



CENTRO DE INTEGRIDADE PÚBLICA  
Anticorrupção - Transparência - Integridade

# REPORT

International Conference on Information Disclosure, Accountability, Inclusive  
Growth and Governance in the Extractive Sector



4 - 5 September 2018

Hotel Cardoso

Maputo, Mozambique

## SUMMARY

The Center for Public Integrity (*Centro de Integridade Pública*, CIP), in collaboration with the Partnership for African Social and Governance Research (PASGR) and the "Action for Empowerment and Accountability" (A4EA) of the Institute for Development Studies (IDS) at the University of Sussex (United Kingdom), organized an International Conference on Governance in the Extractive Sector. The conference which was attended by 91 participants (66men and 25 women) served as a platform for researchers, senior managers, policymakers, practitioners, activists, private companies and community-based organizations to exchange experiences regarding research on the relationship between information disclosure, accountability, governance and inclusive growth.

The theory of change of the above variables suggests that information disclosure will empower citizens and institutions to embark on social and political actions to demand accountability from governments and companies. The expected outcomes of the demand for accountability are promulgation of new mining laws and changes in the sector's policies, revision of existing contracts and concessions, recovery of unaccounted for revenues and, ultimately, improvements in "good governance" and inclusive growth.

The objective of the conference was to clarify the empirical evidence on the relationship between information dissemination and accountability and methodological approaches that could help stakeholders to systematically track and document the impact that transparency initiatives bring to countries that exploit natural resources.

The conference took place at the Hotel Cardoso, during 4-5 September 2018, and was attended by delegates from various national and international organizations.

## ACTIVITIES

### Day 1 (04/09/2018)

The conference began at 9am with the welcome address by the Executive Director of CIP, Dr. Edson Cortez. He presented CIP and its role in the Mozambican political landscape, especially as regards transparency to bring good governance in the extractive industry in the country. Representatives from IDS, the Dutch embassy and the UK Department for International Development (DfID) followed with their respective presentations.

John Gaventa (IDS) the director of the Action for Empowerment and Accountability Research Programme, also discussed the importance of the themes of the conference. He drew upon his own experience on the impact of the extractive industry on a North American community to stress that the availability of information is a key factor for the transparency of the activity of the extractive sector, but that alone did not solve all the problems related to social injustice and compensation for the affected communities.

Michiel van der Pompe (Dutch Embassy) said that Mozambique was a country rich in natural resources and that the challenge would be to transform resources into wealth. With the increase in revenues, the country would have the opportunity and the responsibility to change the pattern of accumulation and distribution of wealth through the dissemination of information on the exploitation of natural resources in an inclusive and transparent way, so that all Mozambicans could benefit. He also reiterated the continuous collaboration between his institution and CIP, mainly for the Province of Cabo Delgado, with a focus on improving the situation in the extractive sector from the point of view of corporate social responsibility.

Charlotte Duncan (DFID) praised the joint work and multi-sectoral actions of civil society and private sector as essential for the development of new strategies that would create opportunities for mutual learning.

## DISCUSSION

The sessions were organized around discussion panels presenting case studies from the invited countries. Most presentations showed that the problems faced by countries are to some extent

similar, and the major obstacle in the process relating to the exploitation of resources and inclusive growth is in the management of the exploited resources.

**Empirical study in Mozambique** – "The sound of one hand clapping: Information Disclosure and accountability outcomes of Extractive Sector Governance in Mozambique".

#### *Research Questions*

- Why has information disclosure not triggered social and political action in the extractive sector and what were the consequences of such inaction?
- What do citizens and stakeholders need to be empowered to take action?

Nicholas Awortwi (AGI) and Adriano Nuvunga (ADS) presented the results of a survey carried out in Mozambique. Their study on information disclosure in the extractive sector found 18 factors that connect to effect citizens and institutional (state and non-state) inaction to demand government accountability. The study shows that when the nature of information dissemination on extractives is connected with citizens' high levels of economic vulnerability, civic apathy, the fear of the political regime, the nature of political structure and representation, CSOs' weak mobilization strategies, and the culture of submissiveness, then a Mozambican and/or its institutions would unlikely demand government accountability. The governance and development outcomes of this accountability failure are enormous, including increasing corruption and economic growth without inclusiveness.

The study concludes that unless a political connection is made between information disclosure, government reputation and risk of losing power, accountability of government to the citizens is unlikely to occur. CIP needs to embark on educational, conscientization and civic campaign to improve on citizens' demand for accountability through their votes. Though literacy level is low in Mozambique, other forms of education such as citizens' civic awareness and consciousness will be critical to move information disclosure to real empowerment. Donor support to making politics work to promote accountability will be needed to complement information disclosure. This can be done indirectly through shifting funding support to CSOs that pursue citizens' consciousness and educational campaign, civic responsibilities and political advocacy. Once donors begin to channel funds to this group, they will indirectly influence the nature of CSOs

towards reforming politics. Second in the Mozambican context, support to transparency initiatives such as information disclosure must go hand in hand with strategies to improve economic livelihoods

**The case of Sierra Leone**, presented by Charlie Hughes, emphasized the importance of knowing when, where and how the information should be presented, since it should be directed and synthesized in a way that its recipients (target audience) understand the content and significance of the problems experienced by them, which would, in a way, encourage and facilitate the identification of problems in the community, as far as awareness-raising and empowerment campaigns are concerned, both by civil society and the public sector.

Demanding progressive change in minerals sector can be very difficult; for which Civil Society need to build agency in the people themselves, to engage and take action. The presentation provided some takeaways for CIP:

- Pursue opportunities for civic space, especially for promoting social accountability generally
- Pursue opportunities for civic space, especially for promoting social accountability specifically for extractives; during policy framing opportunities
- Communities should be visibly and involved, rather than talking on their behalf only
- Rather than seek one big magic or grand solutions, fix the bits and pieces problems
- Citizens' awareness of the value of their ballots to minerals issues helps

**The case of Zambia**, presented by Edmund Kangamungazi. The speaker said that with respect to accountability in the dissemination of information about extractive industry, it is important to consider the issues of corruption-related inequalities, corporate tax payments to the government, as well as benefits and gains for communities, emphasizing the intervention of new structures to strengthen EITI with respect to multi-sectorial engagement.

He concluded that:

- Dissemination of information can help reduce mistrust among stakeholders;

- Effective extractive sector policies with respect to governance are crucial;
- Political and institutional constraints are the main obstacles; and
- It is necessary to use the windows of opportunity in several African legislatures regarding the extractive sector.

*The presenter made the following Recommendations:*

- The use of information effectively in the dissemination of and accountability for existing resources, contractual clauses, economic gains for the country and benefits to communities directly affected.
- A dynamic and democratizing effect of information that reinforces the rule of law regarding the responsible use of information that is applied in a clear, transparent and legal way in the processes of governance and decision making.
- CIP should work with two local support organizations for better engagement: (1) to empower communities in the area of law; and (2) regarding the component of advocacy in regard to the power structure that characterizes social relations.
- CIP working together with other organizations to address the problem at the national, provincial and district level.
- CIP adopting strategies of division of tasks in the production of knowledge, processing and dissemination, mainly for the key stakeholders;
- It is not advisable to advocate and mobilize a community if there is no *a priori* solid foundation of the specificities and needs of such a social context, with the risk of creating divisions regarding the real problems and the perceptions that they have about their problems. It is advisable to carry out consultations so that they can be the basis for their capacity building, sensitization and empowerment.

**John Agbonifo presented the experience of the Ogoni movement in Nigeria.** He presented that in the absence of state information disclosure on how much oil was extracted from Ogoni, how much was sunk in community development, the Ogoni independently researched and argued that \$30billion dollar worth of oil and gas had been extracted from the region. They

therefore asked the state and oil industry to pay commensurate compensation. The state and oil industry ignored Ogoni demands, which motivated the latter to embark on worldwide mobilization. In reaction, government and oil industry labelled Ogoni leaders self-interested actors, enemies of the state, rabble rousers and experts in misinformation. The mobilization was eventually quelled through the judicial murder of the leaders in 1995. The presentation concluded that the key ingredients for SPA are leadership and framing of the problem. Using the case of the Ogoni people, Agbonifo argued that information is not enough. Ogoni were well aware of environmental pollution, destruction of local economy, economic strangulation and political marginalisation all along. But such information did not mobilise them to confront the state and oil industry. Something changed in the early 1990s when they did eventually mobilized. Ogoni leaders embarked on framing the issues. That included defining a situation as a problem, determining who was to blame for the problem, explaining why it was good to change the situation, and pointing out strategies for transforming the situation. Frames must resonate with the people to be effective. Ogoni leaders experimented with different frames until they found one, which resonated: *miideekor*

**The Kenyan case emphasized the conflict between transparency and political outcomes.**

Charles Wanguhu mentioned as the main challenges of the sector the lack of adequate consultation, distorted media stories, and reduced earnings from the exploitation of resources. Therefore, although the availability of information has increased, the political results were not satisfactory. He suggested the following steps: depoliticization of the sector, adoption of transparent and responsible processes of information dissemination and a strategy of communication in the sector.

## CONCLUSIONS OF DAY 1

- The dissemination of information needs to be complemented by other actions, such as economic strengthening;

- Dissemination of information as a tool to promote accountability in government is less effective in the absence of clear sanctions;
- CIP and other CSOs need to intensify mobilization strategies for community-based SPA;
- Dissemination of information needs to be accompanied by clear messages and clear action strategies to guide mobilization for collective action;
- The use of multi-method approaches can result in a better understanding of the impact of information disclosure.
- It is not advisable to advocate and mobilize a community if there is no a priori solid foundation of the specifics and needs of such a social context, at the risk of creating divisions with regard to the real problems

## ACTIVITIES

### *Day 2 (05/09/2018)*

The session started with the opening address by the Minister of Mineral Resources and Energy (MIREME), **Dr. Henrique Cossa**.

The intervener began by stressing the role of the State in the sense that it is keen on undertaking transparent actions in the extractive industry (EI) . In this context, he mentioned that MIREME participates in the international EITI platform with the objective of increasing transparency in parameters designed to mirror state actions. He acknowledged the possibility of hiring consultants to exchange ideas as to how inside information could be disclosed in order to obtain feedback from civil society.

On the topic of disclosing information, he suggested that evidence should be presented to justify the disclosure of information regarding accountability; he also recommended that the sharing of information among researchers should include a clear methodology of work.



## *PRESENTATION OF CASE STUDIES*

**The case of Zimbabwe** was presented by **Mutuso Dhlwayo**. The author focused on the importance of the extractive sector in Zimbabwe, the problems it brings, the importance of transparency and accountability, and how information is used to promote inclusive growth as well as results achieved.

The speaker concluded that transparency was a key ingredient for participation and accountability, but pointed out that Zimbabwe did not have a legal framework for transparency in the extractive sector, acknowledging that although transparency was not an end in itself, it was an important means to an end and should be supported.

**Gard Benda, in his presentation on Uganda's experience**, focused on the fact that information should be based on research and analysis of comparative and contextualized actions. He also emphasized that it should be able to drive community empowerment over contracts, local content, and financing amounts.

**Serra Bango of Angola** stressed that the Angolan oil industry has been captured by the State Party with the intent of creating a national bourgeoisie through the primitive accumulation of capital. Financial assets derived from oil exploration were being used to create commercial banks, telecommunications companies, fisheries, media, civil construction, private clinics, transportation, whose owners are all members of the MPLA, the Party-State. But CSOs have mobilized to ensure that sector decision-making takes into account transparency and public probity.

## *GENERAL RECOMMENDATIONS:*

- Use of research and information to sensitize and empower communities so that they themselves put pressure for change with respect to the legal structure of governance policies;

- Appreciating the role of the State and companies in disseminating information within the community, in a balanced relation between the costs and timing of the investments in EI, so that they would know when they could start to enjoy the benefits of the investments and therefore have a solid basis for requesting their compensation;
- Creation of a Single Commission in Parliament that deals directly with all issues related to EI with respect to natural resources and environmental, social and economic issues;
- Creating a public information and communication center on the governance of natural resources;
- Improving the operation of EITI-Mozambique;
- Contributing to the improvement of mechanisms for allocating revenues to communities,
- Supporting communication between communities and Local Government in the community planning system;
- Contributing to the improvement of corporate accountability mechanisms;
- Strengthening the capacities of citizens and grassroots organizations; and
- Protection of the space of civil society.