

IN THE NAME OF DEVELOPMENT

*MINERAL RESOURCES MANAGEMENT IN MOZAMBIQUE'S REMOTE VILLAGES – THE CASE
OF HEAVY MINERAL SANDS IN NAMPULA*

Michael Godet Sambo

Michael.Sambo@iese.ac.mz

IESE

www.iese.ac.mz



PRESENTATION STRUCTURE

- 1 – Research Background
- 2 – Exploring the development dilemma
- 3 – Some questions for further research

I – RESEARCH BACKGROUND

CONTEXT: SOUTH – SOUTH COOPERATION; CHINA – AFRICA RELATIONS, SAIS-CARI RESEARCH GRANT

- Controversy surrounding China's presence in Africa
- The criticism of the Chinese practices in the mining sector in Africa, which concentrates the bulk of Chinese investment.
- The little attention given to the Chinese engagements in the mining sector in Mozambique, differently from other African countries.
- The undeniable presence of Chinese companies in this sector in Mozambique, particularly in the exploitation of heavy mineral sands, where Mozambique's reserves are considered to be amongst the biggest in the world (Tyler & Minnit 2004).
- Research focused in the HMMC (Haiyu Mozambique Mining Co) mining deposit in Sangage, the most importante Chinese project under exploitation in Mozambique with about 20million USDs investment

CHINESE CONTEXT FOR EXPLOITATION OF AFRICAN RESOURCES

- The Going Global strategy announced in the beginning of the 21st century*
 - The Chinese mining industry was instructed “to utilize two kinds of resources (domestic and overseas) and expand into two markets (domestic and overseas)”
- Africa is a prioritized area of mineral exploration. Yao (2003) suggests that China would be the victim of soaring prices and **controlled supply of raw material** if it failed to act more proactively and to secure its own place in the beginning of the supply chain of mineral resources.
- Private companies act as vanguard searching for mining resources abroad, then joined by state-owned enterprises (SOE) to acquire financial backing from the national treasury. E.g.. **HMMC**= Yuxiao Group + Hannan Nonferrous Metal Mining (HNMM)
- Although the chinese construction companies have been operating in Africa since 1979, the Chinese companies in mining sector are much less experienced.

RESEARCH OBJECTIVE:

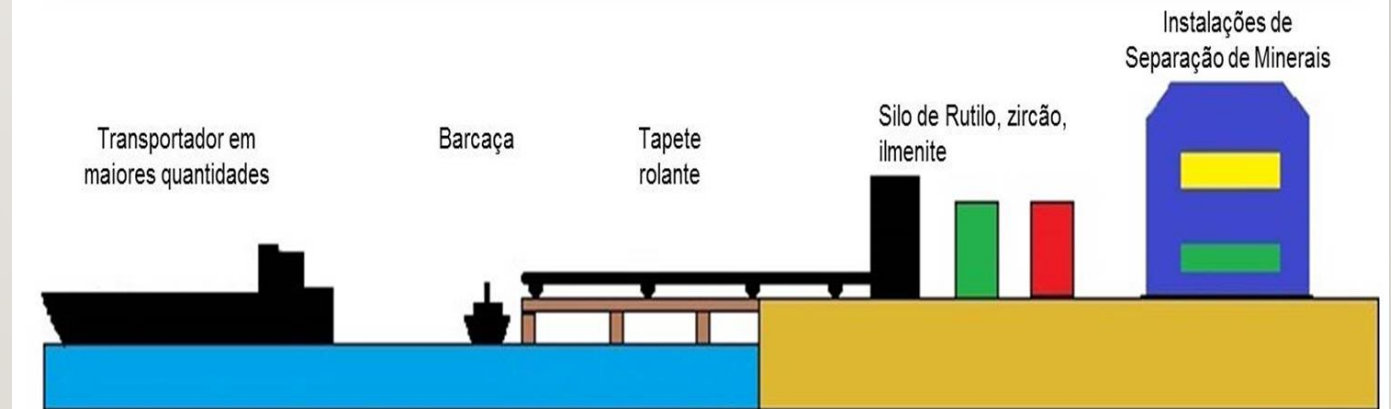
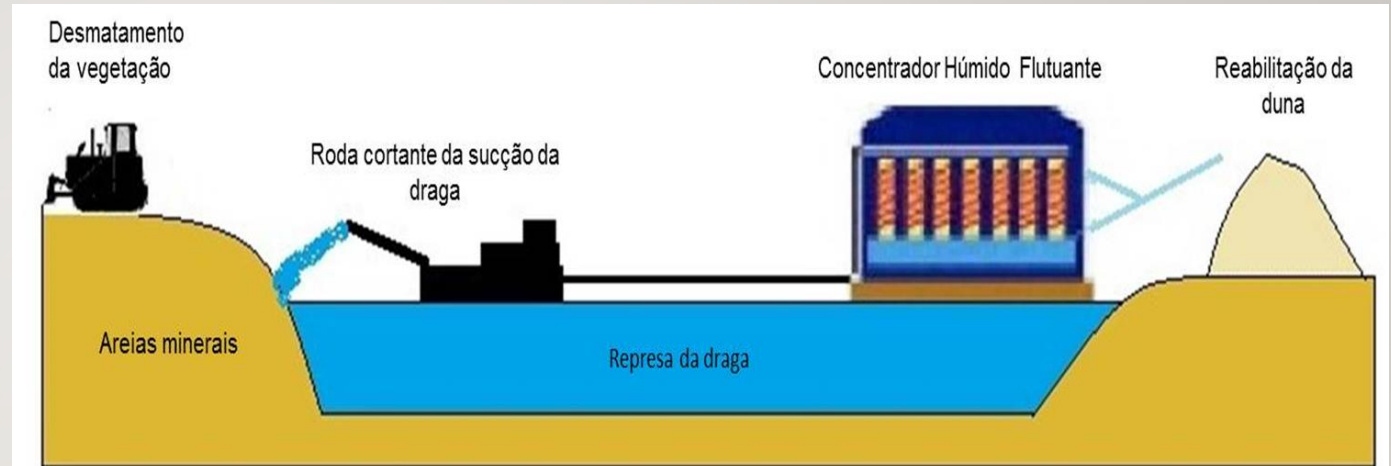
- To understand the impact of that specific Chinese project on the social organization of work, labor relations and livelihoods in a rural agricultural and pastoral area;
- to shed some light on the 'unfulfilled encounters' brought by this investment between the Angoche population and the Chinese company;
- to explore the socialized notion of "disputes over mining" as held by the Chinese company and local communities during the conflict;
- To compare the experience of the Irish company Kenmare Resources plc with local communities and government with that of HMMC.

RESEARCH METHODS AND METHODOLOGY

- Desk research
- Field work with visits: **to the mining sites; the Murrua community in Angoche, and Topuito community in Moma**, all in Nampula province. Given the complexity of the study we adopted a qualitative research with ethnographic orientation.
 - **Multisite visits,**
 - **Semi-structured individual interviews,** (Government Officials at local, district and provincial levels; local Community representatives; workers; residents (men and women); Civil Society Representatives at Provincial level)
 - **Focus group discussions** (Local residents and community representatives).

Categorias		Nampula/Cidade	Angoche/Murrua	HMM C	Larde/Topuito	Kenmare plc
Encontros Informais	Populares/SC	2	3/17+	0	5/5	0
	Trabalhadores	0	0	3/7	0	3/3
	Governantes	0	1	0	0	0
Entrevistas marcadas	Populares/SC	2	1/24	0	1/15	0
	Trabalhadores	0	0	1/1	0	1/2
	Governantes	0	1/1	0	1/1	0
Documentos	Solidariedade Mz	12 documentos	1 Sessão ordinária, 2 Reassent	0	0	3 Docs, Relatórios 2013, 14, 15

Heavy Sands (Ilmenite, Zirconium and Rutile) exploitation plants and Community of Murrúa





FINDINGS



- The impact of the project tends to be negative for the local communities
 - Environmental issues & resource depletion; poor labour relations;
- The unfulfilled encounters between the population and the HMMC project
 - Compensations & unfulfilled social development promises; Exclusion of local communities in all phases of the projects; dispute over employment and unsolved unrest in workplace;
- The socialized notions of “dispute over mining” amongst the communities
 - Administrative negligence of the government;
- The experience of the Irish company Kenmare and of HMMC with local communities and government
 - Mining companies overlooking trust-building with local communities; Civil Society Organizations facilitate the consensus-building; The role of local media is mixed

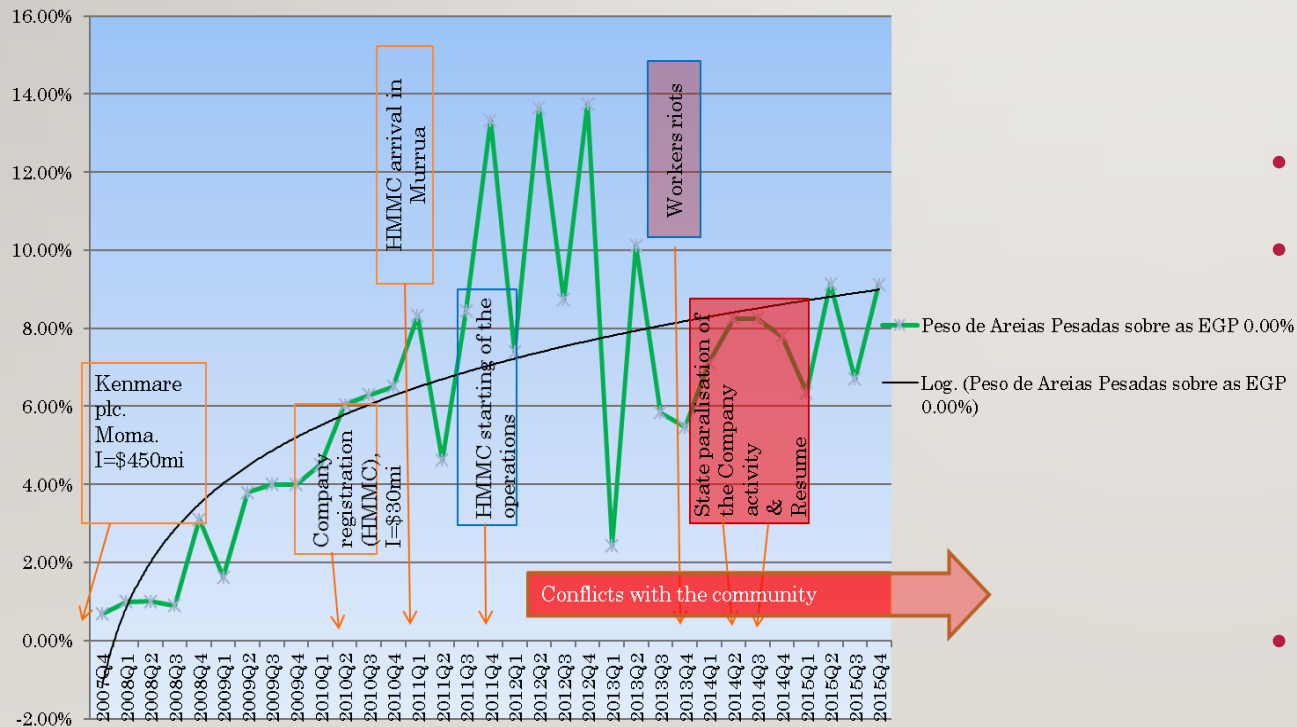
2 - EXPLORING THE DEVELOPMENT DILEMA

Facts & Legality



DEVELOPMENT PROMISES AT THE ENTRANCE

Haiyu Mozambique Mining Company Trajectory in the Heavy Sands Exploitation in Murrua



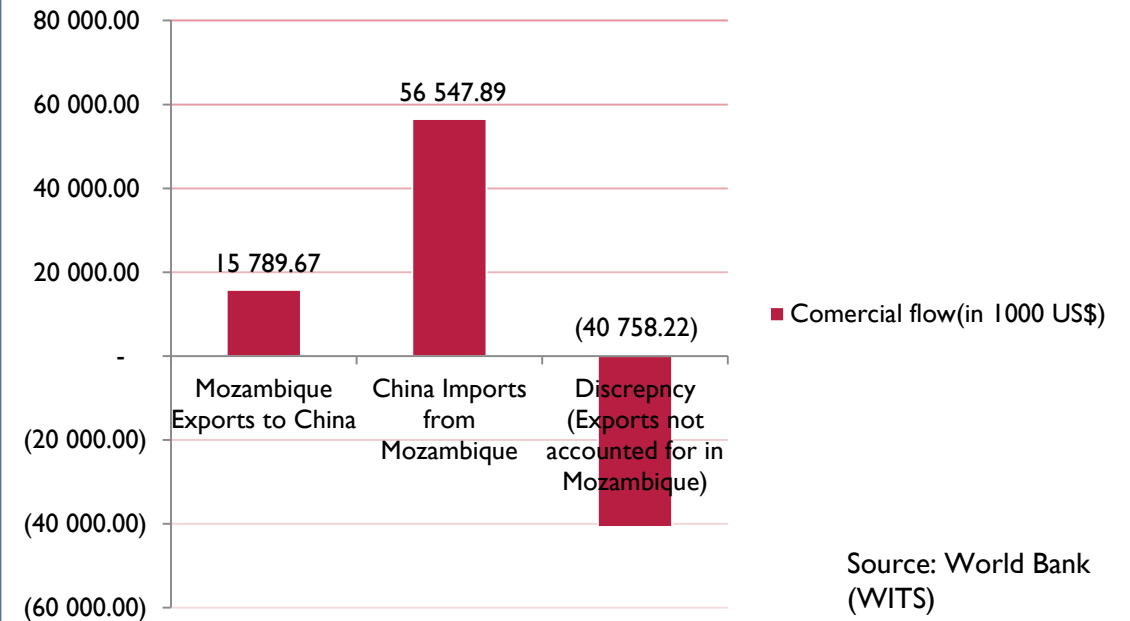
- The uninformed Local Government enthusiastically alleged the coming of Development in the region (Murrua-Angoche) when the unexpected Company (HMMC) suddenly showed up in the community.
- Community consultation?! Sangage vs Murrua
- In the mobilization of the community to allow the chinese workers with their equipment to stay and exploit the resources, the Administrator made promises in the name of the company: 850 Job posts for the community; I Hospital; Road construction; Electricity; Water supply and Primary Schools.
- Further Company-Community involvement based in “Oral agreements”

CONFLICTS OVER MINING

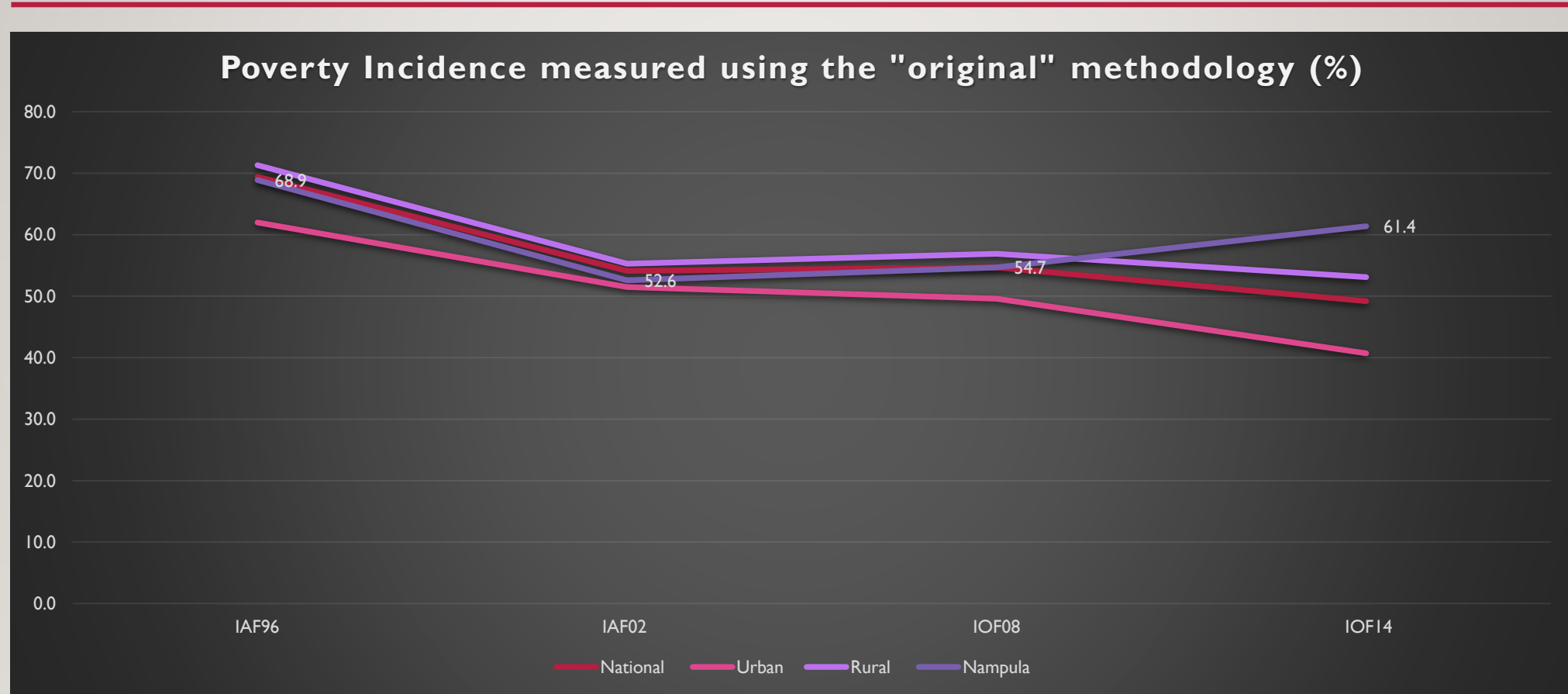
- Instead of Development:
 - Environmental pollution (open air mineral sand transportation through company tracks; road degradation; increased distances to the sea and the farms, etc.);
 - Scarcity of naturally available fruits and other varieties; etc.
- Community lacking communication with the Company and the Government. (Law 20/1997 from October 1st, article 4: Continuous community involvement).
- Community manifestations against the company vs Government's repression.
- Generalized disaffection of the community with the company and the Government.
- Unfulfilled promises.
- Corporate Social Responsibility early fixed (in U\$ 3millions) and to be managed by the government

- **Tax evasion?**

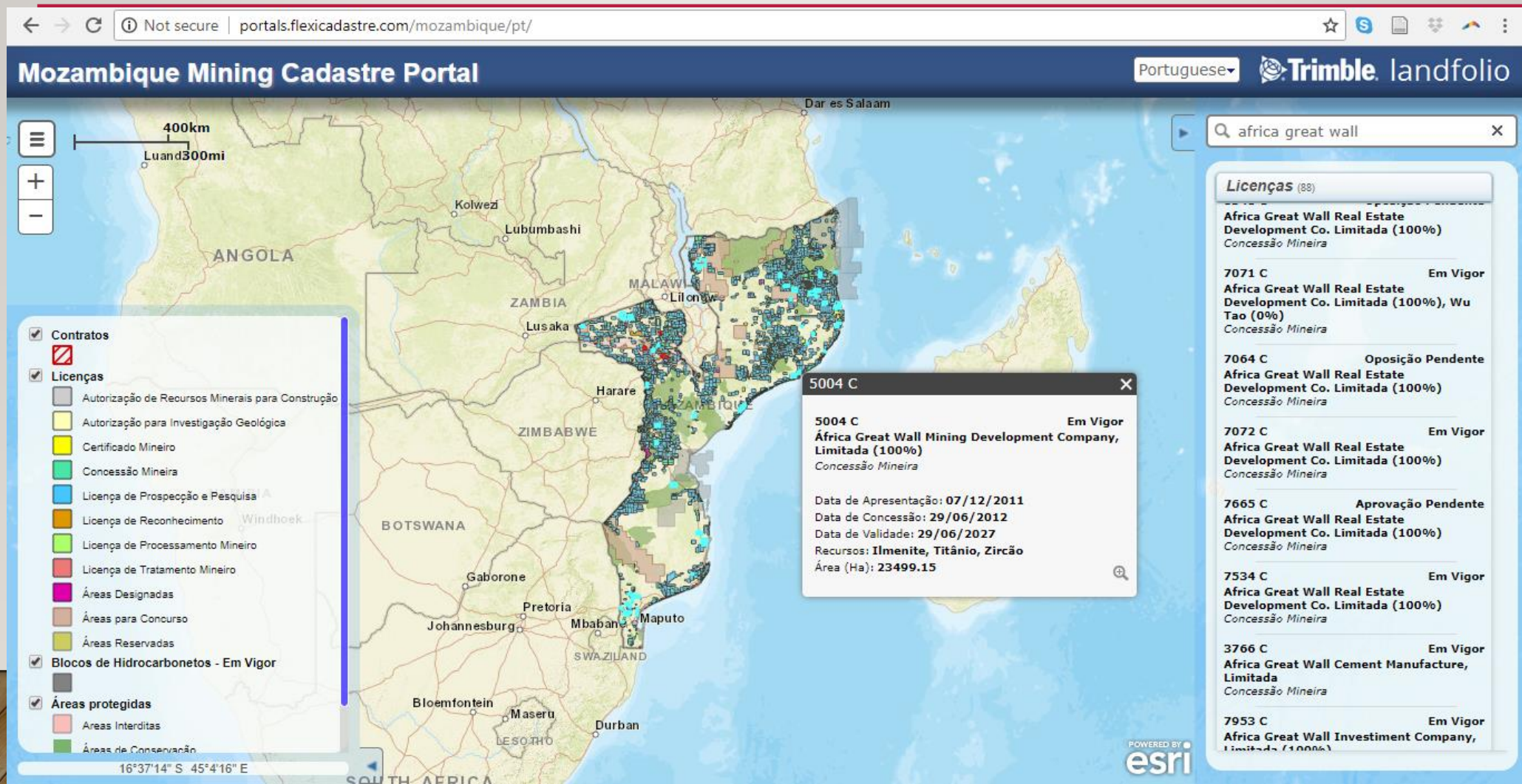
Data Discrepancy in Mineral Trade between Mozambique and China 2015



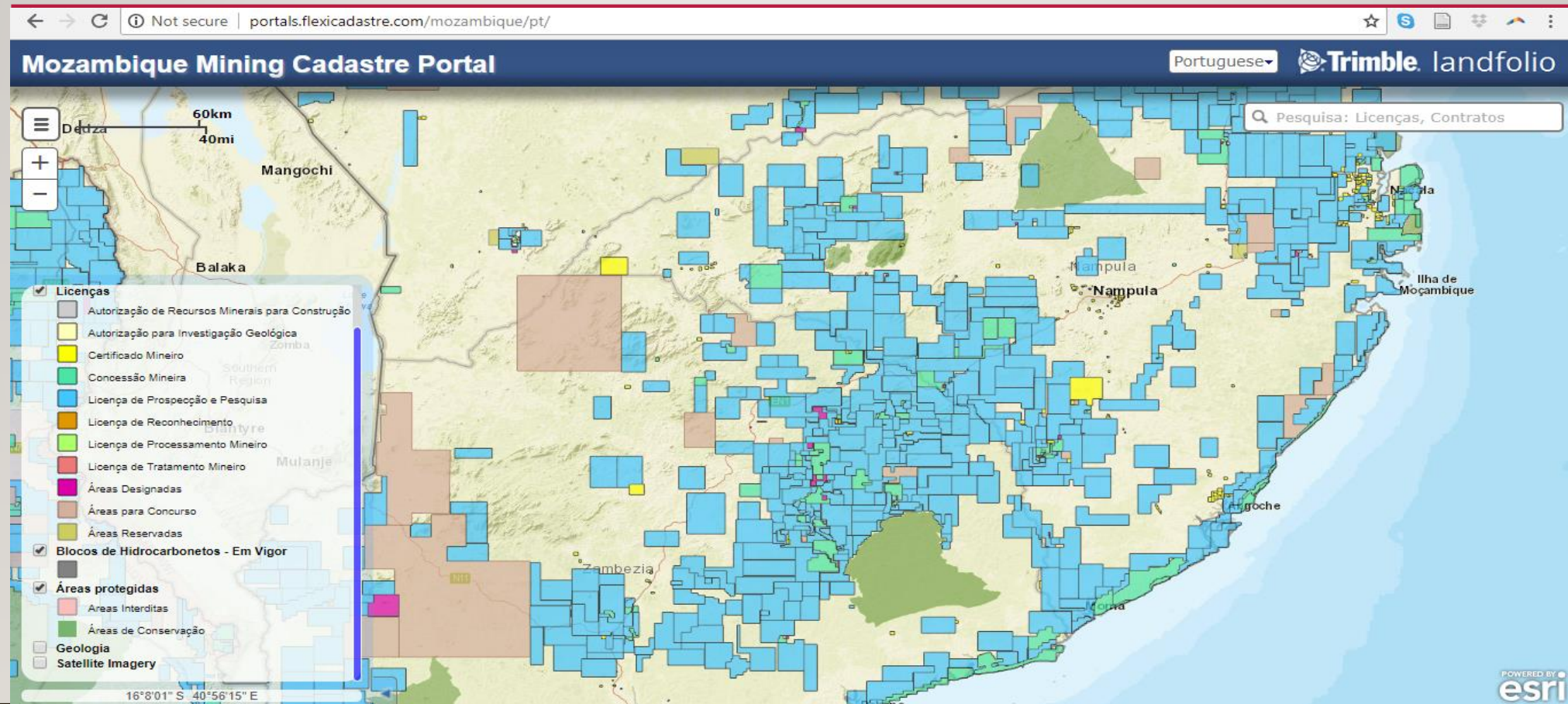
GROWING POVERTY INSTEAD?



THE CURRENT MINING PANORAMA



AN OVERVIEW OF NAMPULA MINING PANORAMA



3 – SOME QUESTIONS FOR FURTHER RESEARCH



IS THE LAW FAVORABLE TO MINING?

The Constitution:

- **Article 91**, No. 1 and 2 (Universal right to **housing**; and the responsibility of the State to encourage and support local communities initiatives for building individual houses.)
- Article 102 (Natural Resources) It is the role of the State to determining and valuing the natural resources, and determining the conditions of its exploitation, **safeguarding the “National Interests”**.
- Article 108 (Foreign Investment) No 2. “The foreign enterprises are authorised in the whole national territory and all the economic sectors, **except on those reserved for the property of the State or the States exclusive exploitation**”
- Article 109 (Land): No1 – “**The land is a property of the State**”; No 3 – “As a universal means of creating wealth and social welfare, **the use and enjoyment/exploitation of land is the right of all Mozambican people.**”
- Article 110, No 1&2 (Use and Enjoyment of Land): “**The state determines...**”; “... is **given to people** ... according to the **social or economic end.**”

The Mining Law (Law no. 20/2014 of 18 August):

- Article 6 (areas characterization) No.1 a) available area; b) reserved area; c) designated area. No.2 **Available area is considered as all the area that (a) is not object of mining title;** (b) not subjected to public tender; (c) not an object of an ongoing or pending request of mining title; (d) not declared as closed area for the mining activity.
- Article 8 (Mining Contract) No.2 ... apart from other clauses, the Mining Contract has to have the following: ... (e) **actions to be realized by the title holder in regard to Social Responsibility;** (f) a memo of understanding between **the government, the enterprise and the communities;**

RECENT FACTS ON LAND AND MINING CONFLICTS

- New situations arise recently with local people becoming desperate of being moved out of their ancestors land without their consent, in order to give room for mining activities allegedly in the name of Development, I look forward to understand:



RECENT FACTS ON LAND AND MINING CONFLICTS

People refuse, but the local government cannot do much because the company has all the documents to start the exploitation. *How did they got the documents?*

acordo que envolve a firma chinesa e o Governo de Moçambique na posse do Jornal Txopela explica que a exploração de recursos minerais deverá ocorrer num total de 50 anos, devendo abranger o posto administrativo de Namuinho, zona de expansão da actual cidade de Quelimane onde se confirma a ocorrência de um potencial de reservas de areais pesadas avaliadas em milhões de dólares.



RITA DE ABREU

Carlitos Rodrigues, morador em Marrabo a 20 anos é mestre de bicicletas



A Reacção do Governo da Zambézia

O Governo da Zambézia, desvaloriza as reclamações das populações de Quelimane, Inhassunge e Chinde onde a empresa chinesa detém títulos de Direito de Uso e Aproveitamento de Terra – DUAT, Almeida Manhica, Director Provincial dos Recursos Minerais e Energia refere que a empresa detém mais de 250 trabalhadores entre nacionais e estrangeiros, tem vindo a contribuir no pagamento de diversos impostos, inclusive para o imposto de reconstrução nacional. Refere ainda que a firma chinesa está a construir um bairro na localidade de Mitange para o reassentamento da população, neste momento um total de 51 casas estão prontas faltando um numero igual ainda por concluir. Duas infraestruturas sociais, hospital e uma escola foram erguidas. Só no primeiro semestre o Estado moçambicano arrecadou um total de 51 milhões de meticais para o tesouro, segundo justifica estas são razões mais que suficientes para comemorar e aplaudir a execução do projecto na Zambézia.

Sobre a situação



ALMEIDA MANHICA, DIRECTOR PROVINCIAL DOS RECURSOS MINERAIS E ENERGIA

ua indignação “não adas aqui na minha udo para sustentar a é fácil abandonar as a outra área doe-me na opinião é a dona ão é negociável “não uir viver em outras ibituados a produzir em aqui, os nossos enas de séculos está os quer ajudar que ão agrícola, a nossa tro”.

Sobre a situação de Quelimane, onde a população recusa a execução do projecto de exploração de areais pesadas, Almeida Manhica, dissecou ao Jornal Txopela a actual situação, O chefe do pelouro dos Recursos Minerais e Energia na Zambézia vaticina que a empresa chinesa detém quase todos os documentos que possibilitam o início dos trabalhos de exploração a destacar; a licença de prospecção e pesquisa, a concessão mineira faltando apenas a licença ambiental para viabilizar a execução do projecto, não reage directamente sobre a posição da população mas lamenta ao que chama de incompreensão dos moradores das zonas aonde devera ocorrer a execução do projecto de exploração de areais pesadas no posto administrativo de Maquival em Quelimane.



ALMEIDA MANHICA, DIRECTOR PROVINCIAL DOS RECURSOS MINERAIS E ENERGIA

Sociedade civil cega e muda

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JORNAL **Txopela**

LIBERDADE & INDEPENDENCIA

Tel. (+258) 2428903



Exploração de areias pesadas na Zambézia: O pesadelo dos pobres

Publicado em 26 Junho, 2018 — em DESTAQUES/ECONOMIA/GRANDE REPORTAGEM — por Zito do Rosário Ossumane

Zito do Rosário Ossumane

- A Africa Great Wall Mining Development Company, Limitada uma empresa de capitais chineses encontra-se desde 2014, na província da Zambézia em trabalhos de prospecção e exploração de areias pesadas nos distritos de Nicoadala (Quelimane na actual geografia), Inhassunge e Chinde onde detém propriedades de uso e aproveitamento de terra cancelados pelo Governo de Moçambique no consulado de Armando Guebuza.

Em Quelimane local de reassentamento a empresa chinesa exploração de areias pesadas de Olinda como um exemplo inequívoco da forma como o povo moçambicano está a ser marginalizado e as suas riquezas a serem exploradas inexplicavelmente, deixando-os na total miséria. “...essas firmas que vivem exploram recursos minerais em Moçambique deveriam saber que as areias pesadas que extraem pertencem aos nativos, portanto se pretendem tirar o bem legítimo de alguém o mínimo que deveriam fazer seria recompensar devidamente os seus proprietários. Mas esse não tem sido o caso de muitos projectos de exploração de recursos naturais e minerais em

Do the people have right over their land (Customary)?
The company have DUAT, and have been contributing significantly. We need to celebrate and give applause. (Provincial Director of Mineral Resources)

EMERGING QUESTIONS

- How is the Development understood amongst the different stakeholders in mining industry and in the heavy sands in particular?
- To whom is the Development directed? How is it envisioned? And after how long is it more likely to be noticeable?
- “What is the Development that is being envisioned by the government at local, District, Provincial and National level, and how does their visions/expectations may differ from those of the local communities and CSO at the different regional levels?”