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**Support to Mozambican civil society actors in conflict prevention, peace building and crisis preparedness- Natural Resources and Conflict**

**Policy Brief:**

**Promoting the Interest of Communities in Resolution and Mediation of Conflicts in the Extractive Support to Mozambican civil society actors in conflict prevention, peace building and crisis preparedness- Natural Resources and Conflict**

**Description of the action**

Title of the action: Natural resources, conflict resolution and local mediation in extractive and conflict affected communities in Cabo Delgado, Inhambane and Sofala provinces in Mozambique” Project, Mozambique, Southern Africa and Indian Ocean. 1st March 2022 to 28th of February 2023. Target country): Mozambique: Provinces of Cabo Delgado (Districts of Montepuez & Balama ) Inhambane ( district of Inhassoro & Govuro) and Sofala (District of Buzi)

Target Groups: Local civil society organizations, community structures and community actors; Women & Youth; Provincial governments of Sofala, Cabo Delgado and Inhambane and district governments; operational mining companies; local media and journalist networks. Final beneficiaries are community members at large in Cabo Delgado (district of Montepuez & Balama, localities?); Inhambane (district of Inhassoro & Govuro (locality of Pande and Maimelane); Sofala (district of Buzi locality of Inharongue).

Overall objective to: “Strengthen the capacity of all stakeholders for conflict mediation and inclusive dialogue to the benefit of mining and conflict affected communities in selected intervention areas in Cabo Delgado, Sofala and Inhambane”.

1. Outcome: To support civil society and community actors in Mozambique and in the selected project locations to mediate local conflicts and build peace
2. Outcome: To develop and use existing multi-stakeholder spaces for conflict mediation and dialogue around community rights and benefits in relation to extractive industries
3. Outcome: To increase awareness, visibility and advocacy around conflict and community rights in relation to extractive industries.

**Context and Methodology**

Since the 2000s, Mozambique has become known for its diverse and abundant mineral and energy resources, such as coal, gold, precious and semi-precious stones, heavy sands, graphite, natural gas

and water and forest. These resources are particularly concentrated in the provinces of Tete, Manica, Nampula, Inhambane, and Cabo Delgado. There are indications that new hydrocarbon reserves may be found in the Sofala province (Buzi district), suggesting a growing extractive economy.

To better understand conflict dynamics related to extractives and conflict resolution mechanisms used, a baseline study was carried out under the Oxfam led EU financed project Support to Mozambican civil society actors in conflict prevention, peace building and crisis preparedness- Natural Resources and Conflict, that is carried out with CSO partners *Centro de Integridade Publica* ( CIP) and *Associação do Meio Ambiente* (AMA). The study aimed at understanding the role of mining affected communities, local leaders, and local authorities, civil society organizations and companies in the extractive sector, in the resolution and mediation of extractive-related conflicts. A mixed-methods approach was used for data collection and analysis. Quantitative data were gathered through interviews with 658 individuals across the three provinces: Cabo Delgado, Inhambane and Sofala. Qualitative data were collected through individual and group interviews (focus groups) with representatives of government entities and civil society, at district and provincial levels.

### **Main Findings of the baseline study on Prevention, Mediation, and Conflict Resolution in Cabo Delgado, Inhambane e Sofala**

In extractive areas, there appears to be a deficient communication between government, communities, and companies. One of the features of the extractives in Mozambique is the weak capacity of government institutions to play their role of ensuring (by enforcing regulatory instruments) the rights of communities over their natural resources (based on existing laws and regulations). The absence of a government position protecting community rights prompt companies to overrule these rights and in some cases to replace the role of State, using their economic power to neglect the rights of the mining affected communities. Furthermore, companies do not consistently and proactively prevent or mitigate conflicts, nor do they create mechanisms for conflict resolution.

Consequently, the government has been disinclined to implement measures that can mitigate the negative impacts of the extractive industry on local communities and the public. Local communities use local structures (local leaders, community groups and local key influencing people) to engage directly with companies to find solutions to conflicts. Still, the local government act (Law of Local State Bodies, Law nr 8/2003) opens a legalized window of opportunities for institutionalizing a continuous dialogue space between civil society representatives and the local administration at district and sub district levels in a hierarchy of consultative councils. Medias and Civil Society Organisations (CSOs) are other important actors who actively engage to safeguard community rights.

#### **The Case of Cabo Delgado, a natural resource curse**

Cabo Delgado is highlighted when talking about the exploitation of natural resources in Mozambique (mainly natural gas exploitation) as well as the occurrence of conflicts. However, in addition to petrol and natural gas, mining of ruby and graphite (Cabo Delgado has some of the largest deposits in the world) are also linked to the occurrence of conflicts. The exploration of graphite covers an area of 106 km<sup>2</sup>, which makes it the largest graphite mine in the world<sup>1</sup>. Likewise, the ruby mining has the potential to produce 40% of the total rubies produced internationally<sup>2</sup>.

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<sup>1</sup> Diário Económico (03.11.21), Já Arrancou a Exploração de Grafite na Mina de Balama Após um Ano de Paralisação 'Forçada', Disponível em: <https://www.diarioeconomico.co.mz/2021/11/03/negocios/extractivas/ja-arrancou-aexploracao-de-grafite-na-mina-de-balama-apos-um-ano-de-paralisacao-forcada>, Acessado em 12.01.2022.

<sup>2</sup> CIP: Exploração de Rubi pela Montepuez Ruby Mining - Um Negócio Milionário com Fraco Contributo para Moçambique, Industrias Extrativas, Edição No 42017 - Abril.

In Cabo Delgado province, climate change, aggravated by, natural catastrophes, COVID pandemic and the increase in infiltration of armed groups, has destabilized the province over the last decade, costing many civil deaths, destruction of schools and health centres and other essential infrastructure and almost a million internally displaced people. Some of the riches global reserves of gemstones (rubies), graphite, oil and gas have been found and are being extracted in different districts in the province: Palma, Montepuez and Balama<sup>3</sup>. The abundance of natural resources has ignited local conflicts between the mining companies, the government, and the population. Expectations to benefit from this abundance have been high among the population nationally and specifically among the young people in Cabo Delgado province expecting job-opportunities and increased livelihood e.g., better access to education, health, and infrastructure (housing, water sanitation, electricity, and roads). These expectations have not been redeemed and acted upon by the authorities and the mining companies.

On the contrary, extraction has cost multiple harassments and conflicts among the population in the mining affected communities, such as the ban on artisanal mining, land expropriation, exclusion of the local population from job opportunities, underfinanced resettlements, lack of communication flow between stakeholders, and environmental degradation. In Montepuez district, conflicts have mainly been related to illegal mining, company land grabbing and underfinanced resettlements where Montepuez Ruby Mining (MRM) is accused of land usurpation, brutality, and executions of illegal miners. The conflicts have resulted in human rights violence involving defence and security forces and company security forces targeting illegal miners and local communities.

Various conflict resolution mechanisms are available for the communities, including community consultations through tripartite stakeholder dialogue and negotiation (between communities, government and companies) in the consultative councils and with the local natural resource management groups, with focus on rights, transparency in resource management, employment opportunities, support for small businesses, and communication flow between stakeholders. The failure of putting these mechanisms into action in relation to Montepuez Ruby Mining has generated intense conflicts. In the case of the Balama graphite mine, underpayment of workers and the lack of transparency around wages has been central in conflicts.

### **The Case of Inhambane: deficient follow-up on community agreements**

The gas extraction in Pande and Temane began in 2004 led by a consortium comprising Sasol, a South African company extracting liquid Gas, Petroleum Temane, CMH and the International Financial Society (IFC) of the World Bank group. The gas reserves of Pande and Temane, in the province of Inhambane, whose reserves were estimated at around 3.7 trillion cubic feet of natural gas, are already in a declining phase, as a result of the end of the life cycle of the production. However, it is expected that another exploration will start under the Production Sharing Agreement (PSA)<sup>4</sup> in the Inhambane province.

Although there is no strong record of intense conflicts around the exploitation, an "unstable peace" exists between the local communities and Sasol. Civil society groups that has signed the contracts directly with Sasol, respondents express dissatisfaction with the fulfilment of 5 year contracts signed concerning resettlement, compensation, revenue sharing and development assistance, where, according to the mining affected communities, very few of the components in the signed agreement have been implemented after the first 3 years. Conflicts in the emergence/manifestation stage often

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<sup>3</sup> The project had to change its area of intervention to include Montepuez and Balama district, due to the escalating conflict in Palma district and Palma Town

<sup>4</sup> <http://www.inp.gov.mz/pt/Pesquisa-Producao/Areas-de-Pesquisa-e-Producao-Actuais/Area-CPP-de-Pande-Temane>

arise in the form of protests, demonstrations, and lobbying efforts from the tourism industry and environmental groups, but so far with little impact in favour of the protesters.

The Baseline study found that communities first turn to community leaders, CSOs, and local businesspeople for conflict resolution. Although respondents perceive the government as having a strong role in conflict resolution, they do not typically resort to these institutions for conflict mediation as they tend to see the government institutions as allies with the companies.

### **The Case of Sofala: Peaceful Relations and Potential Challenges**

In Sofala, in the district of Buzi, the onshore gas research field covers an area of 300 km in Inharongué, which extends from the district of Búzi, Dondo to the city of Beira. In this block, the seismic research of hydrocarbons (natural gas and oil) is underway, under concession to the Indonesian company Buzi Hydrocarbons PTE Limitada (BHPL) in partnership with the Mozambican Hydrocarbons Company (ENH), whose reserves are estimated at between 10 and 17 billion cubic feet of natural gas<sup>5</sup>.

In Sofala, conflicts between communities and extractive companies are not considered commonplace. The Gas projects in Sofala are primarily in the research stage and located in uninhabited areas, excluding the strip connecting the City of Beira to Dondo, contributing to the absence of land expropriation and resettlement conflicts.

Looking ahead, some factors could potentially cause disputes, including air and water pollution, soil degradation, discrimination, or exclusion of the local population from accessing jobs and insufficient communication between government, companies and communities. Notably, there is no established conflict prevention and resolution mechanism in place. An early introduction of transparency in resource management, respect for the rights of the local population, and effective communication with communities may serve as forms of conflict prevention in areas such as Nharongué, where hydrocarbon research is taking place.

"Failure to share information can create rumours, fake news and conflicting perceptions within communities and in turn be a source of violent conflict." (Statement based on interviews)

There seems to be a perception of insufficient information sharing in Sofala. This might be influenced by the belief that conflicts in Cabo Delgado were triggered by information sharing and the creation of expectations. Consequently, information on hydrocarbon research is managed by authorities and disseminated to communities in a limited and controlled manner.

Regarding confidence in presenting complaints, respondents indicate that CSOs and the media are the primary choices for communities to voice their concerns, followed by community leaders. Community leaders are often considered the primary individuals responsible for mediation. Local Administration and the Police of the Republic of Mozambique (PRM) are also mentioned as potential mediators. There are currently no designated actors for conflict resolution.

### **Challenges of Conflict Prevention and Resolution among Communities, Government, and Extractive Companies**

The Baseline Study has highlighted that conflict resolution mechanisms involve community, companies, and government. While the state and companies have well-defined conflict resolution mechanisms outlined in mining contracts, there are no pre-established mechanisms for addressing conflicts between communities and companies or between communities and the state. Existing

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<sup>5</sup> MGC (23.04.2009), ENH e Buzi Hydrocarbons exploram Bloco de Búzi, Disponível em: <https://www.mgc.co.mz/pt/noticias/enh-e-buzi-hydrocarbons-exploram-bloco-de-buzi/>, Acessado em 12.01.2022.

mechanisms may fail to address community concerns effectively, leading to perceptions of betrayal, marginalization, inefficiency, and ineffectiveness. However, the consultative councils at district and sub-district level are existing legal structures that could potentially be used more proactively for furthering dialogue.

Hence, the state has encouraged the involvement of Community Participation and Consultation Institutions (IPCC<sup>6</sup> /consultative councils) in resolving disputes between companies and communities, but the local consultative councils and community committees require more power (through focussed capacity building and institutionalization of meeting cycles and agendas) to act effectively beyond their current advisory capacity.

The state also serves as an arbitrator in disputes between companies and communities through its administrative structure or the PRM (Polícia da República de Moçambique), placing itself in a difficult position between maintaining investments and safeguarding community interests.

### **Final Considerations and Recommendations**

The baseline study suggests that conflicts related to extractive industries largely stem from inadequate communication on expectations alignment between government, companies, and communities. Inhambane and Cabo Delgado, with a history of natural resource exploitation, reveal different levels of high-tension conflicts. In contrast, Sofala offers a clear opportunity for early intervention in conflict prevention, as the prospecting process is in its initial phase and less exposed to polarized discussions about exploration.

Recommendations for Community Based Organisations (CBOs) and local governments, to promote the interest of communities in resolution and mediation of conflicts in the extractive sector in Mozambique include (but not exhaustively) the following:

1. **Strengthen the existing institutional framework.** CSOs governance work builds on the Mozambican Local Governance Act (LOLE) Decree No11 from 10<sup>th</sup> of June 2005. In this decree civil society is for the first time included as a consultative partner to the governments at province, district, and administrative post level. This legislation has since 2005 had a massive impact on governance work in Mozambique. The international and local NGO's have used this framework to strengthen and institutionalize the voice of civil society in the consultative councils, where civil society representatives (youth, women, and local leaders) have had the possibility to influence local decisions and budgets particularly at lower tiers of the state such as the district and administrative post levels. Over the last 10 to 15 year international and national NGOs together with CSO partners has prepared local citizens for their role as 'change agents' in these councils and in the local committees on education, natural resource management etc. As we can see from the interviews round budgets and the extractive industries, citizen have through this process of participation and capacity building gained skills and confidence to speak up in front of government representatives and mining companies to claim their rights in terms of signed agreements and compensation when the companies seize their land and unrightfully destroy their livelihood.
2. **Strengthen capacity building and support for CSOs and CBOs:** Provide training, resources, and technical support to CSOs and CBOs to enhance their ability to engage in conflict resolution and mediation processes. This will enable them to better represent community

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<sup>6</sup> IPCC, instituição de participação e consulta comunitária, institution of community participation and consultation

interests, improve communication with extractive companies, and influence policy decisions (UNDP, 2013), including IPCCs/Consultative Councils

3. **Establish multi-stakeholder forums: Create platforms** for dialogue and collaboration among communities, extractive companies, CSOs, CBOs, and government institutions at local, provincial, and national levels. This can enhance information sharing, promote transparency, and enable collaborative decision-making (World Bank, 2015).
4. **Develop community-based conflict resolution mechanisms, that foster inclusive decision-making processes::** Design and implement context-specific, culturally appropriate conflict resolution mechanisms that empower communities and build their capacity to address conflicts arising from extractive activities, with emphasis on strong voice of women and youths, e.g. through training of the members of 20 small scale projects. (Cotula, 2008).
5. **Improve access to information and transparency:** Encourage extractive companies to disclose information related to their operations, contracts, and the potential social and environmental impacts of their activities. This can be achieved through mandatory reporting requirements and adherence to international transparency initiatives such as the Extractive Industries Transparency Initiative (EITI) (Natural Resource Governance Institute, 2017).
6. **Enhance government oversight and regulation:** Strengthen the capacity of government institutions to monitor and enforce compliance with social and environmental safeguards and other regulations governing the extractive sector and hold companies accountable for their actions (World Bank, 2015).
7. **Promote corporate social responsibility (CSR)** among extractive companies: Encourage companies to implement CSR initiatives that address the social, economic, and environmental impacts of their activities, and align their operations with international standards such as the United Nations Guiding Principles on Business and Human Rights (UNGPs) (Shift, 2018).
8. **Support alternative livelihoods and economic diversification:** Invest in programs that promote sustainable livelihoods and economic diversification for communities affected by extractive activities, to reduce their dependence on the sector and mitigate potential conflicts

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