

# Montepuez Ruby Mine Resettlement Project

## Background, process and progress

### Background and process to date

Within Montepuez Ruby Mine's (MRM) 340 km<sup>2</sup> concession there are five communities: Namanhumbir Sede, Nanune, Nseue, Nthoro (also known as Namucho) and Mpena. A number of these villages are situated on potentially mineralised areas of the mining concession and resettlements would be needed in order for MRM to access these areas, assess them and potentially carry out bulk-sampling operations. Throughout 2014, under the provisions made within Mozambique law (specifically the Law for Territorial Planning (Law N° 17/2007); Regulation for Territorial Planning (Decree N° 23/2008) and Regulation for Bodies Exhumation (Decree N°42/90)), MRM undertook the development of a resettlement action plan (RAP). This RAP not only followed national law, but followed international best practice including Performance Standard 5 (Land Acquisition and Involuntary Resettlement) of the International Financial Corporation Environmental & Social Performance Standards (IFC E&S PF), as well as meeting the principles of Free, Prior and Informed Consent (FPIC).

The RAP process involved extensive socio-economic mapping, community engagement, public consultation and a comprehensive census and a register of homeowners' assets including farmland. It should be noted that under Mozambican law, no-one (including companies) can own land. To have control of any development of land in Mozambique, a person or entity must hold a 'DUAT' (land rights). MRM applied for the acquisition of the DUAT at the same time as starting the resettlement process such that it could then exercise its activities under the concession and mining licence granted to it in 2011.

The socio-economic mapping and community engagement was carried out by a reputable third-party consultant and at the conclusion of this phase of the project, 2,017 households in these five communities, corresponding to some 8,679 individuals, were individually registered. Of these, Nthoro officially hosted 92 households and approximately 470 individuals. The number of people lodging in Nthoro swelled to several thousand from 2011 onwards with the influx of illegal miners and as word spread about the resettlement project and its promise of a new house, farmland and compensation.

Naturally only true residents had a right to participate in the resettlement project. Those that could be verified by village chiefs or had proof of having lived there ultimately numbered fewer than 500. After further consultation with the potentially affected communities and concerned government agencies throughout 2014, it was determined that only the residents of Nthoro would be resettled. In so doing, MRM's decision to avoid resettling any other community thereby satisfied the most important element of IFC E&S PF-5; avoidance of unnecessary involuntary resettlement.

Having completed the socio-economic mapping in 2015, MRM continued to engage national, regional and district stakeholders, as well as the community on the most appropriate location for a host area for the new resettlement village. Given the predominance of mining licences held by numerous parties across the wider Montepuez region, this exercise took considerable time. Understandably, the community did not want to be too far from the original Nthoro village or the economic hub of Namanhumbir. However, little viable and fertile land existed that was not already gazetted as mining licences and identification of a suitable area took considerable time. Throughout 2015 and 2016, MRM held further public consultations and engaged the Provincial and District RAP Oversight Committee (known locally by the acronym CTASR) regarding the technical construction plans. This process of public consultation included the building of a 'model house' at MRM, and which has been visited on a number of occasions by the to-be-affected community as part of the engagement phase. In 2017 an addendum to the census was carried out to account for natural growth in family numbers since the 2014 census (i.e this was to adjust for intra-community growth rather than new entrant families to Nthoro village), bringing the total to-be-affected families up from 92 to 105. By October 2017 all to-be-affected families had signed agreements regarding the resettlement and the size of houses they would be eligible for (see below).



*Images: Model-house located at the MRM camp and visit by to-be-affected community members*

In addition, MRM carried out a compensation exercise in respect of farmland and fruit trees covering 1,016 farmland areas, paying 20% above the statutory rate-card. This process was overseen by both government and civil society groups. Despite having all agreed to receive the supplemented amounts, some local community members demanded more compensation (apparently at the instigation of local NGO/civil society groups and others parties with a vested interest and opposed to the presence of MRM).

In August 2017, some 3 years after officially starting the public consultation phase, MRM received formal approval from the Mozambique National RAP Committee for the RAP (and the DUAT). Understandably, this was a considerable delay for the affected community. However, despite prompting administrators to expedite the application, the process was subject to assorted delays.

### **Specifications of the resettlement village**

The host area for the resettlement village (located approximately 5 kilometres from the existing Nthoro village) and will consist of the resettlement village, a vocational training centre and associated public spaces with the following land use:

Total area: 2,400 hectares (ha)

- 79 ha for replacement housing
- 200 ha for urban area expansion (to account for natural population growth)
- 1,000 ha for agriculture
- 500 ha for grazing and a community forest

As at September 2018, the current demographic of the to-be-resettled Nthoro community is eligible for the following types of houses:

- Smallest house type “TA3” (70m<sup>2</sup>) – 92 eligible households (an example of this type of household is on display at MRM)
- Medium house type “TA4a” (110 m<sup>2</sup>) – 10 eligible households
- Largest house type “TA4b” (144 m<sup>2</sup>) – 3 eligible households

Each house will have an external kitchen and toilet block and is fitted with rain-water harvesting. MRM will provide street-side access to public water systems and electricity grid connection points should residents wish to connect to them. The householders plot is 2 hectares of which 1 hectare is reserved for their own farming needs. Using the existing skills and training that MRM has provided to farmers through its 'Conservation Farming' initiative, the newly resettled families will be able to develop their farm plots to be more productive than previously. In addition to the village, under the requirements of the RAP, MRM will develop the following community infrastructure and provide assistance to the community for a period of two years post completion of the resettlement village:

- A church, a mosque and relocation of any burial sites and cemeteries
- Community hall
- Primary school
- Police station
- Health clinic
- Business structures including a market, kiosk, etc
- Roads, fencing, drainage and septic sanitations.

An important aspect of the development of the resettlement village is that MRM is aiming to set up a Vocational Training Centre (VTC) and train 300 local people a year, partnering with the Mozambican Government's vocational training department (IFPELAC) and MRM has signed an MOU with the Ministry of Labour to that end. The VTC is in advanced stage of construction located adjacent to the RAP host area. Training of the first batch of 100 young men and women drawn from the adjacent villages commenced in July 2018 from a temporary location at Nthoro school building. These people, once trained, are expected to be part of the construction of the RAP village. Once the VTC building is complete, training will be relocated to it. Local people, some of whom come from the to-be-affected community, will be trained to carry out construction skills such as bricklaying, carpentry, plumbing, electrical installation. At the end of the process, each individual will receive a national vocational training certificate from IFPELAC which can be used in the local labour market as and when new construction projects become established. MRM has a 7-year relationship with IFPELAC and over that time 2,000 individuals will be trained through the MRM VTC.



*Images: Nthoro temporary VTC awaiting completion of permanent VTC adjacent to the RAP host area at Namanhumbir*

The resettlement of the affected entities solely is not the only responsibility of MRM. It is also necessary to restore livelihoods and a priority will be given to the development of rural agricultural projects, given that the majority of the affected population rely on agriculture for their livelihood. Chicken farming and goat breeding projects will be introduced in local communities, which can easily find market in the region and at the MRM camp. The existing ‘conservation farming’ initiative will be extended into the resettlement village to ensure that all new householders will be equipped to maximise the fertility and production of their land.

### **Current status**

Given the decision not to resettle four of the five village communities within the MRM concession, the MRM RAP has strictly followed Mozambican legislative procedures and has been subject to delays arising from a complex public and administrative process. The Nthoro residents have been fully

included in the process, according to FPIC principles, and provided with ongoing information about the delays.

Whilst the issuance of the RAP approval in August 2017 signified the official administrative stamp of approval for the RAP process, however in order for MRM to start construction on the project, ground-breaking ceremony was required to be solemnised by a designated government authority marking moratorium of the project which officially draws a line under the number of eligible families included within the RAP (and meaning that new arrivals to Nthoro village cannot claim to be residents eligible for resettlement and compensation). The ground-breaking ceremony took place on 3 April 2018 in the presence of the Governor of Cabo Delgado province, Julio Parruque. MRM experienced challenges in finding suitably qualified contractors to tender for the construction phase, leading to further delays. A contractor has now been identified and construction is expected to commence during Q4 2018. Clearing the land and survey in the host area has been completed in preparation for construction. MRM has also been engaging with farmers who may be affected by the construction phase, and has compensated them accordingly.

MRM's dedicated resettlement team continues to liaise with the Nthoro community and their leaders to reassure them that they will be resettled according to the agreements that they signed. MRM is committed to the project and to resettle the community as expediently as possible.

Occupation of the completed resettlement village is expected during the first half of 2020.