



## **Non-Governmental Coalition on Extractive Industries Launched “Publish what you Pay”**

### **Press Release**

A group of civil society organizations in Mozambique launched a coalition with the purpose of monitoring the development of extractive industries in Mozambique and the policies of the Government for this sector. This was done on November 28, 2008, in the capital Maputo. The coalition is under the auspices of G20, the Civil Society Platform for the Monitoring of Development.

The coalition is composed of organizations that work on research, advocacy, and monitoring of socio-economic development, the environment and natural resources, budget, transparency, and anti-corruption. They are headquartered in Maputo and in the provinces where operations for prospecting and exploitation of natural resources is already occurring (Inhambane, Tete, Zambezia, Nampula, and Cabo Delgado).

The creation of the coalition takes place at a time when the Government is moving ahead with plans for Mozambique to join the Extractive Industry Transparency Initiative (EITI). This is an international program that seeks to guarantee transparency in the transactions between extractive industries and the Government in order to make clear what these industries pay the Government (in royalties, taxes, and other payments), what the Government registers as having received, and what amounts are actually used by the Government in public expenditures for the benefit of the nation.

This initiative also takes place in a context in which it has been verified in many countries rich in non-renewable resources that what the extractive industries declare as having paid to the Government differs substantially from what the Government registers as having received and used to finance its budget. This difference is frequently explained by acts of corruption by one or both of the parties.

Civil Society organizations in Mozambique praise and encourage the interest and promise of the Government of Mozambique to adhere to this initiative. They do this both due to the fact that mineral resources are not renewable and, therefore, their exploitation has an impact on the opportunities and options for inter-generational development, and due to the fact that under the constitution these resources belong to the State of Mozambique. Civil Society organizations reiterate that transparency and detail in the information made available in a timely manner are crucial for the society, as a whole, to be aware and participate in the correct management of the non-renewable resources in Mozambique.

The coalition now launched declares that the EITI in Mozambique should go beyond transparency and include other basic objectives, specifically:

- Guaranteeing that the extractive industries produce public income necessary for the creation of reserves and the promotion of broad and diversified development, compensating the fact that mineral resources are not renewable; such reserves and development help to remove

Mozambique from external dependence in the near future and permit the creation of new and better opportunities of development for the future and for new generations of citizens of Mozambique.

- Promoting productive linkages both upstream and downstream.
- Guaranteeing decent and dignified employment in the nation, specifically regarding salary levels, safety and hygiene conditions in the workplace, social packages for support of workers and their families, job training, collective bargaining agreements, and respect for the right of workers to join together to defend their interests.
- Assuring the constant protection and renovation of the environment favorable to the reproduction and improvement of the quality of life and sustainable opportunities of development for all, in the present and in the future.
- Overcoming conflicts of interest between different activities (conflicts between mineral exploitation and agriculture/tourism/fishing, etc.) and possible uses of national resources, taking into account the opportunity costs and the relative benefits for the nation and for communities to choose between extractive industries and other alternatives.

A coordinating committee for the EITI will be created shortly in Mozambique, composed of representatives of the Government, the extractive industries, and civil society organizations. The representatives of civil society organizations will develop their support teams (for investigation, gathering, processing, and analysis of information, for analysis and discussion of options, etc.) according to their aspirations and interests.

The coalition is an informal network organization and not a new organization. It is open to any other interested organizations in Mozambique. More details about the activities of the coalition for the year 2009 will be announced publicly after the group concludes its plan of activities, which is now being prepared.

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