22, 2019, https://www.indepthnews.net/index.php?option=com_content&view=article&id=2771:russia-africa-economic-partnership-under-the-spotlight&catid=116:russia.

55 "Results of the Afreximbank Annual Meeting 2019", TASS, June 25, 2019, <https://tass.com/press-releases/1065419>.

56 "Results of the Afreximbank".

system of international relations and global trade ... Another objective reason for our rapprochement is similar tasks facing our economies. Russia and all African countries have tremendous natural resources. According to some estimates, they account for 50% of the planet's resource potential. We must use these resources effectively and simultaneously expand cooperation in this and other fields.

It is important to note that Afreximbank is acting on behalf of multiple investors and African governments, and remains a transparent and responsible investor.

Ministry of Foreign Affairs and Cooperation

The Ministry of Foreign Affairs and Cooperation has been headed by Sergei Lavrov since February 2004. He remains a critical figure in all negotiations with the Putin administration, but is not part of the newly established Secretariat.

Mozambique and Zimbabwe fall under the department for sub-Saharan Africa at the ministry, which is responsible for 47 countries. It liaises directly with Russian embassies in 33 African countries. Both Mozambique and Zimbabwe have embassies in Russia.

Zimbabwe: Russian political and economic engagements

Zimbabwe, like Russia, has been the target of Western sanctions. In the case of Zimbabwe, these were imposed in February 2002 by the EU in response to the Zimbabwean government's violation of basic human rights, including the rights to freedom of opinion, freedom of association and freedom of peaceful assembly. The sanctions include an embargo on arms sales, as well as travel and financial sanctions. In February 2004 the restrictions were tightened with an added prohibition on interactions that 'grant, sell, supply or transfer technical assistance related to military equipment'.⁵⁷

On 12 July 2008 the US and the UK proposed a draft resolution at the UN Security Council for UN-targeted sanctions against Zimbabwe that would include an arms embargo, a travel ban and a financial freeze targeted at the president and 13 senior government and security officials. Russia and China vetoed it.⁵⁸

Zimbabwe returned the favour in March 2014 when it was among 11 countries that voted against the UN resolution on Ukraine's territorial integrity, which underscored the invalidity of the Russia-organised Crimean referendum and the Russian annexation of the territory. The non-binding resolution was approved by 100 votes in the UN General Assembly⁵⁹ with 58 abstentions (including Mozambique).

There is a clear change in the relationship after the Russian annexation of Crimea and Zimbabwe's vote against the UN resolution. In December 2014 Zimbabwe became the first country (and one of only a few) to send a delegation to occupied Crimea, with the stated intention to 'share the experience of life under Western sanctions'.⁶⁰

In May 2015, then-president Robert Mugabe made his first official visit to Russia. Putin organised a victory parade to celebrate the 70th anniversary of the Second World War, but most Western leaders refused to attend. The presidents of three African countries participated: Abdel Fattah el-Sisi of Egypt, Jacob Zuma of South Africa, and Mugabe. During a bilateral meeting, which formed part of the visit, Mugabe told Putin, 'You are

57 Council of the EU, "Council Regulation: Concerning Restrictive Measures in View of the Situation in Zimbabwe (c. 314)", February 19, 2004, <https://www.legislation.gov.uk/eur/2004/314/data.xht?view=snippet&wrap=true>.

58 UN Security Council, "Security Council Fails to Adopt Sanctions Against Zimbabwe Leadership as Two Permanent Members Cast Negative Votes", Press Release SC/9396, July 11, 2008, <https://www.un.org/press/en/2008/sc9396.doc.htm>.

59 The other countries that voted against it were Armenia, Belarus, Bolivia, Venezuela, Cuba, the Democratic People's Republic of Korea, Nicaragua, Russia, Syria and Sudan.

60 "Крым Посетил Министр Зимбабве" (Crimea Visited by the Minister of Zimbabwe), *Interfax*, December 20, 2014, <https://www.interfax.ru/russia/414427>.

under sanctions, and we are under sanctions, and imperialistic America is on the top of it. This is the reason why we should stay together.’⁶¹

By then, military ties between the two countries had already been formalised through a 1999 agreement. It encompassed the supply of military equipment and arms; repair and modernisation of existing military equipment; and training of specialists. The Stockholm International Peace Research Institute (SIPRI) database shows only one registered deal between Russia and Zimbabwe from 1989 to 2019, for the supply of arms valued at \$22 million in 1999.⁶²

In October 2015 another agreement on military cooperation was signed, replacing the one signed in 1999. It allows Russia and Zimbabwe to trade arms, host military exercises, cooperate on military repairs and supply operations. It also establishes a framework for Russian assistance to Zimbabwean Defence Industries to manufacture and market weapons systems.⁶³ Zimbabwe is a frequent participant in Russian military training – for example, in 2016 it, Kazakhstan, Armenia and China took part in training activities in Kubinka, Russia. The coverage of the exercises on national TV channel Russia 24⁶⁴ was typically racist and mocked the Zimbabweans.

The economic relationship between the countries was cemented by the Bilateral Investment Protection and Promotion Agreement (BIPPA), signed in October 2012.⁶⁵ In August 2012, at the same time as when the first platinum ore was being mined at the Russia–Zimbabwe platinum mine Darwendale, a powerful Russian business delegation, led by the Russian deputy minister of industry and commerce, visited Zimbabwe and expressed a keen interest in investing in the mining and energy sectors. On the minister’s agenda was ensuring investments in the Darwendale platinum mine, needed for further exploration. He also announced a cooperation deal between Zimbabwe and Russian state oil company Rosneft. Rosneft was to construct a pipeline for refined oil from Mozambique to Zimbabwe in a joint venture that included all three countries. There were also plans for Rosneft to extend the pipeline to Botswana, Zambia and Malawi and to repair the existing pipeline.⁶⁶ Russia was ready to provide financial support for the project’s implementation⁶⁷ and needed investment protection.

61 “Роберт Мугабе Путину: ‘Вы Под Санкциями, Мы Под Санкциями, Нам Надо Держаться Вместе’ (Robert Mugabe to Putin: ‘You Are Under Sanctions, We Are Under Sanctions, We Need to Stick Together’), *Current Time*, May 10, 2015, <https://www.currenttime.tv/a/28855522.html>.

62 Stockholm International Peace Research Institute, “Importer/Exporter TIV Tables: Generated Dataset of Arms Exports from Russia, 1970–2019”, <https://armstrade.sipri.org/armstrade/page/values.php>.

63 Governments of the Russian Federation and Zimbabwe, “Соглашение Между Правительством Российской Федерации и Правительством Республики Зимбабве о Военно-Техническом Сотрудничестве” (International Agreement between the Government of the Russian Federation and the Government of the Republic of Zimbabwe on Military-Technical Cooperation), October 28, 2015, <http://docs.cntd.ru/document/420321900>.

64 Vesti Novosibirsk, “Разведчики Из Зимбабве Приехали в Сибирь На Конкур” (Scouts From Zimbabwe Came to Siberia For Show Jumping), YouTube, August 1, 2016, <https://www.youtube.com/watch?v=h25FyaQT9SU>.

65 Government of Zimbabwe, Ministry of Foreign Affairs and International Trade, “List of Ratified BIPPAs”, 2020, <http://www.zimfa.gov.zw/index.php/bippas/list-of-ratified-bippas>.

66 Aleksei Topalov, “«Роснефть» Построит Нефтепродуктопровод Мозамбик — Зимбабве” (Rosneft Will Build the Mozambique–Zimbabwe Oil Pipeline), *Gazeta.Ru*, October 11, 2012, <https://www.gazeta.ru/business/2012/10/11/4808925.shtml>.

67 “Russia’s Rosneft to Build Refined Product Pipeline from Mozambique to Zimbabwe”, TASS, October 11, 2012, <https://tass.com/archive/683432>.

In October 2012, as the BIPPA was signed, the Russia–Zimbabwe Business Council was announced. In addition, the Russia–Zimbabwe Intergovernmental Commission for Economic, Trade, Scientific and Technical Cooperation was relaunched.⁶⁸ Russian Minister of Industry and Trade Denis Manturov was responsible for initiating cooperation with Zimbabwe. However, this cooperation failed to materialise. Zimbabwe did not ratify the BIPPA agreement until 2014,⁶⁹ and the contract to repair the pipeline, which Rosneft expected to get, went to a Mozambican company. The first meeting of the intergovernmental commission only took place in 2014.

In 2014, after Western sanctions were imposed on Russia, Lavrov was tasked with finding new markets. On 29 May 2014 the BIPPA agreement was finally ratified by Zimbabwe, becoming one of only 10 similar agreements to be ratified.⁷⁰ Both Lavrov and Manturov mentioned this agreement as one that would take cooperation between the two countries to a new level: ‘This allows Russian companies and investors to invest in projects in Zimbabwe without risk.’⁷¹

In 2012 Russian newspaper *Kommersant* had reported that the BIPPA was needed to protect a platinum-for-arms deal negotiated in April that year.⁷² Russia was apparently granted the right to mine platinum in exchange for helicopters. This agreement was finalised in April 2014. Later reporting in Zimbabwe would suggest these were MiG-35 fighter jets, and that the deal was handled by the defence minister and the then permanent secretary in the department of defence, Martin Rushwaya (Mnangagwa’s nephew).⁷³ In 2020 the details of the agreement were disclosed by *The Independent Zimbabwe*, revealing that in 2014 Lavrov renegotiated access to the platinum mine in exchange for Russian MiG-29 and MiG-35 aircraft to replace the single-engine Chengdu J7 aircraft made in China.⁷⁴

At the same time, the Intergovernmental Russian–Zimbabwean Commission on Economic, Trade and Scientific-Technological Cooperation, co-chaired by the countries’ foreign ministers, was reviewed (see Table 2). According to Lavrov, the commission has a sub-committee on military cooperation. The commission was initially chaired by Lavrov, but in June 2018 this responsibility was transferred to the minister of natural resources and ecology.⁷⁵

68 “Russia, Zimbabwe Set up Business Council”, TASS, October 7, 2012, <https://tass.com/archive/683205>.

69 Ratified by Russian Federation on 2 November 2013 Federal Law. N 289-ФЗ “О ратификации Соглашения между Правительством Российской Федерации и Правительством Республики Зимбабве о поощрении и взаимной защите капиталовложений” (On the Ratification of the Agreement between the Government of the Russian Federation and the Government of the Republic of Zimbabwe on the Encouragement and Mutual Protection of Investment).

70 Government of Zimbabwe, Ministry of Foreign Affairs and International Trade, “List of Ratified BIPPAs”.

71 Rostec, “Russia to Invest in Infrastructure Projects in Africa”, September 16, 2014, <https://rostec.ru/en/news/4514579/>.

72 Elena Kiseliova et al., “Вертолетообменная Сделка” (Helicopter Exchange Deal), *Kommersant*, June 27, 2012, N° 115 (4900), <https://www.kommersant.ru/doc/1968014>.

73 “Arms-for-Platinum Deal”, *Africa Confidential* 55, no. 14 (July 11, 2014): 4–5.

74 Tinashe Kairiza, “Russian-Made Fighter Jets for Zim’s Military”, *The Independent Zimbabwe*, January 10, 2020, <https://www.theindependent.co.zw/2020/01/10/russian-made-fighter-jets-for-zims-military/>.

75 Government of the Russian Federation, Ministry of Environment, “Межправительственные Комиссии” (Intergovernmental Commissions), http://www.mnr.gov.ru/activity/directions/mezhdunarodnoe_sotrudnichestvo/_mezhpriatelstvennyye_komissii/.

TABLE 2 RUSSIA-ZIMBABWE INTERGOVERNMENTAL COMMISSION FOR ECONOMIC, TRADE, SCIENTIFIC AND TECHNICAL COOPERATION

Date	Meetings	Key participants
October 2012	Relaunch of the commission	Chaired by Russian Minister of Industry and Trade Denis Manturov and Zimbabwean Minister of Foreign Affairs Simbarashe Mumbengegwi
September 2014, Harare	First meeting	Chaired by Russian Minister of Industry and Trade Denis Manturov and Zimbabwean Minister of Foreign Affairs Simbarashe Mumbengegwi
30 April – 1 May 2018, Harare	Second meeting	Chaired by Manturov and Mumbengegwi
5-7 August 2019, Moscow	Third meeting	Chaired by Russian Minister of Natural Resources Dmitri Kobylkin and Zimbabwean Minister of Foreign Cooperation Sibusiso Moyo; with Russian representatives of the President’s Administration, Ministry of Natural Resources and Ministry Economic Development; corporate representatives of Vi Holding, Alrosa, Uralchem and Rosgeology ^a
Planned for November 2020, Harare but postponed to 2021	Fourth meeting	

a MNR, “В Москве Пройдет III Заседание Межправительственной Российско-Зимбабвийской Комиссии По Экономическому, Торговому и Научно-Техническому Сотрудничеству – Минприроды России”(Moscow to Host the III Meeting of the Intergovernmental Russian-Zimbabwean Commission on Economic, Trade and Scientific and Technical Cooperation – Ministry of Natural Resources of Russia) August 2, 2019, http://www.mnr.gov.ru/press/news/v_moskve_proydet_iii_zasedanie_mezhpravitelstvennoy_rossiysko_zimbabviyskoy_komissii_po_ekonomichesk/

Source: Compiled by author

Lavrov’s first visit to Zimbabwe took place from 11-15 September 2014, when he and Manturov participated in the signing of the contract on Russian-Zimbabwean collaboration at Darwendale mine, the largest Russian-Zimbabwean project. Other members of the delegation included the deputy minister of industry and trade, the Rostec chair, representatives of Alrosa, Renova and Vi Holding, the director of the Moscow Institute of Steels and Alloys, and the chair of the Bank for Development and Foreign Economic Affairs.⁷⁶

In addition, a number of business visits took place between the two countries. In November 2016 the Zimbabwe-Russia Business Forum was held in Harare. A delegation of Russian companies led by a member of the Ministry of Industry and Trade, included representatives from Great Dyke Investments, DTZ-OZGEO, GTL and Alumet.⁷⁷ GTL and Alumet were reportedly looking for partners, and DTZ-OZGEO for the Zimbabwean government’s support after having lost its mining rights.

76 Government of the Russian Federation, Ministry of Industry and Trade, “Денис Мантуров Прибыл в Зимбабве с Рабочим Визитом” (Denis Manturov Arrives in Zimbabwe on a Working Visit), September 15, 2014, https://minpromtorg.gov.ru/press-centre/news/#!/glava_minpromtorga_pribyl_v_zimbabve_s_rabochim_vizitom.

77 “Zim, Russia Economic Relations Set to Grow”, *The Herald*, November 17, 2016, <https://www.herald.co.zw/zim-russia-economic-relations-set-to-grow/>.

As a result of the 2014 visit, the following agreements were signed:

- an intergovernmental agreement on joint implementation of a project to develop the Darwendale platinum deposit;
- an agreement on financing the Darwendale project between VEB,⁷⁸ the joint Russian-Zimbabwean venture Great Dyke Investments and Afrimet;
- an agreement on cooperation on training and skills development in a project between Great Dyke Investments and the National University of Science and Technology; and
- a cooperation agreement between Uralmash-Izhora Group and Zimbabwe's Ministry of Mines and Mining Development to supply Russian drilling rigs, crushing, milling and processing equipment.

In June 2016 Zimbabwe's Secretary of the Ministry of Macroeconomic Planning and Investment Promotion, Desire Sibanda, visited Moscow. Sibanda reassured his Russian counterparts that the country was focusing on its Look East Policy to attract investment into special economic zones, with the aim of improving infrastructure and moving manufacturing up the value chain.⁷⁹ In addition, 20 Zimbabwean business representatives participated in a Moscow Chamber of Commerce event.⁸⁰

In February 2017 it was reported that Russia would assist the country in securing and monitoring its airspace with top-of-the-range military and radar technology. The military technology was said to include the capability to stop and/or hack spy satellites.⁸¹

On 15 November 2017 Mnangagwa, a long-standing Mugabe ally, came to power as a result of a political coup. Soon after, on 27 July 2018, Putin met Mnangagwa at the BRICS summit in Johannesburg, where the two reportedly signed the agreement on strategic cooperation.⁸²

The change in leadership and relaxation of the rules on 50% Zimbabwean ownership led to increased interest from Russian businesses.

In February 2018 Dmitri Mazepin, the CEO of URALCHEM Group, visited Zimbabwe and Zambia to discuss a joint fertiliser production enterprise with Mnangagwa. Mazepin also initiated the establishment of the Russia-Zimbabwe Business Council under the Russian Chamber of Commerce and was elected its chair in April 2018. He again visited Zimbabwe

78 Vnesheconombank is a Russian state corporation founded in 2007 as a development institute.

79 Golden Sibanda, "Govt, Private Firms to Tour Russia", *The Herald*, June 23, 2016, <https://www.pressreader.com/zimbabwe/the-herald-zimbabwe/20160623/281925952311808>.

80 NFT, "Mike Sango, Ambassador of Zimbabwe to Russia", YouTube, January 11, 2019, https://www.youtube.com/watch?v=p9Vfaxnv_I4.

81 Muza Mpofu, "Russian President Putin Sets Eyes on Opening Strategic Military Base in Zimbabwe", *My Zimbabwe*, January 11, 2019, <https://www.myzimbabwe.co.zw/news/38781-russian-president-putin-sets-eyes-on-opening-strategic-military-base-in-zimbabwe.html>.

82 Konstantin Mikhailov, "Путин На Полях Саммита БРИКС Встретился с Президентом Зимбабве" (Putin Meets with the President of Zimbabwe on the Sidelines of the BRICS Summit), *NewInform*, July 27, 2018, <https://newinform.com/129228-putin-na-polyakh-sammita-briks-vstretilsya-s-prezidentom-zimbabve>.

and met with Mnangagwa in November 2018. Mnangagwa indicated that he was open to collaboration.⁸³

The country is now opening for business, Russian included. In the last 16-17 years, we have been isolated due to the Western sanctions, but now the economy is entering a period of growth. We will give a special priority to the mining, agricultural and manufacturing industries. Capital used to flee from Zimbabwe, and now we need competition.

Sergei Ivanov, the CEO of Alrosa, also visited Zimbabwe in 2018. From 5–9 March 2018 Lavrov undertook an African tour and visited five Sub-Saharan countries: Angola, Zimbabwe, Mozambique, Namibia and Ethiopia. In Zimbabwe he re-established contact with the Mnangagwa administration, and signed an MoU to establish a Russian industrial zone. However, this has not been implemented.⁸⁴

On 10 August 2018, amid protests against the Zimbabwean election results by the opposition, Vice President Constantino Chiwenga visited Russia. Government insiders speculated that the vice-president had been sent by Mnangagwa to negotiate a financial lifeline and deliver a 'special message' to Putin.⁸⁵ Chiwenga took part in the closing ceremony of the International Army Games and met with Russian Defence Minister Sergei Shoigu. Although no public statement was made after his visit, in October 2018 the Ambassador of Zimbabwe in Russia said that military cooperation between the two countries was growing 'day by day'.⁸⁶

To support Mnangagwa in the 2018 elections, Russia organised the participation of its proxy organisation – AFRIC. Just two months after the elections, in January 2019, Mnangagwa visited Russia. During his three-day stay he visited the Alrosa offices, met with Putin, and participated in a Russia-Zimbabwe business forum.⁸⁷ As result of his visit a number of memorandums were signed:

- MoU between Afreximbank and Great Dyke Investments concerning the Darwendale project in Zimbabwe;
- Agreement between the Zimbabwean government and Great Dyke Investments;
- MoU between URALCHEM and the Zimbabwean government on a fertiliser production project;

83 "Итоги Встреч Д.А.Мазепина с Президентами Зимбабве и Замбии," «УРАЛХИМ» и «Уралкалий» развивают сотрудничество со странами Юго-Восточной Африки (As a Result of the Meetings of Dmitry A Mazepin with the Presidents of Zimbabwe and Zambia, URALCHEM and Uralkali Are Developing Cooperation with the Countries of South-East Africa), *Russia24*, 2018, <https://www.uralchem.ru/press/news/URALKHIMIUralkaliyrazvivayutsotrudnichestvosostranamiYUgoVostochnoyAfriki/>.

84 REC, "Rossiyskaya Promyshlennaya Zona" (Russian Industrial Zone), 2018, [http://www.eurasiancommission.org/ru/act/prom_i_agro/prom/dep_prom/SiteAssets/Материалы в разделе Аналитика/Презентация РПЗ в Египте.pdf](http://www.eurasiancommission.org/ru/act/prom_i_agro/prom/dep_prom/SiteAssets/Материалы%20в%20разделе%20Аналитика/Презентация%20РПЗ%20в%20Египте.pdf).

85 "Russia-Zimbabwe Military Base", ONAFHANKLIK, January 12, 2019, <https://onafhanklik.com/2019/01/22/russia-zimbabwe-military-base/>.

86 "Президент Зимбабве Планирует Посетить Россию в Январе" (Zimbabwean President Plans to Visit Russia in January), *RIA News*, October 29, 2018, <https://ria.ru/20181029/1531681492.html>.

87 "Putin to Discuss Bilateral Relations with Zimbabwe's President on Tuesday", *TASS*, January 15, 2019, <https://tass.com/politics/1039927>.

- MoU between African Finance Corporation and Great Dyke Investments concerning the Darwendale project;
- Agreement of cooperation in counteracting the laundering of the proceeds of crime and the financing of terrorism between Rosfin Monitoring (Russia) and the Financial Intelligence Unit of Zimbabwe;
- MoU between the Chamber of Commerce and Industry of the Russian Federation and the Zimbabwe National Chamber of Commerce;
- Extradition treaty between Zimbabwe and Russia; and
- Agreement between the Moscow Chamber of Commerce and the Zimbabwe Chamber of Commerce.

Illustrating the increasingly important role Russia plays in Zimbabwean foreign policy, in September 2019 the Russian and Chinese ambassadors were the only diplomatic representatives asked to speak at Mugabe's funeral ceremony at the Harare National Stadium.

Russia's influence was boosted during the Russia–Africa Summit, where the Russian minister of natural resources signed two MoUs with the ministers of mines and mining development, and finance and economic development. The agreements involved cooperation in geological exploration and exploitation of mineral resources, and cooperation in environmental protection and sustainable use of natural resources.

More recently, Russia and Zimbabwe have both argued that Western countries should lift sanctions to support countries' recovery after COVID-19. In April 2020 the Russian embassy in Zimbabwe announced that the fourth meeting of the Russian–Zimbabwean Intergovernmental Commission for Economic, Trade, Scientific and Technical Cooperation was scheduled for November 2020 in Harare, with the focus on overcoming the negative consequences of the pandemic.

Russian companies in Zimbabwe

There are two national investment projects in Zimbabwe: one through Great Dyke Investments (GDI, a platinum mine) and the other with Alrosa (a diamond mine).⁸⁸ These projects have to be understood in the broader context of the country's problematic record in resource governance.

Russian companies are by no means key role players in Zimbabwe, as the country has a long-term partnership with China. By the time Russian players became interested in the country, it already had a well-established parallel government of corrupt police and military

88 Elsie Mupoperi, "Great Dyke Platinum Mining Projects Set for Take-off by Year-End", *ZBC News*, January 2019, <https://www.zbcnews.co.zw/great-dyke-platinum-mining-projects-set-for-take-off-by-year-end/>.

officers skimming diamond mining revenues. The Partnership for Africa Canada report showed how the Mugabe regime used natural resources as a means of political survival, to the benefit of the ruling elite: ‘the scale of illegality is mind-blowing’, with a ‘conservative estimate’ suggesting that the Zimbabwe treasury lost \$2 billion owing to the ‘high level of collusion’ by government officials.⁸⁹ There was a lack of transparency regarding the number of diamonds mined and the earnings from their sale, as well as smuggling and the underpricing of gems on world markets. The report exposed the tax-funded luxury lifestyles of government officials loyal to Mugabe, as well as of high-level politicians from the opposition Movement for Democratic Change. In a 2016 speech celebrating his 92nd birthday, Mugabe said: ‘We’ve not received much from the diamond industry at all. I don’t think we’ve exceeded \$3 billion, yet we think more than \$15 billion has been earned.’⁹⁰ After Mnangagwa came to power, Mugabe was called to Parliament to explain the situation, as were several high-ranking government officials and the commissioner-general of the Zimbabwe Republic Police.

While Mugabe-linked ministers were accused of illegal mining, it was Mnangagwa himself who was targeted by Western sanctions⁹¹ because of accusations of illegal diamond exports and involvement in military conflict in the DRC.

After taking office, Mnangagwa called for more investment in the country beyond mining, especially in agriculture and tourism.⁹² Nevertheless, few Russian companies are interested in investing and doing business with Zimbabwe, or Africa overall.⁹³

DTZ-OZGEO

One of the first joint Russian-Zimbabwean companies was DTZ-OZGEO. The collaboration was initiated by Russia’s long-term partner, ex-vice-president Joshua Nkomo, in the late 1980s and the company launched in 1994 (registered in the Virgin Islands).⁹⁴ According to initial reports, the Development Trust of Zimbabwe (DTZ) owned 51% of shares while Russia’s JSC Zarubezhgeologia held the remaining 49%. By 2018 the allocation had reportedly shifted to 40/60%. Zarubezhgeologia is an international projects operator for Rosgeo (the largest Russian geological holding) and has been involved in a number of African geological research projects since the 1960s, including the analysis of gas deposits

89 Partnership Africa Canada, “Reap What You Sow: Greed and Corruption in Zimbabwe’s Marange Diamond Fields” (PAC, Ottawa, November 2012), <https://impacttransform.org/wp-content/uploads/2017/09/2012-Nov-Reap-What-You-Sow-Greed-and-Corruption-in-Zimbabwes-Marange-Diamond-Fields.pdf>.

90 Bulawayo Bureau, “Missing \$15 Billion Looters Face Probe”, *The Herald*, November 19, 2016, <https://www.herald.co.zw/missing-15-billion-looters-face-probe/>.

91 UN, *Final Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo (S/2003/1027*, October 2003), <https://reliefweb.int/report/democratic-republic-congo/report-panel-experts-illegal-exploitation-natural-resources-and>

92 Farirai Machivenyika, “Zim Open to More Russian Investments”, *The Herald*, September 8, 2020, <https://www.herald.co.zw/zim-open-to-more-russian-investments/>.

93 NFT, “Mike Sango, Ambassador”.

94 Salahetdinov, “Россия и Республика Зимбабве”.

in Mozambique.⁹⁵ The company mined diamonds in the Chimanimani area and gold ore in Penhalonga, an area with confirmed deposits of 5 million carats.

DTZ-OZGEO cooperated with Alrosa in exploring potential diamond deposits in Chimanimani. Initially the size of the confirmed deposit was estimated at 80 000 carats, but in 2017 TASS reported there was 'an area with confirmed deposits of 5 million carats and the potential for 50 million carats more'.⁹⁶ In 2012 the project was employing 300 people⁹⁷ and mining 1 000 carats per month.⁹⁸ In 2014 the Russian minister of mining mentioned DTZ-OZGEO diamond mining as an example of successful cooperation between Russia and Zimbabwe.⁹⁹

The first signs of trouble emerged when a Centre for Research and Development report found that mining operations had been undertaken in contravention of environmental laws adopted in 2013, which prohibit mining within 30m of a riverbed as it causes water resource degradation, a loss of biodiversity and dust pollution, impacting negatively on local artisanal mining.¹⁰⁰ In April 2014 DTZ-OZGEO applied to the Portfolio Committee on Environment, Water, Tourism and Hospitality to have the ban lifted. However, the application was not successful and led to 200 job losses in the company.¹⁰¹

Then, in March 2016, the government decided to consolidate diamond mining and established the Zimbabwe Consolidated Diamond Company (ZCDC) by evicting all the firms operating in the country at the time, ostensibly because their licences had expired. It was estimated that investment in the joint enterprise was around \$97 million by that time. *NewsDay* quoted a statement by Victor Kusyla, the director of DTZ-OZGEO, to a parliamentary hearing in 2018:¹⁰²

While [Walter] Chidhakwa [former minister of mines and mining development] had invited the company management to Harare, the minister sent 80 armed police officers to forcibly take over their mine in Chimanimani. There was no proper handover and takeover and everyone was told to leave abruptly, resulting in DTZ-OZGEO leaving equipment, thousands of litres of diesel [and] ferrosilicone for processing gold, and the equipment is now being used by ZCDC. After our closure, I went to our Russian Embassy and they had a meeting with Mugabe, former

95 ROSGEO (JSC "Zarubezhgeologia") <http://zargeo.eu/>.

96 "Russia Hopes for Constructive Cooperation with Zimbabwe under New Authorities", TASS, November 23, 2017, <https://tass.com/politics/977178>.

97 Vladimir Malakhov, "DTZ-OZGEO Уверенно Нарращивает Объемы Добычи и Масштабы Геологоразведочных Работ" (DTZ-OZGEO Confidently Increases Production and Exploration), RoughPolished, 2015, <https://www.rough-polished.com/ru/exclusive/97936.html>.

98 Ismail Shillaev, "Chimanimani Diamonds above Board: Shillaev", *The Standard*, September 30, 2012, <https://www.thestandard.co.zw/2012/09/30/chimanimani-diamonds-above-board-shillaev/>.

99 Rostec, "Russia to Invest".

100 Centre for Research & Development, "Will Zimbabwe Lift the Ban on DTZ-OZGEO Mining Activities along Mutare River in Penhalonga?" (Paper, CRD, Harare, January 1, 2015), <https://www.africaportal.org/publications/will-zimbabwe-lift-the-ban-on-dtz-ozgeo-mining-activities-along-mutare-river-in-penhalonga/>.

101 Malakhov, "DTZ-OZGEO Уверенно Нарращивает".

102 Langa Veneranda, "Govt Takes over Russian Gold Mine in Mafia Style", *NewsDay Zimbabwe*, February 24, 2018, <https://www.newsday.co.zw/2018/02/govt-takes-russian-gold-mine-mafia-style/?cn-reloaded=1>.

Vice-President Phelekezela Mphoko and Chidhakwa and they promised an amicable solution. For the past two years we felt like we were just being whipped. Within a few minutes when I telephoned one of my managers at the mine he told us that already about 80 heavily armed policemen were at the mine forcing everyone to pack their belongings and leave.

In May 2016 the situation seemed to have been resolved amicably with the involvement of Manturov and Chidhakwa (who in December 2017 was accused of unlawfully granting a tax exemption to a mining firm, which then made a hefty payment to an organisation linked to him).¹⁰³ While the focus on diamond mining revenue fell on the Marange community, the situation was similar at other mines, with diamonds sold at a significantly lower value than the market price per carat. For example, DTZ-OZGEO sold diamonds at \$49.42 per carat, while Chinese company Jinan sold at almost \$89 per carat, and Marange at \$67.60.¹⁰⁴

The issue was renegotiated during Sibanda's visit to Moscow in 2016. The *Daily News* reported that in 2017 ZCDC bought out DTZ-OZGEO for \$5.4 million.

The story of DTZ-OZGEO shows that the BIPPA agreement did not fully protect Russian partners against risk, but at least allowed them to get compensation. In 2018 Kusyla voiced his dissatisfaction with the 2017 settlement.¹⁰⁵

The company during the time it was mining, contributed \$68 million in royalties, paid \$463,000 to the National Social Security Authority, and \$1.5 million [in] mining fees and levies, suggesting they could have supported government coffers if they were allowed to continue mining ... However, now with the new dispensation, I think the attitude towards investors has changed.

While DTZ-OZGEO ceased to operate in 2018, in 2019 Russian company Alrosa was already investigating the possibility of renewing mining activities in Chimanimani area.

Telecel Zimbabwe

In 1998 Russian telecommunications giant VimpelCom, via its subsidiary Orascom Telecom Company and in cooperation with the Empowerment Corporation, became the owner of Telecel Zimbabwe, the country's second-largest mobile service provider.

In July 2013 there was controversy over the failure of Telecel's shareholding to meet the 49/51% split in favour of local shareholders, as required by Zimbabwe's Indigenisation and Economic Empowerment Act. Telecel said it planned to rationalise the shareholding from the current 60/40% split in favour of foreign ownership to the minimum requirement of

103 "Ex-Minister, Mugabe's Relative Walter Chidhakwa Arrested", *The Zimbabwe Mail*, December 20, 2017, <https://www.thezimbabwe.com/law-crime/ex-minister-mugabes-relative-walter-chidhakwa-arrested/>.

104 Jummy Swira, "Pricing Scandal Hits Zimbabwe's Mbada Diamonds", *African Mining Brief*, February 3, 2017, <https://africanminingbrief.com/pricing-scandal-hits-zimbabwes-mbada-diamonds/>.

105 Veneranda, "Govt Takes over Russian".

51% local shareholding. As a result of the uncertainty, VimpelCom sold its share for \$40 million in 2015.¹⁰⁶

Great Dyke Investments

GDI, also known as the Darwendale Platinum Project, is one of the oldest and most important of the Russia-Zimbabwe cooperation projects. The Darwendale platinum mine has one of the world's largest reserves of platinum group metals (PGMs), which include platinum, palladium, ruthenium, rhodium, iridium and osmium. Its ores also contain gold, nickel and copper. This is comparable with the largest deposits in South Africa's Bushveld area and the Norilsk-Talnakh region in Russia. It has the potential to be among the top five PGM projects in the world, a JORC-compliant resource of 181.3 million tonnes of ore containing 17.1 million ounces of PGMs and gold, at an average grade of 2.93 g/t.¹⁰⁷

The Zimbabwean government expected the project to create 5 000 jobs and produce its first metal concentrate in 2022.¹⁰⁸ In July 2020 the project reported that it employed more than 300 residents of Mashonaland West province.¹⁰⁹

Russian company Ruschrome Mining – a joint enterprise between the government of Zimbabwe and the Russian non-profit Centre for Business Cooperation with Foreign Countries – was established in 2006 and received a licence in May 2006. The capital distribution between the parties was 50/50, while the board of directors consisted of five Russians and four Zimbabweans.¹¹⁰

In January 2012 preparations were finalised and the company was ready to start operations. The Centre for Business Cooperation was managed by Alexander Chepik, who was seeking investors for the project. In interviews in 2012, Chepik mentioned two potential investors: Renova's Vekselberg, and Vi Holding, owned by Vitaliy Machitski. After considering the political risks, Renova withdrew from negotiations. However, Vi Holding brought in state company Rostec as a partner to protect its investment.

Rostec is a conglomerate with subsidiaries such as arms exporter Rosoboronexport and the world's top titanium producer, VSMPO-Avisma. It was interested in military and technical cooperation with the African defence sector. According to Sergei Chemezov, Rostec's CEO,¹¹¹

106 Memory Mataranyika, "VimpelCom Sells Telecel Zim Stake to Government", *Fin24*, November 18, 2015, <https://www.news24.com/fin24/Tech/Mobile/vimpelcom-sells-telecel-zim-stake-to-government-20151118>.

107 Great Dyke Investments, "Darwendale – World Class Platinum Mine", 2020, <http://www.greatdykeinvest.com/>.

108 GDI, "Darwendale – World Class Platinum".

109 Embassy of the Russian Federation to the Republic of Zimbabwe, "On the First Phase of Constructing Darwendale Platinum Mine", 2020, https://zimbabwe.mid.ru/home/-/asset_publisher/vYodl9QDrFjt/content/o-pervoj-faze-stroitelstva-platinovogo-rudnika-namestorozhenii-darvendel-?inheritRedirect=false&redirect=https%3A%2F%2Fzimbabwe.mid.ru%3A443%2Fhome%3Fp_p_id%3D101_INSTANCE_vYodl9QDrFjt.

110 "President Mnangagwa Appoints His Nephew Martin Rushwaya as Deputy Chief Secretary for Administration and Finance", *NewZimbabweVision*, April 14, 2019, <http://newzimbabwevision.com/president-mnangagwa-appoints-his-nephew-martin-rushwaya-as-deputy-chief-secretary-for-administration-and-finance/>.

111 Gleb Stolyarov and Ed Stoddard, "Sanctions-Hit Russia Looks to Africa to Boost Arms, Technology Sales", *Reuters*, April 7, 2015, <https://www.reuters.com/article/africa-russia-arms-idUSL6NOWO08120150407>.

Many countries on the African continent are traditional partners of Russia in military and technical cooperation, quite familiar with the quality of Russian weapons. Soviet weapons still used in Africa and requiring repairs could also support demand for Russian arms.

Machitski, in one interview, explained that he was a childhood friend of Chemezov, and the two were working together on a number of projects.¹¹² Machitski is also close to the Putin administration.

The idea of buying shares in Ruschrome in Zimbabwe was discussed during a Vi Holding board meeting in July 2013. However, in March 2014 both Vi Holding and Rostec were targeted by Western sanctions. The companies applied to Putin for permission to exchange helicopters and arms for platinum rights and received approval for financing via VEB in April 2014.¹¹³ VEB is a Russian state corporation founded in 2007 as a development institute and is currently also subject to sanctions.

The Zimbabwean partner was Pen East Limited, reportedly belonging to Zimbabwe Mining Development Corp. and Zimbabwe Defence Industries Ltd. (subject to sanctions imposed by the US Treasury in 2004). The Russian consortium registered as JSC Afromet consisted of Vi Holding, Rostec (the technology partner) and VEB (the financier).¹¹⁴

Lavrov and Manturov both participated in the signing ceremony. The media was not allowed at either the signing ceremony or the press conference.¹¹⁵

The DGI development required an investment of up to \$3 billion, prompting new negotiations with the Mugabe government. Mnangagwa's coup forced the postponement of the signing, but state support for the GDI project was quickly regained. When Lavrov visited Zimbabwe in March 2018, he arrived with his deputy Bogdanov and Machitski. In March 2018, during the Zimdaba investment conference in London, Igor Higer, the vice-chair of GDI's board and who had been involved in the GDI project since 2013, confirmed its amicable relationship with the new government and the postponed agreement. He said that, while GDI's situation had not been bad before, it had improved recently: 'Last week we discussed the agreement that was outstanding for the last few years, and now we expect to sign in a few weeks.'¹¹⁶

112 Rinat Sagdiev and Bela Liauv, "С Чемезовым Мы Дружим Всю Жизнь" (We are Friends with Chemezov for Always), *Vedomosti*, December 1, 2014, <https://www.vedomosti.ru/library/articles/2014/12/01/s-chemezovym-my-druzhim-vsyu-zhizn>.

113 BBC, "Россия и Зимбабве Добудут Платину Вопреки Санкциям" (Russia and Zimbabwe Will Mine Platinum Despite Sanctions), *News Rus*, August 5, 2014, https://www.bbc.com/russian/international/2014/08/140805_russia_zimbabwe_mining.

114 Sagdiev and Liauv, "С Чемезовым Мы Дружим".

115 Ksenia Melnikova, "О Чем Договорился Сергей Лавров Во Время Визита в Зимбабве и Эфиопию", *Lenta.Ru*, September 20, 2014, <https://lenta.ru/articles/2014/09/19/lavrov/>.

116 ZIMDABA, "2018 Opening Remarks", YouTube, March 17, 2018, <https://www.youtube.com/watch?v=pWOemx0V03Y>.

In 2018 Zimbabwe changed its local ownership laws, limiting foreign shareholding in platinum and diamond ventures to 49%.¹¹⁷ In January 2019 the agreement between the government of Zimbabwe and GDI was signed in Moscow in the presence of Putin and Mnangagwa.

Vi Holding representatives said that the intergovernmental agreement between Russia and Zimbabwe 'gives the project participants a wide range of guarantees. The Special Mining Lease and the National Project status [bring] significant preferences and benefits.'¹¹⁸

Two further agreements related to GDI were meant to ensure project funding via i) a newly established mechanism between Afreximbank and Russian Export Centre; and ii) African Finance Corporation.¹¹⁹

Afreximbank has been acting as a mandated lead arranger since early 2018 and was expected to raise \$500 million for the first phase of the project by March 2020. However, Afreximbank struggled to complete due diligence for the GDI project as both its Zimbabwean and Russian partners are subject to sanctions. In October 2019, days before the Russia-Africa Summit, GDI released a press statement saying that the partnership was being restructured to establish a wholly Vi Holding-controlled company, JSC Afromet, on the Russian side, holding 50% of GDI. On the Zimbabwean side, Landela Mining Venture replaced the previous Zimbabwean partners.¹²⁰ While Rostec and VEB seem to have left the GDI project, making Vi Holding the sole owner of JSC Afromet, this was probably part of the restructuring to reduce the impact of the sanctions. Landela is reportedly linked to Kuda Tagwirei, CEO of Sakunda Holdings Group, the company that controls oil transfers in the country. However, GDI might face new financing challenges – on 5 August 2020 Tagwirei was added to the US sanction list.¹²¹

URALCHEM and Uralkali

URALCHEM is yet another company with close connections to political elites in Zimbabwe and Russia that has shown interest in investing in the country. According to the Russian Embassy in Zimbabwe, agricultural cooperation could become one of the main areas of bilateral cooperation.¹²²

117 "Tagwirei Swoops on Army Mine", *The Financial Gazette*, October 2019, <https://www.financialgazette.co.zw/wp-content/uploads/2019/10/October-24-30-2019.pdf>.

118 Vi Holding, "Great Dyke Investments", 2020, <http://viholding.com/en/projects/great-dyke-investments/>.

119 "Cabinet: First Meeting Decisions Matrix", *The Herald*, January 30, 2019, <https://www.herald.co.zw/cabinet-first-meeting-decisions-matrix/>.

120 "Tagwirei Swoops on Army Mine".

121 US Department of State, "The United States Imposes Sanctions on Zimbabwean Businessman Kudakwashe Tagwirei", Press Statement, August 5, 2020, <https://www.state.gov/the-united-states-imposes-sanctions-on-zimbabwean-businessman-kudakwashe-tagwirei/>.

122 Embassy of the Russian Federation to the Republic of Zimbabwe, "On the Passing Away of Hon. Air Chief Marshall (Rtd) Perrance Shiri", July 30, 2020, https://zimbabwe.mid.ru/home/-/asset_publisher/vYodl9QDrFjt/content/soboleznovania-po-slucau-konciny-ministra-sel-skogo-hozajstva-p-siri?inheritRedirect=false&redirect=https%3A%2F%2Fzimbabwe.mid.ru%3A443%2Fhome%3Fp_id%3D101_INSTANCE_vYodl9QDrFjt%26p_p_l.

URALCHEM is one of the largest producers of nitrogen and phosphate fertilisers in Russia, and one of the global top three in ammonia and nitrogen fertiliser production. Mazepin, the company's CEO, is a frequent visitor to Harare.

In January 2019 Mazepin and Perrance Shiri, then Zimbabwe's minister of foreign affairs and international trade, signed an MoU in the presence of the Russian and Zimbabwean presidents at the Kremlin.

According to the agreement, URALCHEM intends to invest in one or more Zimbabwean agricultural companies. In particular, it will invest in the largest state-owned agricultural company, the Chemplex group. The Chemplex group owns a deposit producing 1.5 million tons of phosphorus per year. The enterprise produces hundreds of thousands of tons of concentrate, some of which is exported and some used in local agriculture. URALCHEM plans to supply the enterprise with ammonia to produce complex fertilisers and increase the production of phosphate fertilisers to 1 million tons per year to supply neighbouring Zambia, Malawi, the DRC and Botswana.¹²³

Rapid changes in the international market explains Mazepin's interest in Zimbabwe.¹²⁴ Firstly, its traditional markets, including Brazil, Peru, Ukraine and Turkey, are seen as risky in geopolitical terms.¹²⁵ Secondly, the trend on the global market is to avoid ammonium nitrate fertilisers in favour of less hazardous carbamide. Ammonium nitrates can explode during transportation, and recently caused a deadly blast in Beirut, Lebanon.¹²⁶ Ammonium nitrate products are thus increasingly aimed at domestic markets.

Mazepin set preconditions for his investment – he wanted a guaranteed 50% of shareholding or managing control of the company.¹²⁷ In an interview, he said that the situation in Zimbabwe was changing very quickly and they had to move fast. Mazepin met Mnangagwa on several occasions over a short period of time,¹²⁸ the last during the Russia–Africa Summit. To demonstrate the seriousness of his intentions, Mazepin also met with Filipe Nyusi, President of Mozambique – a country that would be one of the main consumers of Zimbabwe-made fertilisers. There were a few challenges in terms of logistics, and financial and political risks. Mazepin indicated that he was waiting for Putin: 'So from the President, we expect a clear signal that Russian business is going to Africa and we

123 Polina Trifonova, "«Уралхим» Претендует На Контрольный Пакет Производителя Удобрений Из Зимбабве" (Uralchem Claims Controlling Package of Shares of a Fertilizer Producer From Zimbabwe), *Vedomosti*, January 16, 2019, <https://www.vedomosti.ru/business/articles/2019/01/16/791569-uralhim-zimbabwe>.

124 А Волкова, "РЫНОК МИНЕРАЛЬНЫХ УДОБРЕНИЙ" (Market for Mineral Fertilisers), 2019.

125 Ukraine and the EU have implemented restrictions on Russian ammonium fertiliser imports.

126 Timur Azhari, "Beirut Blast: Tracing the Explosives That Tore the Capital Apart", *Al Jazeera*, August 5, 2020, <https://www.aljazeera.com/news/2020/08/05/beirut-blast-tracing-the-explosives-that-tore-the-capital-apart/>.

127 RBC, "Мазепин Назвал Условия Приватизации «Уралхимом» Корпорации в Зимбабве" (Mazepin Named the Terms of Privatization of the Corporation in Zimbabwe by Uralchem), January 16, 2019, <https://www.rbc.ru/rbcfreenews/5c3f24e29a7947797f9c8283>.

128 Russia24, "Русские в Африке. Химия и Жизнь. Фильм Анны Афанасьевой" (Russians in Africa: Chemistry and Life – Film by Anna Afanasyeva), YouTube, October 23, 2019, https://www.youtube.com/watch?v=MdWpKpVz_RO.

would like to be supported by our state.’¹²⁹ By October 2020 URALCHEM has succeeded in moving into Angola, but there has been no news about URALCHEM in Zimbabwe.

Alrosa

The second ‘national project’ with Russian involvement is the cooperation between Russian diamond giant Alrosa and ZCDC. Alrosa is familiar with the situation in Zimbabwe as it has worked there on a few projects, including the notoriously corrupt DTZ-OZGEO. In March 2019 Alrosa representatives opened an office in Zimbabwe.¹³⁰

In mid-July 2019 Alrosa and ZCDC signed an agreement to create a joint venture to develop greenfield projects. Under the agreement, the shares of Alrosa and ZCDC would be 70% and 30% respectively. In addition, the agreement specifies:¹³¹

- access to advanced exploration and mining technology and technical capacity by Alrosa;
- investment across the entire diamond value chain, from exploration to sales and marketing;
- mitigation of constraints in the Zimbabwean diamond sector, such as limited market development, diversity and depth; and
- unlocking the huge potential of the diamond sector, which will ensure a significant contribution to the fiscus, foreign currency generation, job creation and general economic development.

Alrosa has already advanced \$1.6 million for the operationalisation of the joint venture and pledged to make more funding available as equity for mining development and equipment acquisition.

In December 2019 the establishment of the joint enterprise was finalised, and in July 2020 prospecting works were launched in Masvingo, Matabeleland South and Matabeleland North provinces. According to Alrosa, it will provide the total investment of \$12 million between 2020 and 2022.

The lack of cash to implement the agreement has sparked rumours about the deal. In November 2019 the *Zimbabwean Business Times* reported that Tatneft Alrosa and ZDMC were planning to barter diamonds for fuel. In January 2020, during the Davos forum, Nail Maganov, CEO of Tatneft, confirmed these plans.¹³²

129 TASS, “Трейдер «Уралкалия» и «Уралхима» Поставит в Зимбабве Свыше 60 Тыс. т Удобрений” (A Deal between Uralkali and Uralchem Will Deliver over 60 000 Tonnes of Fertilizers in Zimbabwe), *finans.ru*, June 21, 2019, <https://www.finanz.ru/novosti/aktsii/treyder-uralkaliya-i-uralkhima-postavit-v-zimbabve-svyshe-60-tys-t-udobreniy-1028297580>.

130 Kuda Bwititi, “Anjin to Sink USD20m as It Resumes Operations ... Alrosa to Operationalise Office End of April”, *The Sunday Mail*, March 31, 2019, <https://www.sundaymail.co.zw/anjin-to-sink-20m-as-it-resumes-operations-alrosa-to-operationalise-office-end-of-april>.

131 “25th Meeting Decisions Matrix”, *The Herald*, July 17, 2019, <https://www.herald.co.zw/25th-meeting-decisions-matrix/>.

132 “‘Татнефть’ Подтвердила Подготовку Сделки с Зимбабве По Обмену Алмазов На Горючее” (‘Tatneft’ Has Confirmed the Deal with Zimbabwe on Exchanging Diamonds for Fuel Is in Preparation), *Interfax*, January 22, 2020, <https://www.interfax.ru/russia/692283>.

Putin is hoping for quick returns on his geopolitical efforts; however, these are not forthcoming just yet. In October 2020, when reporting to Putin, Alrosa CEO Ivanov said:¹³³

Last year, you also had a meeting with the President of Zimbabwe. There have been certain progress on the issues that you discussed at that meeting. We have obtained the first licences, and now our geologists have started an in-depth prospecting survey at those fields.

UWC

The Union Wagon Company (UWC) is also eyeing the Zimbabwean market. On 25 October 2019, during the Russia-Africa Summit, National Railways of Zimbabwe (NRZ) signed an agreement with UWC for the supply of 100 train wagons and locomotives with a total value of \$10 million. The first batch of wagons was expected to arrive in the country in January 2020.¹³⁴

At the time, NRZ board chairperson Martin Dinha said they were planning on a future supply of 5 000 wagons 'to match capacity utilisation for NRZ', 70 locomotives¹³⁵ and a plant to assemble wagons and locomotives in Zimbabwe for sale to other SADC countries, as well as for the provision of rolling stock for NRZ.¹³⁶ The wagons are used to transport cross-border shipments of coal, chrome ore and grain.

Just a week earlier, on 17 October 2019, the Zimbabwean cabinet cancelled a \$420 million NRZ recapitalisation tender that had been won by Diaspora Infrastructure Development Group and South African logistics group Transnet in October 2016.

The deal with UWC would also stay on paper without intervention at the highest level. In February 2020 a representative of UWC had to travel to Harare to secure funding of \$1.5 million needed to produce the first demonstration model.¹³⁷ Transport Minister Joel Biggie Matiza, Mnangagwa and Chiwenga were all supportive of the project, according to Dinha, whose ambitions had become more modest: 'We require 300 wagons in the next three years. We also require 20 to 30 locomotives to go with that.'¹³⁸

UraniumOne

Another company that has a chance of attaining the status of 'national investment project' is UraniumOne – a subsidiary of Rosatom – which is interested in investing in the Arcadia lithium project.

133 The Kremlin, "Meeting with ALROSA CEO Sergei Ivanov", October 12, 2020, <http://en.kremlin.ru/events/president/news/64192>.

134 Kudakwashe Mugari, "NRZ in Russian Locomotive, Wagon Deal", *The Herald*, October 25, 2019, <https://www.herald.co.zw/nrz-in-russian-locomotive-wagon-deal/>.

135 Mugari, "NRZ in Russian Locomotive".

136 Tendai Mugabe, "Rolling Stock Boost for NRZ", *The Herald*, February 20, 2020, <https://www.herald.co.zw/rolling-stock-boost-for-nrz/>.

137 Mugabe, "Rolling Stock Boost".

138 Mugabe, "Rolling Stock Boost".

Rosatom hoped to control 10% of the lithium market by 2030, according to the CEO of Rosatom's subsidiary Techsnabexport. UraniumOne is actively consolidating its shares in lithium deposits globally. In 2019 it acquired 51% of the Atakama lithium project in Chile.

Arcadia mine is considered the seventh largest global hard rock lithium asset. In December 2019 negotiations started with Australian company Prospect Resources about buying shares. Simultaneously, Prospect appointed Afreximbank to arrange and syndicate a \$143 million project finance debt facility for the Arcadia lithium project.

In July 2020 Prospect said the parties were making progress in the negotiations, but could not confirm whether the agreement would definitely materialise.

Other projects

One long-awaited project is the construction of an alternative gas pipeline. In March 2020 a delegation from Russia was expected to arrive in Zimbabwe to discuss the proposed construction of a second gas pipeline with a total budget of \$1.5 billion. The project had already been discussed with Zimbabwe, Mozambique, Zambia and Botswana during the Russia-Africa Summit. However, Mozambique rejected the idea as commercially non-viable (Zimbabwe is incapable of fully using the current gas pipeline between Beira and Harare, which has a capacity of 180 million litres/month – 40% of the pipeline is not used).

An article published in February 2020 on Regnum gives some insight into the reasoning for the project. However, taking into account Regnum's reputation for disinformation, it could also be fake news.¹³⁹

Zimbabwe is losing \$400 billion per year of potential income due to the monopoly of Sakunda Holdings, which belongs to Kuda Tagwirei – the new partner of GDI, advisor of President Mnangagwa and sponsor of the presidential party ZANU-PF.

The monopoly position allowing Sakunda Holdings the exclusive use of the pipeline from the Zimbabwean border with Mozambique to the facilities in Msasa and Mabvuku in Harare has become so expensive that fuel importers from such countries, which previously received oil materials from local ports, decided to ship them on their own from Beira. Countries in the Southern African Development Community such as Botswana, the DRC, Zambia and South Africa's Limpopo region used to receive the bulk of fuel from warehouses in Msasa and Mabvuku because it was cheaper to use the pipeline than to transport oil products by road, but now, local press notes, it is cheaper for many dealers to drive their oil from the DRC through Harare to Beira to load fuel and return to the DRC.

The existing pipeline is owned equally by Zimbabwe and Mozambique.

139 Alexander Shpunt, "«Золотые Акции» России в Африке. Зимбабве: Триггер Коррупционных Поток" ('Golden Shares' of Russia in Africa: Zimbabwe – The Trigger for Corruption Streams), *REGNUM*, February 27, 2020, <https://regnum.ru/news/polit/2869871.html>.

The Mozambican Pipeline Company controls the section that stretches from Beira to the Forbes border post, then control passes to the Zimbabweans – from the border to Msasa and Mabvuku. The cost of transporting fuel from Mozambique is only \$0.03 per litre, but as soon as it reaches the Zimbabwean side, the cost rises to \$0.05 per litre, and storage (technologically provided for on this route) is charged in the amount of \$0.02 per litre, which brings the total cost to \$0.07 per litre.

Sakunda Holdings also has a storage monopoly. As a result, the country's onshore port storage facilities are underutilised, as no one has the right to store fuel there, except for Sakunda – the ports are capable of storing 500 million litres of fuel per month, but it currently uses only 20% of its potential. (Translated from the original Russian)

The Zimbabwean Ministry of Information denied that Sakunda had a monopoly on the pipeline, stating that the company paid for its investments through infrastructure rehabilitation – in 2014 it invested \$11 million in the reconstruction of the existing Beira-Ferouk pipeline.¹⁴⁰

Other Russian companies are also aiming to do business in Zimbabwe.

- Rostselmash supplied agricultural machinery to Zimbabwe in 2018. The Zimbabwean Ministry of Agriculture approved Rostselmash as a state supplier, and it is probably part of the agreement on modernising the agricultural industry of Zimbabwe signed in March 2018 during Lavrov's visit.¹⁴¹
- Liberation Mining is controlled by Russian businessman Alexander Isaev, co-owner of VostokCoal. The company has been unsuccessful in getting its Lubimbi coal project in Matabeleland North off the ground 'owing to high costs and red tape'.

During Mnangagwa's visit, other companies mentioned as being interested in doing business in Zimbabwe were Stroytransgaz, Technopromexport and RusHydro.

140 Shpunt, "«Золотые Акции» России".

141 Rostselmash, "Межконтинентальный Маршрут Техники" (Intercontinental Route for Machinery), April 3, 2018, <https://rostselmash.com/company/press/news/show/749/>.

Mozambique: Russian political and economic engagements

Mozambique is one of the poorest countries on the continent. Some predict that its considerable natural resources could fuel growth similar to that of Persian Gulf countries, and that Mozambique could be fast-tracked into becoming one of Africa's most developed economies. However, natural disasters and rapid militarisation in the north of the country raise fears of social and environmental disruption.¹⁴² The choice of international partner in the development of its natural resources, and the government's leaning towards either transparency or corruption, will be critical factors.

In 2010 US company Anadarko found significant offshore gas reserves in Mozambique's Cabo Delgado province. Since then almost all the major foreign energy companies have arrived in Mozambique and are competing for the lucrative contracts. They include Anadarko, Total, ExxonMobil, BP, Shell, China National Petroleum Corporation (CNPC) and Rosneft. In Cabo Delgado, the three largest liquid natural gas (LNG) projects are the Mozambique LNG Project (Total, formerly Anadarko) worth \$20 billion, the Coral FLNG Project (ENI and ExxonMobil) worth \$4.7 billion, and the Rovuma LNG Project (ExxonMobil, ENI and CNPC) worth \$30 billion.¹⁴³

Mozambique used to be one of Russia's closest partners, with a firm military connection to the Soviet Union, but economic cooperation between the two is almost non-existent – or, as Deputy Minister of Energy Augusto Fernando described it, in an 'embryonic stage'.¹⁴⁴

In February 2013 Lavrov visited Algeria, South Africa and Mozambique. Mozambique's minister of foreign affairs called this visit 'historical and fruitful'.¹⁴⁵ The talks focused on the possibility of increasing trade turnover and investments in a geological survey, the ferrous industry, petro-chemistry, agriculture, the energy sector and infrastructure projects.¹⁴⁶ Lavrov also suggested cooperation in fishery, education and personnel training.

In the period after the collapse of the Soviet Union and before Lavrov's visit there were few interactions between the two countries. In December 2009 Mozambique signed an agreement on 30-day visa-free entrance for officials with diplomatic passports, which

142 Ilham Rawoot, "Gas-Rich Mozambique May Be Headed for a Disaster", *Al Jazeera*, February 24, 2020, <https://www.aljazeera.com/opinions/2020/2/24/gas-rich-mozambique-may-be-headed-for-a-disaster/>.

143 Grace Goodrich, "Mozambique Showcases Mega Gas Potential", *Africa Oil & Power*, October 8, 2020, <https://www.africaoilandpower.com/2020/10/08/mozambique-showcases-mega-gas-potential/>.

144 "Mozambique Eyeing Russian Investment in Hydrocarbons, Mining", *Club of Mozambique*, October 23, 2019, <https://clubofmozambique.com/news/mozambique-eyeing-russian-investment-in-hydrocarbons-mining-145287/>.

145 "Russia, Mozambique Seek to Intensify Relations – Lavrov", *TASS*, April 21, 2014, <https://tass.com/russia/728921>.

146 "Russia, Mozambique Seek to".

entered into force in May 2010. In March 2013 an intergovernmental agreement was signed to use Mozambique's debt to Russia (\$144 million) for development projects in Mozambique.

A number of political visits took place between 2013 and 2019 (see Table 3) and a few important agreements were signed. These include an intergovernmental agreement on military-technical cooperation, signed on 22 December 2015. In October 2016 the two countries also signed an agreement on the establishment of an Intergovernmental Commission on Economic and Scientific-Technical Cooperation. The first meeting of this commission took place in 2018.

TABLE 3 RUSSIA-ZIMBABWE INTERGOVERNMENTAL COMMISSION FOR ECONOMIC, TRADE, SCIENTIFIC AND TECHNICAL COOPERATION		
Date	Officials involved	Place
February 2013	• Sergei Lavrov, Russian Minister of Foreign Cooperation	Maputo, Mozambique
April 2014	• Oldemiro Baloi, Mozambican Minister of Foreign Affairs and Cooperation	Moscow, Russia
July 2014	• Alberto Vaquina, Prime Minister of Mozambique • Medvedev	Moscow, Russia
July 2015	• Filipe Nyusi, Mozambican President • Mikhail Bogdanov, Deputy Foreign Minister and Special Presidential Representative for the Middle East and Africa	Johannesburg, 25 th AU Summit
February 2016	• IM Umahanov, Deputy Head, Federal Council of Russian Federation	Maputo, Mozambique
May 2016	• Bogdanov • Nyeleti Mondlane, Vice-Minister of Foreign Affairs	Moscow
June 2017	• Carlos Mesquita, Mozambican Minister of Transport and Communication	St Petersburg Economic Forum, Russia
September 2017	• Representatives of United Russia and the Communist Party of Russian Federation • Frelimo	Maputo, Mozambique
November 2017	• Russian Parliamentary Defence and Security Committee	Maputo, Mozambique
5-9 March 2018	• Lavrov	Maputo, Mozambique
28 May 2018	• Jose Condungua Pacheco, Mozambican Minister of Foreign Affairs and Cooperation • Lavrov	Moscow, Russia
August 2019	• Nyusi (official visit)	Moscow, Russia

Source: Compiled by author

Russian companies in Mozambique

VTB

During 2013–2014, around the time when Russia was ‘forgiving’ Mozambican debts, Credit Suisse Group (Credit Suisse) Russia’s VTB Bank (which is 60% state-owned) and BNP provided a loan of \$2 billion to Privinvest, which acted on behalf of the Mozambican Ministry of Defence. The loan was issued without the approval of Mozambique’s Parliament and was in breach of Mozambican legislation.¹⁴⁷ Initially, the loan was meant to finance a tuna-fishing fleet and maritime surveillance project, and to build a wharf. The wharf was never constructed. Further investigations showed that the Mozambican defence ministry established Proindicus in 2012 to buy the military and security equipment necessary to protect gas reserves on the Mozambican coast.¹⁴⁸

In 2016 information about the loan was made public, and the International Monetary Fund imposed punitive measures.¹⁴⁹

The US Federal Bureau of Investigation and Department of Justice, as well as the UK government and the Swiss Financial Market Regulatory Authority, have been investigating the banks for making improper payments and deceiving investors.¹⁵⁰ In addition, Credit Suisse launched an internal investigation, and three former employees acknowledged having received millions in kickbacks.¹⁵¹ Mozambican minister of finance Manuel Chang, who had signed the deal, was arrested in Johannesburg.¹⁵² Yet VTB Bank, which received 7% of the deal (\$35 million) just to administer the loan, did not investigate the case. The total administrative payment to VTB Bank and Credit Suisse, according to an investigation by business intelligence firm Kroll, came to \$200 million.¹⁵³

In 2018, during Lavrov’s visit, VTB and Pacheco confirmed that the parties had agreed on an amicable settlement of the debt.¹⁵⁴ However, on 23 December 2019 VTB launched a case in the British High Court against the Mozambican state and Mozambique Asset Management, claiming a failure to repay debt of \$538 million under state guarantee. VTB had to initiate

147 Aled Williams and Jan Isaksen, “Corruption and State-Backed Debts in Mozambique: What Can External Actors Do?,” *U4* 6 (November 2016).

148 Andrew England, “IMF Halts Mozambique Aid After Finding Undisclosed Debts of \$1bn”, *Financial Times*, April 18, 2016, <https://www.ft.com/content/6c755214-057f-11e6-9b51-0fb5e65703ce>.

149 England, “IMF Halts Mozambique Aid”.

150 Williams and Isaksen, “Corruption and State-Backed”.

151 Patricia Hurtado, “Ex-Credit Suisse Banker Admits Kickbacks in Mozambique Scam”, *Fin24*, July 20, 2019, <https://www.news24.com/fin24/Economy/ex-credit-suisse-banker-admits-kickbacks-in-mozambique-scam-20190720>.

152 Peter Fabricius, “Manuel Chang About-Turn: Is SA Finally Putting the Law Above Politics?”, *Daily Maverick*, July 18, 2019, <https://www.dailymaverick.co.za/article/2019-07-18-manuel-chang-about-turn-is-sa-finally-putting-the-law-above-politics/>.

153 US Department of Justice, “Mozambique’s Former Finance Minister Indicted Alongside Other Former Mozambican Officials, Business Executives, and Investment Bankers in Alleged \$2 Billion Fraud and Money Laundering Scheme that Victimized US Investors,” March 7, 2019, <https://www.justice.gov/opa/pr/mozambique-s-former-finance-minister-indicted-alongside-other-former-mozambican-officials>.

154 “Mozambique Has Reached Agreement with VTB Bank on Hidden Debt – Minister Pacheco”, *Club of Mozambique*, March 8, 2018, <https://clubofmozambique.com/news/mozambique-has-reached-agreement-with-vtb-bank-on-hidden-debt-minister-pacheco/>.

the court case as a result of legal requirements to receive insurance payments.¹⁵⁵ The deadline for this action was the end of 2019, which explains the timing of the court case. A major portion of the loan from Credit Suisse and VTB was restructured into a Eurobond. The country is trying to challenge the guarantee on a \$622 million loan from Credit Suisse, also in a London court.

Lavrov's outreach was followed by a visit by Mozambican Prime Minister Alberto Vaquina to Moscow from 24–26 July 2014, where he met with his Russian counterpart, Medvedev. The two discussed the potential involvement of Russian companies in the exploration of Mozambican energy resources. The following year Rosneft, in collaboration with Exxon Mobil, won a bid for three hydrocarbon exploration blocks in the fifth licence round organised by Instituto Nacional de Petróleo (INP).

Rosneft

Rosneft entered the Mozambican hydrocarbons market when many other companies were already well established. After RN-Exploration (a subsidiary of Rosneft Oil) and a subsidiary of ExxonMobil won the bid for the hydrocarbon exploration blocks, they received licences for blocks A5-B in the Angoche Basin, and Z5-C and Z5-D in the Zambezi Delta.

In October 2018 the consortium signed concession agreements for the exploration and production of hydrocarbons in these three areas with the government of Mozambique. Rosneft holds 20% of the consortium and ExxonMobil 50%, while Mozambique's National Hydrocarbon Company (ENH) holds 20% and Qatar Petroleum 10%.

As the relationship between Nyusi and Putin became closer, more opportunities opened up for Russia. In August 2019 Nyusi met with the Gazprombank vice-president. Gazprombank was interested in funding ENH's activities in the Rovuma Basin Area 1 project led by Anadarko (and before that by Total), which has an estimated overall value of more than \$25 billion. It also wanted to fund ENH's 15% share of the Area 1 project, called Mozambique LNG.¹⁵⁶

During the same visit, Rosneft signed agreements with ENH and INP (see Table 4) that would allow Rosneft to conduct geological surveys in various offshore and onshore blocks to examine their potential for development and investment.

155 "Interview with Andrei Kostin, President of VTB", *Reuters*, November 19, 2019, <https://www.reuters.com/article/idUSKBNIXT14H>.

156 Francisco Mandlate, "Russian Bank Available to Finance ENH in Gas Business", *Club of Mozambique*, August 22, 2019, <https://clubofmozambique.com/news/russian-bank-available-to-finance-enh-in-gas-business-report-139959/>.

TABLE 4 MAJOR AGREEMENTS SIGNED BETWEEN MOZAMBIQUE AND RUSSIA

Date of signing	Agreement signed
December 2009	Agreement on 30-day visa-free entrance for officials with diplomatic passports
22 December 2015	Five-year defence cooperation agreement that includes training and supply of military equipment
20 September 2016	Intergovernmental committee on cooperation established
6 September 2016	Protocol of Development of Inter-Parliamentary Cooperation between the Council of the Federation and the Assembly of the Republic of Mozambique
January 2017	Five-year agreement prolonging military-technical cooperation that stipulates deliveries of arms and military equipment, as well as other military-oriented products, spare parts and components.
August 2019	<ul style="list-style-type: none"> • Intergovernmental agreement on the mutual protection of classified information • Agreement on cooperation between the ministries of the interior of the Russian Federation and the Republic of Mozambique • Inter RAO Group – Export MoU on cooperation with Electricidade de Moçambique, the national energy company • MoU between Rosneft and Empresa Nacional de Hidrocarbonetos EP (ENH, Mozambique’s national hydrocarbons company) to develop offshore natural gas • Agreement on cooperation between Rosneft and Mozambique’s INP

Source: Compiled by author

Tazetta Resources

In July 2016 Nyusi attended the launch of a joint Russian–Mozambican exploration project for heavy mineral sands in Pebane, in the province of Zambézia, headed by the Russian company Tazetta Resources. The company treats and exports titanium, zirconium and other metals.

Tazetta Resources has been around since 2007, when it was registered as a Mauritian company. A year later it was in a business relationship with Valentina Guebuza, the daughter of former Mozambican president Armando Guebuza. Another relative of Guebuza is a company shareholder.¹⁵⁷ In August 2019 Agostino Vuma from the Association of Economic Cooperation of Mozambique presented Tazetta as ‘an example of what companies in the Russian Federation can do’.¹⁵⁸ According to Vuma, Tazetta Resources planned to make a profit of \$100 million, of which \$5 million would go to social projects. However, the minister of energy told Rádio Moçambique that production was still only ‘at an experimental stage’.¹⁵⁹

157 “Mozambique: Celestino Gule, Russia’s Political and Mining Advocate”, *Africa Intelligence*, January 17, 2020, https://www.africaintelligence.com/eastern-and-southern-africa_politics/2020/01/17/celestino-gule-russia-s-political-and-mining-advocate,108389887-art.

158 Vuma Agostinho, “Intervenção do Excelentíssimo Senhor Agostinho Vuma Presidente da CTA” (Intervention by His Excellency Mr. Agostinho Vuma President of CTA) (Moscow: Association of Economic Cooperation of Mozambique, 2019).

159 “Mozambique Eyeing Russian Investment”.

According to Fernando, other Russian interests included coal deposits in Niassa province and proposed electricity transmission lines to Angoche and the Salamanca area in Maputo province.

Military cooperation with Mozambique

The SIPRI database lists only two military transactions between Russia and Mozambique from 1970–2019: one in 1999 for \$2 million, and the other in 2019 for \$7 million. As mentioned above, the same is more or less true for Zimbabwe, where only one official deal is listed for the same period, for \$22 million in 1999.¹⁶⁰ This is contradicted by statements by officials and media reports, suggesting that arms transactions are conducted clandestinely. One of the mechanisms through which military equipment can be traded but not recorded can be gleaned from the agreements signed in 2017.

In June 2017 an intergovernmental group on military cooperation between Mozambique and Russia was established. The Russian government followed this up with an agreement on 20 November 2017 to simplify the entrance of Russian military ships into Mozambican ports. According to the agreement, up to seven Russian military ships can dock at Mozambican ports for the time period requested by the Russian government. The ships are allowed to use radiocommunications, and military personnel are exempt from standard visa requirements. The agreement also allows Russian ships to ensure the safety of vessels according to Russian law (for example, by arresting small vessels or conducting military activities in the territorial waters of Mozambique). Another interesting point is that if a member of the crew breaks Mozambican law while during these military activities, the case will be prosecuted according to Russian law. The agreement also allows Russia to send cargo by air without following any customs procedures.

Russian vessels are relatively common visitors to Mozambique. For example, in March 2017¹⁶¹ and October 2018 the Northern Fleet's anti-submarine destroyer 'Severomorsk' called at Maputo on its tour to African countries.

During the press conference following the signing of the agreement, then defence minister Atanásio Salvador Mtumuke (who signed on behalf of Mozambique) expressed interest in hosting a group of Russian military advisors.

In March 2018 Lavrov visited Mozambique. One of the topics on the agenda was military cooperation. According to Lavrov,¹⁶²

Considering the experience of our interaction – which is long, very successful and is positively regarded by both sides – in the sphere of military–technical cooperation,

160 SIPRI, "Importer/Exporter TIV Tables".

161 "Russian Anti-Submarine Warfare Destroyer Makes Call at Namibia", TASS, March 25, 2017, <https://tass.com/defense/937501>.

162 "Russia, Mozambique to Step up Military-Technical Cooperation", TASS, March 7, 2018, <https://tass.com/defense/993217>.

we stated that the decision to establish a working group on military-technical cooperation that first convened last year would also foster the development of cooperation in this important area. We've got first results here already: an agreement to set up an intergovernmental commission on trade and economic cooperation has been reached, and the first meeting will be held next month in Maputo.

His counterpart, Pacheco, supported the idea, saying that the country needed arms to fight terrorists and extremists. Lavrov added, 'Several hundreds of Mozambican citizens are studying in Russian higher educational institutions for civilian occupational specialities, as well as in educational institutions of the Russian Defence Ministry and the Interior Ministry.'¹⁶³

Pacheco paid a return visit to Moscow in late May 2018. In the press release promoting the visit, the Russian government made it clear that the cooperation was moving beyond the arms trade, and announced plans for space-related collaboration:¹⁶⁴

The Intersputnik International Organisation of Space Communications is negotiating the use of Russian spacecraft resources, including for the exchange of data between Russian and Mozambican education institutions, as well as a project to develop national satellite networks, broadband Internet access and television broadcasting in Mozambique by Russian Satellite Communications Company.

This visit was followed by Nyusi's first official visit to Moscow, in August 2019 – the first visit by a president of Mozambique to Russia since the dissolution of the Soviet Union in 1991. He was accompanied by Mtumuke and Minister of Mineral Resources and Energy Max Tonela, as well as the deputy ministers of foreign affairs and cooperation, of science and technology, and of higher and technical vocational education.

Reportedly, several intergovernmental and interdepartmental documents, as well as business agreements, were signed following the talks. Russian companies, among them Rosneft, UAZ, GAZ, Kamaz, Inter Rao-Export and Gazprombank, had apparently shown 'active interest' in cooperating with Mozambican partners.

Nyusi's visit coincided with his re-election campaign, and Russian support was manifest on election day, 15 October 2019. Although the election was characterised by electoral violence and fraud, as well as a refusal to register observers, representatives of AFRIC claimed they did not encounter any difficulties. They concluded that the elections were free and fair, much like the elections they observed in Zimbabwe.¹⁶⁵ AFRIC reported that it visited¹⁶⁶

163 "Russia, Mozambique to Step".

164 Russian Federation, Ministry of Foreign Affairs, "Comment by the Information and Press Department on Minister of Foreign Affairs and Cooperation of Mozambique Jose Condungua Pacheco's Visit to Russia", May 26, 2018, https://www.mid.ru/en/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/3234797.

165 AFRIC, "AFRIC – Mozambique Observation Mission Press Release", October 1, 2019, <https://afric.online/projects/afric-mozambique-observation-mission-press-rel/>.

166 AFRIC, "AFRIC – Mozambique Observation Mission".

more than 200 polling stations throughout the country across all 10 provinces and the capital city of Maputo, including the specific polling station that was attended by President Filipe Nyusi where we witnessed him casting his vote.

In the run-up to the elections, AFRIC conducted a poll that suggested Nyusi would win. The organisation was seemingly unaware that, in Mozambique, the publication of election polls is illegal during the campaign period. The poll was published on the website of International Anticrisis Center, a Russian NGO linked to Prigozhin, a powerful Putin ally who has been accused of meddling in the US midterm elections.¹⁶⁷ The poll ended up being widely shared across social media in Mozambique. In October 2019 Stanford Internet Observatory cooperated with Facebook in targeting and eventually taking down networks of Prigozhin-related Facebook pages and websites. One of these networks disseminated election-related information in Mozambique. Four identified webpages were created on the same day and were posting disinformation about the opposition Renamo (Resistência Nacional Moçambicana), suggesting that it had signed an agreement with China on radioactive waste disposal in Mozambique, and presenting Nyusi's Frelimo as an organisation that successfully dealt with terrorism.¹⁶⁸

Russian mercenaries in Mozambique

A few weeks after Nyusi's visit to Moscow, news services reported the arrival of Russian mercenaries in Mozambique. Russia is known for using paramilitary organisations in its geopolitical strategy. So-called 'green men' – Russian military personnel without identifying insignia – were used to occupy Crimea. One squad, the Wagner Group, is believed to have been formed to take part in Russian aggression against Ukraine, but was later seen in the Central African Republic and Syria, among others. It is allegedly also linked to Prigozhin.¹⁶⁹

In September 2019 pictures of Slavic-looking military personnel taken in Mozambique were making the rounds on social media. They reportedly were Wagner Group mercenaries, who were to provide training and combat support to government troops in their campaign against jihadists in the Cabo Delgado region.¹⁷⁰

On 29 October 2019 local newspaper *Carta de Moçambique* reported that between five and seven Russian mercenaries had been killed in ambushes in Macomia and Muidumbe. Some had been beheaded.¹⁷¹ The mercenaries were well equipped with drones and the

167 Peter Laurence, "Powerful 'Putin's Chef' Prigozhin Cooks up Murky Deals", *BBC News*, November 4, 2019, <https://www.bbc.com/news/world-europe-50264747>.

168 Grossman, Bush and Diresta, "Evidence of Russia-Linked", 39-40.

169 Jakob Hedenskog, "Russia Is Stepping Up Its Military Cooperation in Africa" (FOI Memo 6604, Swedish Defence Research Agency, Stockholm, December 2018).

170 "De Como Os Mercenários Russos Da Wagner Perderam a Guerra Contra Os Terroristas No Norte de Moçambique" (How Russian Mercenary Group Wagner Lost the War Against Terrorists in Northern Mozambique), *Carta de Moçambique*, May 2020, <https://cartamz.com/index.php/politica/item/4944-de-como-os-mercenarios-russos-da-wagner-perderam-a-guerra-contra-os-terroristas-no-norte-de-mocambique>.

171 "Insurgentes Emboscam e Matam 20 Membros Das FDS e Cinco Russos" (Insurgents Ambush and Kill 20 FDS Members and Five Russians), *Carta de Moçambique*, October 29, 2019, <https://cartamz.com/index.php/politica/item/3469-insurgentes-emboscam-e-matam-20-membros-das-fds-e-cinco-russos>.

latest military equipment, but unprepared for the environment. They also did not have good relationships with their Mozambican partners or the local population. After struggling for a while with logistics and suffering several fatalities, the Russians were unable to adjust to the harsh conditions and left at the end of March 2020.¹⁷² Russia has denied the presence of mercenaries in Mozambique.¹⁷³

In October 2019 Pacheco reportedly confirmed that Russia had provided military equipment to Mozambique to support government forces in fighting the armed groups in Cabo Delgado: 'This one-off support, which takes place within the framework of cooperation with Russia, is related to strengthening our ability to defend the people and maintain public order, security and tranquillity.'¹⁷⁴

Pacheco left a question about the Russian military presence in the region unanswered. He also did not disclose the type and amount of military equipment provided.

172 "De Como Os Mercenários Russos".

173 Dmitry Peskov, "No Russian Military Servicemen in Mozambique, Kremlin Says", *TASS*, October 8, 2019, <https://tass.com/politics/1081988>.

174 Adrian Frey, "Mozambique: Government Announces Military Equipment Reinforcement Supplied by Russia - Report", *Club of Mozambique*, October 4, 2019, <https://clubofmozambique.com/news/mozambique-government-announces-military-equipment-reinforcement-supplied-by-russia-report-143800/>.

Conclusion

Russia's economic presence in Africa is limited, and it cannot compete either with traditional powers like the US, UK, France and Germany or with new powers like China. However, its historical involvement in anti-colonial struggles, as well as its political patronage in the UN and other multilateral institutions, gives it access to a specific niche of economic cooperation based on an 'anti-Western ideology'. Russian collaboration is based on agreements with relaxed rules around transparency, accountability, corruption and democracy. Such agreements compromise the development of African countries like Mozambique and Zimbabwe into liberal democracies.

The political leadership of both Mozambique and Zimbabwe has sought support from Russia in maintaining their power in the face of internal political opposition, and has been enthusiastic in using their countries' natural resources to remain in power. It is revealing that presidents from both countries visited Russia at the time of elections to secure further support. This support is both military and non-military. For example, after Nyusi's visit to Russia in August 2019 he received military support and mercenaries to manage the insurrection in the Cabo del Gado region, while Russian proxy organisation AFRIC rubber-stamped the election results. This support came in exchange for access to natural resources.

Western sanctions against Russia, as well as a drop in oil prices, have increased its interest in and presence on the African continent. However, Russian economic activity in Africa is still concentrated around the arms trade and the exploitation of natural resources.

The successful 2019 Russia–Africa Summit was aimed at revitalising the relationship between Russia and the continent. In September 2020 Russia followed up by setting up the Russia–Africa Partnership Forum and its secretariat to boost economic and political collaboration. However, the exploitation of natural resources remains a priority, with the six companies chosen to drive economic cooperation within the newly established forum all possessing strong links to the resources sector: Gazprombank, Transmashholding, Vi Holding, Uralkali, Alrosa and Rosatom.

Despite its declared intentions, Russia struggles to ensure as broad-based a collaboration with African countries as China does. The analysis of Russian business activities in Zimbabwe and Mozambique provides insights into the factors that limit opportunities for economic collaboration:

- the struggling Russian economy has limited capabilities, and some Russian offerings, such as arms or nuclear technology, are not necessarily appropriate for African countries;
- the high transactional costs of dealing with Putin's centralised political system, which requires large kickbacks, make Russian offerings more expensive; and

- large-scale projects to develop natural resources struggle to secure international funding owing to sanctions.

To fund its economic ambitions in Africa, Russia has pursued close cooperation with Afreximbank, which helps member countries to secure non-traditional funding. Nevertheless, the GDI project in Zimbabwe demonstrates the challenges of attracting independent funding for Russia-linked projects. It will become clearer over the next few years whether this mechanism, as well as the closer relations forged by the Russia-Africa Partnership Forum, will allow Russian projects in Africa to develop. However, continued sanctions and high levels of corruption on both sides remain significant constraints on real development cooperation.



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