

The politics of LNG: local state power and contested demands for land acquisitions

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Outline

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- The key argument
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The problem

- Mozambique as an emerging player in the global energy sector, the related investment in LNG infrastructure in Afungi, Palma, risen concern with regard to local community land rights and access to natural resource
- Borras et al. (2011) argues that investments resulting in large-scale land acquisition deals are ambiguous and often they produce land dispossession, livelihood loss, environment degradation, loss of access to land and natural resource upon which local populations depends
- Why governments fails to meet the required standard to protect local communities from bad deals?

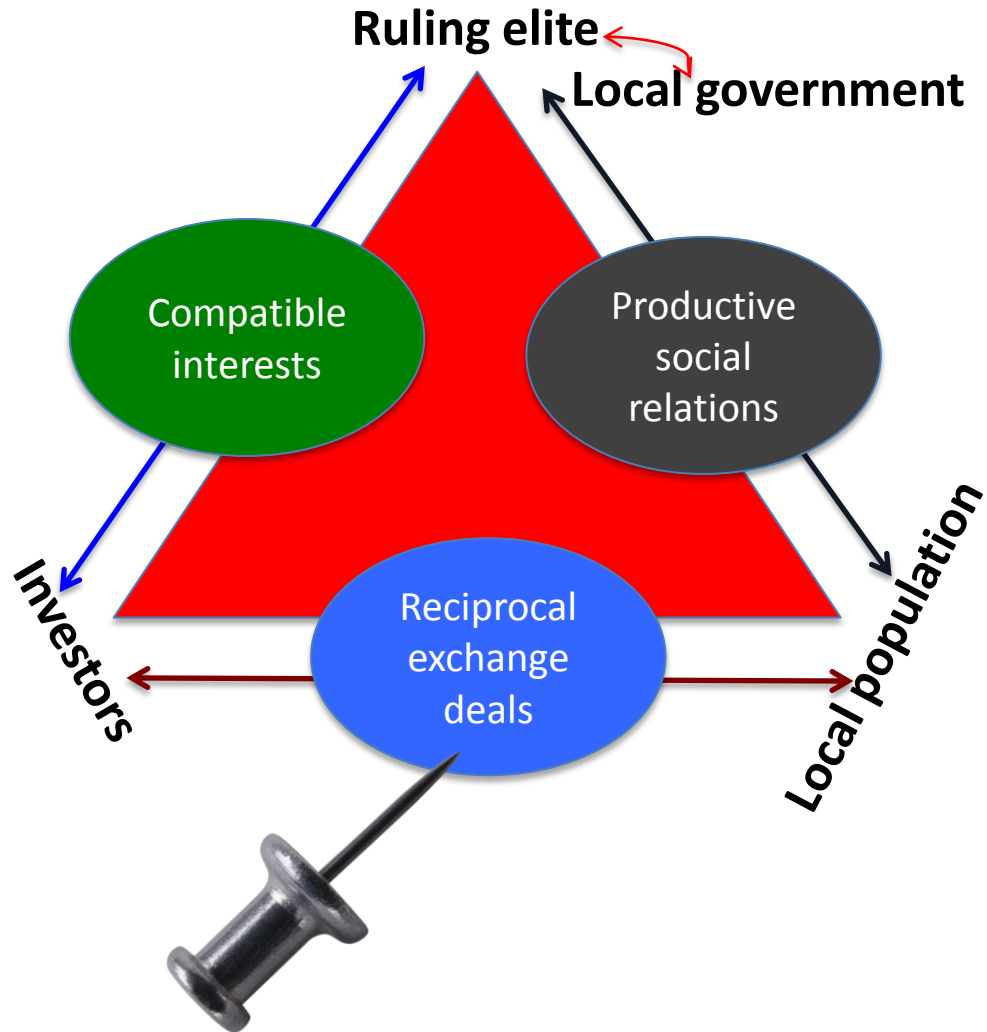
The key issue for research

- This paper analyses the relations between international oil companies and local communities with regard to negotiation for compensation of lost land related to LNG infrastructural investments
- I also analyse the role of the local governments in the negotiation for compensation

The argument

- Weakness of the local governments bargaining power makes them unable to secure the interests of local communities, either by protecting their tenure or by securing 'a good deal' in compensation for lost land in the face of the competing interests of multinationals, as well as, of these of the ruling elites.

Analytical framework



Source: Buur et al. 2017

Land acquisition requirement

- Large-scale deals on land acquisition by multinationals require to be aligned to international performance standards and at some extent also to endogenous standards of the host country - social and environmental standards.
 - WB – Social safeguard standards
 - IFC – Environmental and social performance standard (Performance Standard 5 – Land Acquisition and Involuntary Resettlement)
- The IFC advocates that governments in the host countries play a central role in the land acquisition, resettlement processes and negotiations of compensation..

Key findings

- Since 2010 a massive rush for land acquisition in Palma due to gas project development.
- In 2012, the RBLL acquired 7.000 hectares of land in Afungi, Palma, to secure land for the development of LNG project infrastructure. This took place without previous community consultation.
- Recent data indicate 6.625 ha of land, that will accommodate, (i) Industrial zone of the project; (ii) Zone of development of the subsistence program; and (iii) Resettlement village.
- The project will directly affect 1.508 households (556 physic, and 952 economic).
- Experience from violation of rights, loss of land by coal mining companies in Tete revived the fear among the local population with regard to land tenure and access to natural resource.
- The role of CSOs (CTV) in advocating for a fair consultation and compensation created tension within government and companies, as well as, awareness among population with regard to land rights
- Resettlement deal have been made – bypassing the local population and local government

Key findings

- The process involving negotiation for compensation have been considered effective by local populations when they deal directly with investors
- Although the approval of the resettlement plan, the issue of compensation remain a matter of contestation
- The replacement of land area for agriculture still problematic and potentially the unique asset that the local population value most.

Conclusion

- Although the existing formal institutions for land acquisition and compensation are clear
- The agreement is fundamentally influenced by interests of the powerful groups within the ruling elites
- That affect the quality of relations and compromises between investors and local populations and local state
- These specific dynamics have a significant influence on local government power to secure good deals in the negotiation process for compensation
- The consequence is that the deal is conceived to be against interests of the local population