

Tanzania: Ethical Initiatives and CSR Synergies

By Albert Robinson



Naomi Sarna inspecting the original piece of rough tanzanite.

TanzaniteOne Mining Ltd, the largest producer of tanzanite, has sought to develop a tanzanite industry free from exploitation that benefits local Tanzanian communities and helps the impoverished Masai people. The Tanzanite Foundation has developed a Corporate Social Responsibility (CSR) strategy that aims to create synergies with gemstone carvers and designers, as well as promote the gemstone together with social initiatives with large retailers.

As part of its CSR efforts, the Tanzanite Foundation has built two schools, and supports another six in the Nasinyai district just outside the TanzaniteOne mining operation in Tanzania. In addition, a medical

clinic and a community center have been built, fresh water is pumped to the local community, and a reverse osmosis plant has been installed to prevent the local children's teeth from turning brown from too much fluoride among other projects.

In March, well-known gemstone carver and jewelry designer Naomi Sarna was invited by the Tanzanite Foundation to visit Tanzania to select tanzanite and carve it as an entry for the IU Awards in Hong Kong, the first international gem-cutting and jewelry design competition dedicated to colored gemstones. The competition was organized by ICA and UBM Asia. It was hoped that the tanzanite creation would win a prize and be sold with

the proceeds to benefit the group of Masai who lives near the Richland Resources mine, TanzaniteOne.

Sarna visited Tanzania to select a gemstone suitable for carving, and to teach 12 local Masai women skills that would be sustaining. Rough tanzanite for the workshop was donated by TanzaniteOne, and tools from the United States were brought by Sarna.

Tanzania does not allow the export of rough tanzanite larger than one gram; the only way to obtain rough of a substantial size for the competition was to go to the mine and carve it there.

Sarna worked with a 200-gram natural, unheated crystal specimen. "This was such a beauty that it would be a shame to carve it," she said. "However, it was the only piece of quality material available at that time and so I began to carve it." The challenge was to carve the stone enough for it to qualify for export as an art object.

While she was there, Sarna also taught the group of Masai women to wire wrap lower-grade tanzanite to sell



Award-winning 725-carat tanzanite carved by Sarna.



Masai women at work learning how to make jewelry.

in tourist shops. The tanzanite carving project was chosen since the women were already highly skilled in making beaded ornaments.

The final carved piece, the largest-ever carved tanzanite weighing 725 carats, achieved great success at the 2013 American Gem Trade Association Spectrum Awards where Sarna won four awards. The carving will be sold with the proceeds going to the Masai people.

Representatives of the Liquidation Channel, based in Austin, Texas, a TanzaniteOne sightholder, visited the Masai women in August and saw their work. The Liquidation Channel committed to a live on-air auction of 100 pieces in early December with the money raised going back to the Masai women so they can build their own workshop. Gerald Tempton, President of the Liquidation Channel, said: "It is a great opportunity to commit to CSR initiatives that help mining communities and which have brought us closer to the Tanzanian people. The focus is on supporting education, healthcare and a sustainable way of raising their standard of living."

TanzaniteOne and Tanzanite Foundation staff members also took part in a challenging CSR initiative

in August when they climbed Mount Kilimanjaro, the tallest mountain in Africa. The expedition, which took six days in sometimes wet and below zero conditions, aimed to benefit the New Vision Orphanage in Tanzania which houses children with HIV/AIDS and whose parents have died or simply abandoned them.

Kilimanjaro forms the backdrop to the only place in the world where tanzanite is mined, the Merelani Hills, and the climb marked the 45th anniversary of the discovery of tanzanite. So far, US\$40,000 has been raised with more money still coming in.

Meanwhile, as part of its sales incentive program, Diamonds International sent its top salespeople, store managers and port lecturers to see firsthand how tanzanite is mined at the TanzaniteOne mining operation. The group also had a chance to see the community projects supported by the Tanzanite Foundation, and made a donation to two local primary schools and the Masai Ladies Project.

Sunil Agrawal, chairman of the VGL Group, and parent company of STS Jewels Inc, said: "We strongly support the CSR initiatives of TanzaniteOne to help communities in Tanzania,

and look forward to continuing our involvement."

Meanwhile, Richland Resources, the owner of TanzaniteOne and the largest producer of the gemstone, said an increase in illegal mining near its concession area has led to a drop in production. Richland reported that it produced 1,205,219 carats of the gemstone in the first half of 2012 from 18,170 tons of ore, 3 percent less than output in the same period in 2011, and a 14.5 percent drop in the amount of ore processed. This was despite a six-percent rise in the recovery rate.

TanzaniteOne CEO Bernard Olivier said illegal mining next to Richland's Block C license area was endangering employees and causing considerable damage to mining infrastructure. In addition, there was a problem of theft and damage to underground equipment and stones.

"The company is working with the Tanzanian Ministry of Energy and Minerals, police and other government officials in an effort to counteract the illegal underground mining into its licensed areas, and several police cases have been filed," Olivier said.

Olivier added, "The company's upcoming listing on the Dar-es-Salaam Stock Exchange will allow local Tanzanians to invest in tanzanite mining, and it is only fitting that they be able to contribute and benefit from what is mined exclusively in their own country." ICA



Hayley Henning of the Tanzanite Foundation with children at a school that has received financial assistance.