

Validation of Mozambique:

Final assessment of progress in
implementing the EITI Standard

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Acronyms

AMOPI	Association of Mozambican International Oil Operators
APR	Annual Progress Report
AT	Autoridade Tributaria (Tax Authority)
CCIE Industries)	Coligação Cívica sobre a Indústria Extrativa (Civic Coalition on Extractive Industries)
CFM	Caminhos de Ferro de Moçambique (Mozambique Ports and Railways)
CIP	Center for Public Integrity (Centro de Integridade Pública)
CMG	Companhia Moçambicana de Gasoduto
CMH	Companhia Moçambicana de Hidrocarbonetos
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
CTV	Centro Terra Viva
EITI	Extractive Industries Transparency Initiative
EMEM	Mozambique Mining Exploration Company
ENH	National Enterprise of Hydrocarbons
EPCC	Exploration and Production Concession Contract
GDP	Gross Domestic Product
GIZ	Gesellschaft für Internationale Zusammenarbeit
IA	Independent Administrator
IGEPE	Mozambique Institute of Management of State Holdings
INAMI	National Mining Institute
INP	National Petroleum Institute
LNG	Liquefied Natural Gas
MAGTAP	Mozambique Mining and Gas Technical Assistance Project
MEF	Ministry of Economy and Finance
MGC	Matola Gas Company
MGJ	Million Gigajoules
MIREME	Ministry of Mineral Resources and Energy
MITADER	Ministry of Land, Environment and Rural Development
MSG	Multi Stakeholder Group
MZN	Mozambican Metical
NUIT	Individual Tax Identification Numbers
ROMPCO	Republic of Mozambique Pipeline Investments Company
SNJ	National Syndicate of Journalists
SOE	State Owned Enterprise
TA	Tribunal Administrativo (Administrative Court)
TOR	Terms of Reference
USD	United States Dollar
ZAR	South African Rand

Executive summary

This Validation report presents the findings of the International Secretariat's Validation of Mozambique, which commenced on 1 October 2022. The draft report was finalised for review by the multi-stakeholder group (MSG) on 29 March 2023 and submitted to translation into Portuguese. Following comments from the MSG received on 10 May, the Validation report was finalised for consideration by the EITI Board. The assessment suggests that Mozambique has exceeded two EITI Requirements, fully met 18, mostly met eight, and partly met two requirements, with two requirements assessed as not applicable.

Mozambique's previous Validation under the 2016 EITI Standard was concluded in October 2019 ([Board decision 2019-57](#)). The Validation established 14 corrective actions for Mozambique to address. This Validation assess progress in addressing the corrective actions in accordance with the 2019 EITI Standard.

Key achievements

- Strong government engagement and an effective multi-stakeholder group (MSG) have helped to make the EITI in Mozambique more relevant for addressing national extractive sector governance challenges, such as the distribution of revenues to the subnational level. The MSG and EITI reporting are contributing to policy dialogue in the sector, and different government agencies are following up on EITI recommendations. EITI has become more entrenched in broader extractive sector governance.
- Transparency around state-owned enterprises (SOEs) has improved as a result of a thematic study and increased systematic disclosures. While some gaps remain, the public now has a clearer understanding of the financial relationship between the state and SOEs, as well as the role that SOEs play in the extractive sector.
- The comprehensiveness of EITI disclosures has improved, and EITI reporting has led to improvements in revenue data management. The scope of reporting exceeds the requirements by covering, for example, environmental disclosures and information about cost audits. This responds to demand from stakeholders, and there are further opportunities to deepen these disclosures.

Areas for development

- Progress on beneficial ownership transparency (BOT) has been limited. Given the importance of BOT for addressing corruption risks in the extractive sector, establishing a legal framework and setting up a public BO register should be prioritised by the government.
- The MSG and civil society, in particular, have undertaken outreach activities in communities affected by extractive activities, and civil society conveys their concerns to the MSG. Nevertheless, there are further opportunities to ensure that EITI disclosures are

relevant to communities, and that they have opportunities to engage in extractive sector governance.

- Mozambique is expected to receive significant revenues from natural gas in the coming years. This presents an opportunity for EITI to inform the public about revenue projections and related uncertainties, to increase awareness about potential revenue loss risks and to ensure accountability in how the funds are managed.
- The sustainability of the EITI process should be ensured by securing sustainable funding and by deepening systematic disclosures. This should involve timely disclosure of extractive sector data in open format, which facilitates analysis.

Progress in implementation

EITI Validation assesses countries against three components – “Stakeholder engagement”, “Transparency” and “Outcomes and impact”.

Stakeholder engagement

The MSG continues to function as an effective platform for multi-stakeholder dialogue. For the most part, stakeholders are engaging effectively. Government engagement in the EITI has strengthened, and the process has become more embedded in efforts to improve governance in the extractive sector. Civil society has experienced internal coordination challenges, but remains an active user of EITI data and participates in the MSG’s work effectively. Industry engagement appears to have improved, but there is scope to further broaden company participation in the design and implementation of EITI.

Transparency

The comprehensiveness of disclosures has improved on several fronts since the previous Validation in 2019. The 2021 SOE Study clarified the role of state-owned enterprises, contracts are publicly available, and reporting of payments is more comprehensive. Progress on beneficial ownership transparency has been very limited. Much of the non-financial data is systematically disclosed, although it is not available in open format. EITI reporting could usefully focus on reviewing the comprehensiveness and reliability of systematic disclosures.

Outcomes and impact

Public interest appears to focus in particular on two issues: the allocation of the 2.75% of production tax transferred to host communities, and the management of future gas revenues. EITI has contributed to both debates, providing civil society a platform to raise issues and request information to support advocacy efforts. Academia and civil society are analysing contracts to inform public debate on the extractive sector. The MSG has provided input to the development of legislation on subnational transfers and the sovereign wealth fund. The national secretariat is housed in the Ministry of Mineral Resources and Energy (MIREME) and has access to different levels of government decision making. EITI recommendations are being systematically followed up.

Validation scorecard

Component & module	EITI Requirement	Progress	Score	
Outcomes and impact		Moderate	82/100	
Extra points	Effectiveness and sustainability indicators		2	
Outcomes and impact	Work plan (#1.5)	Fully met	90	↑
	Public debate (#7.1)	Fully met	90	↑
	Data accessibility and open data (#7.2)	Partly met	30	-
	Recommendations from EITI (#7.3)	Exceeded	100	↑
	Outcomes & impact (#7.4)	Fully met	90	=
Stakeholder engagement		High	86.5/100	
Multi-stakeholder oversight	Government engagement (#1.1)	Fully met	90	=
	Industry engagement (#1.2)	Mostly met	75	↑
	Civil society engagement (#1.3)	Fully met	90	=
	MSG governance (#1.4)	Fully met	90	=
Transparency		Moderate	79/100	
Overview of the extractive industries	Exploration data (#3.1)	Fully met	90	=
	Economic contribution (#6.3)	Fully met	90	↑
Legal and fiscal framework	Legal framework (#2.1)	Fully met	90	=
	Contracts (#2.4)	Fully met	90	-
	Environmental impact (#6.4)	Not assessed	-	-
Licenses	Contract and license allocations (#2.2)	Mostly met	75	↑
	License register (#2.3)	Exceeded	100	↑
Ownership	Beneficial ownership (#2.5)	Partly met	30	-
State participation	State participation (#2.6)	Mostly met	60	↑
	In-kind revenues (#4.2)	Mostly met	60	=
	SOE transactions (#4.5)	Fully met	90	↑
	SOE quasi-fiscal expenditures (#6.2)	Mostly met	60	-
Production and exports	Production data (#3.2)	Fully met	90	=
	Export data (#3.3)	Fully met	90	=
Revenue collection	Comprehensiveness (#4.1)	Fully met	90	↑
	Barter agreements (#4.3)	Not applicable	-	-
	Transportation revenues (#4.4)	Fully met	90	=
	Disaggregation (#4.7)	Fully met	90	=
	Data timeliness (#4.8)	Fully met	90	=
	Data quality (#4.9)	Mostly met	60	=
Revenue management	Distribution of revenues (#5.1)	Fully met	90	=
	Revenue management & expenditures (#5.3)	Not assessed	-	-
Subnational contributions	Direct subnational payments (#4.6)	Not applicable	-	↑
	Subnational transfers (#5.2)	Mostly met	75	↑
	Social and environmental expenditures (#6.1)	Mostly met	60	=
Overall score		Moderate	82.5/100	

How EITI Validation scores work

Component and overall score

The three components of EITI Validation – “Transparency”, “Stakeholder engagement” and “Outcomes and impact” – each receive a score out of 100. The overall score represents an average of the component scores.



Assessment of EITI Requirements

Validation assesses the extent to which each EITI Requirement is met, using five categories. The component score is an average of the points awarded for each requirement that falls within the component.



- **Exceeded** (100 points): All aspects of the requirement, including “expected”, “encouraged” and “recommended” aspects, have been implemented and the broader objective of the requirement has been fulfilled through systematic disclosures in government and company systems.
- **Fully met** (90 points): The broader objective of the requirement has been fulfilled, and all required aspects of the requirement have been addressed.
- **Mostly met** (60 points): Significant aspects of the requirement have been implemented, and the broader objective of the requirement is mostly fulfilled.
- **Partly met** (30 points): Significant aspects of the requirement have not been implemented, and the broader objective of the requirement is not fulfilled.
- **Not met** (0 points): All or nearly all aspects of the requirement remain outstanding, and the broader objective of the requirement is far from fulfilled.
- **Not assessed**: Disclosures are encouraged, but not required and thus not considered in the score.
- **Not applicable**: The MSG has demonstrated that the requirement doesn’t apply.

Where the evidence does not clearly suggest a certain assessment, stakeholder views on the issue diverge, or the multi-stakeholder group disagrees with the Secretariat’s assessment, the situation is described in the assessment.

1. Effectiveness and sustainability indicators

The country is awarded 0, 0.5 or 1 point for each of the five indicators. The points are added to the component score on Outcomes and impact.

1.1 National relevance of EITI implementation

This indicator considers the extent to which EITI implementation in Mozambique addresses nationally relevant extractive sector challenges and risks.

The major areas of stakeholder interest relate to future gas revenues and the redistribution of gas and mining royalties to the local level, as well as the local impact of extractive activities more broadly. Mozambique is set to become one of the largest exporters of gas globally, a development fast-tracked by the current energy crisis. Mozambique also produces rubies, coal, and there is potential and appetite to further develop the transition minerals sector. The fiscal regime is highly centralised, and there are debates about the distribution of benefits from natural resources. A conflict has marred the northern province of Cabo Delgado, home to the large gas reserves and significant gemstone deposits, since 2017. The discovery of over USD2bn of hidden government debt in 2016 plunged Mozambique into an economic crisis from which it is still recovering. The scandal led to reforms in legislation governing SOEs and increased transparency on public debt.

EITI implementation is increasingly addressing these key extractive sector governance issues in Mozambique. EITI has led to the disclosure of petroleum and mining contracts, which has enabled analysis of the fiscal framework, including revenue forecasting. The role of SOEs in the extractive sector has been clarified through a thematic study published in 2020, as well as through EITI Reports. These documents, alongside SOEs' financial statements, include information about SOEs' loans and state guarantees. EITI Reports have informed debate about subnational revenue transfers and contributed to clarifications in the framework regulating these allocations. EITI Reports include summary information about the legal framework for managing environmental impact, as well as findings from environmental monitoring.

The MSG has provided input to a draft law establishing a Sovereign Wealth Fund (SWF) to manage gas revenues, calling for transparency. The Ministry of Economy and Finance (MEF) is conducting revenue forecasting to inform the management of the fund. Revenue projections and scenarios would be a valuable addition to public debate, and could help increase public understanding about the expected timing and volume of revenues.

A fraud case was discovered as part of EITI reporting. A company's employees had embezzled funds from the company and the government by fabricating revenue payment receipts, in collusion with employees from the revenue authority. The fraud continued for several years, the value of lost revenues being MZN25m (approx. USD 350k) in just 2020. EITI reported the case to authorities, which investigated it. The individuals faced criminal charges, and the company was ordered to make the missing payments to the government. As far as the Secretariat is aware, this is a unique case globally of reconciliation uncovering purposeful fraud.

There are further opportunities to use the EITI process to increase public understanding about future gas revenues and to strengthen the relevance of the EITI to local communities.

The Secretariat proposes that 0.5 additional points be added to the score on Outcomes and impact for this indicator.

1.2 Systematic disclosures of extractive industry data

The regulators INAMI (mining) and INP (petroleum) disclose information about laws, licenses, contracts, production and exports on their websites. SOEs, including the national oil company ENH, disclose their annual audited financial statements. The state budget, the budget execution report and state audit reports include information about, for example, subnational transfers. Revenue and payment data is currently only disclosed through EITI reporting. There is a project underway to establish an electronic platform for reporting EITI data. The platform could reduce data collection costs and improve the timeliness of reporting. However, it will be important to ensure sustainable transparency by continuing to systematically disclose information through government websites.

The Secretariat proposes that 0.5 additional points be added to the score on Outcomes and impact for this indicator.

1.3 Environment for citizen participation in extractive industry governance

This indicator considers the extent to which there is an enabling environment for citizen participation in extractive sector governance, including participation by affected communities.

Based on stakeholder consultations and available evidence, the environment for citizen participation appears to differ according to the region. In Maputo, CSOs have opportunities to undertake advocacy related to ongoing reforms. Some consulted stakeholders noted that sometimes advocacy was only possible after a bill had been submitted to parliament.

The MSG and CSOs involved in the EITI organise outreach and consultation events in affected communities, as well as training for journalists at regional level. However, several stakeholders noted that at the local level, there were few opportunities for participation beyond formal consultation events. They also noted that obtaining authorisation for protests was challenging.

The conflict in Cabo Delgado is limiting opportunities for citizen participation in northern Mozambique. Some consulted stakeholders noted that efforts to improve security had focused on securing gas operations, while little had changed for the affected population.

The Secretariat proposes that zero additional points be added to the score on Outcomes and impact for this indicator.

1.4 Accessibility and use of extractive industry data

This indicator considers the extent to which extractive sector data is accessible and used for analysis, research and advocacy.

Civil society, media and academia actively utilise EITI data and extractive contracts to undertake research, analysis and advocacy on, for example, the fiscal regime, future revenues and revenue loss risks. EITI Reports are considered a comprehensive and reliable source of data that functions as a convenient compilation of relevant information. Unfortunately, systematically disclosed production and export data is not available in open format (see Requirement 7.2).

There are opportunities to improve the accessibility of data, in particular at community level and in open format. Consulted stakeholders noted that language, lack of internet access and illiteracy create barriers for use of information. Accessing documents, such as environmental impact assessment, was also considered challenging at the local level.

The Secretariat proposes that 0.5 additional points be added to the score on Outcomes and impact for this indicator.

1.5 EITI-related changes to extractive industry policy and practice

This indicator considers the extent to which EITI has informed changes in extractive sector policies and practices.

Over the years, EITI implementation has led to transparency provisions being introduced in sector legislation (e.g. 2014 Mining Law and Petroleum Law). More recently EITI has contributed to the introduction of transparency provisions in the law on the Sovereign Wealth Fund and motivated clarifications in the rules for allocating subnational transfers. SOE transparency has improved, although it is challenging to attribute this to the EITI.

The Secretariat proposes that 0.5 additional points be added to the score on Outcomes and impact for this indicator.

2. Outcomes and impact

This component assesses EITI Requirements 7 and 1.5, which relate to progress in addressing national priorities and public debate.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced at the end of this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
Work plan (Requirement #1.5)	The Secretariat's assessment is that Requirement 1.5 is fully met. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation.

<p><i>Fully met</i></p>	<p>The objective of this requirement is to ensure that the annual planning for EITI implementation supports implementation of national priorities for the extractive industries while laying out realistic activities that are the outcome of consultations with the broader government, industry, and civil society constituencies. The annual EITI work plan should be a key accountability document for the MSG vis-à-vis broader constituencies. The Secretariat's assessment in light of stakeholder consultations is that this objective has been met. Objectives and activities for EITI implementation appear to reflect national priorities and stakeholders' interests.</p> <p>The 2022 work plan is linked to the EITI principles and supports implementation of national priorities for the extractive industry, as articulated in policy documents such as the Mineral Resources Policy and Strategy (2013), the Master Plan for the Gas Sector (2014), and the Social and Business Responsibility Policy for the Extractive Industry (2014). This reflects the shaping of extractive sector policies in 2013-2014, following the discovery of large gas reserves.</p> <p>The 2022 workplan was developed through a consultative process that engaged stakeholders beyond the MSG. Civil society and industry constituencies used their own platforms to coordinate comments and input to the work plan.</p> <p>The objectives and activities reflect stakeholders' priorities and recommendations from Validation and EITI reporting. They cover issues such as SOE transparency, ASM, subnational transfers, transport revenues, contract transparency and social expenditure. These align with the priorities indicated by stakeholders in consultations.</p> <p>The work plan objectives were developed to ensure that the EITI process contributes to systematic disclosure of data and contract disclosure, including preparation of a decree on subnational transfers (2.75% to the districts) and government reforms on beneficial ownership disclosure in the revision of the Commercial Code. It also includes capacity-building and outreach activities.</p> <p>The work plan is available to the public, as it is published on the EITI Mozambique website. It builds on a results-based approach with clear activities, expected outcomes and key deliverables. It is time-bound and indicates the responsible party, while the traffic light colour scheme is used to indicate the status of completion. At the time of the latest annual update, 36 activities had been completed, 18 were ongoing and 14 had not started. Challenges related to funding constraints, considering the end of the MAGTAP project, are reflected in the work plan as there are some funding gaps for some uncompleted activities.</p>
<p>Public debate (Requirement #7.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 7.1 is fully met. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation. The corrective action is focused on improving the accessibility of data.</p> <p>The objective of this requirement is to enable evidence-based public debate on extractive industry governance through active communication of relevant</p>

	<p>data to key stakeholders in ways that are accessible and reflect stakeholders' needs. Based on available evidence and stakeholder consultations, the Secretariat's assessment is that the objective has been met.</p> <p>Mozambique EITI has undertaken efforts to disseminate the findings from EITI reporting. The EITI publications were made in Portuguese and English. Alongside the main report, a summary was produced. The dissemination of the EITI reports was carried out at national level and in the extractive provinces of Zambezia, Manica, Tete, Inhambane and Nampula.</p> <p>A number of outreach events were organised to raise awareness and facilitate dialogue on governance of extractive resources and to promote EITI Reports, at national and provincial levels, from December 2019 to April 2022 is provided in Mozambique's 'Outcomes and impact' template for this Validation. Workshop and training sessions were also provided for parliamentarians and journalists on the EITI process and transparency for the extractive sector.</p> <p>The dissemination of EITI activities was carried out on the Radio Moçambique, which has the greatest coverage at national level, where 40 programs on EITI were broadcasted from June to December 2021. Community radios were also used to disseminate information to beneficiary communities in local languages.</p> <p>In general, dissemination of information about the EITI has increased public interest in the topic and civil society engagement on revenues from the extractive industry, social benefits and environmental impacts. These efforts have been undertaken successfully despite the security concerns in northern Mozambique, the COVID-19 pandemic, and several cyclones in the period under review.</p> <p>Due to funding constraints, considering the end of the MAGTAP project, activities related to improve the dissemination of EITI 2020 Report and produce informative material on the EITI have so far been limited. However, a launch event for the 2020 EITI Report, published in September 2022, was organised in Maputo. The national secretariat is seeking funding to undertake further outreach activities.</p>
<p>Data accessibility and open data (Requirement #7.2)</p> <p><i>Partly met</i></p>	<p>The Secretariat's assessment is that Requirement 7.2 is partly met. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation. The previous assessment was conducted under the 2016 EITI Standard.</p> <p>The objective of this requirement is to enable the broader use and analysis of information on the extractive industries, through the publication of information in open data and interoperable formats. The Secretariat considers the objective to be partly met. Summary data files are published in open format, but there is room to improve the accessibility of systematically disclosed data. All data from EITI Reports is not available in open format,</p> <p>The Outcomes and impact file notes that EITI does not have an open data policy, and not all data from EITI Reports is available in open format.</p>

	<p>Mozambique has disclosed on the Mozambique EITI website summary data files for the EITI Report covering 2020. Other data from EITI Reports is only available in PDF format. The EITI International website has a Mozambique EITI open data policy from 2016. The policy does not appear to be in use any longer.</p> <p>Data on, for example, production and exports, is also systematically disclosed, but not available in open format. Companies expressed some concerns about publishing information in an open format as competitors can appropriate and commercially use this information. On the other hand, regulators are concerned that information can be distorted by users. Efforts continue to reach consensus regarding the dissemination of data in an open format. This position was confirmed in the MSG’s feedback on the draft Validation report.</p> <p>As part of MAGTAP support, an electronic platform for data collection and reporting was created, and equipment was purchased for EITI reporting purposes. The programme ran out before it could be completed. The national secretariat has requested funds from MIREME to complete it.</p>
<p>Recommendations from EITI implementation (Requirement #7.3)</p> <p><i>Exceeded</i></p>	<p>The Secretariat’s assessment is that Requirement 7.3 is exceeded. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure that EITI implementation is a continuous learning process that contributes to policy-making, based on the MSG regularly considering findings and recommendations from the EITI process and acting on those recommendations it deems are priorities. Based on available evidence and stakeholder consultations, the Secretariat considers the objective exceeded. Ministerial level and MSG oversight of follow-up on recommendations has been exceptionally effective in addressing recommendations from EITI reporting and the previous Validation.</p> <p>Corrective actions from previous Validation reports were incorporated in the work plan. The national secretariat prepared a template to monitor the status of these actions, listing the entities responsible for implementation. It was noted that some activities in this template are still ongoing. Stakeholder consultations demonstrated that the government has systematically followed up on recommendations from EITI Reporting and from the previous Validation, developing matrices that indicate responsibilities.</p> <p>The Outcomes and impact file demonstrates that the MSG has actively contributed to the development of extractive sector policies, including participation in public consultations for the establishment of the Sovereign Fund, debates on subnational payment (2.75%) and engagement with the process to review the Commercial Code.</p> <p>Regarding the recommendation to assess the economic contribution of the informal mining sector, a census of informal miners was carried out, assessing the techniques applied, markets, environmental protection, and their location. This report was conducted by INAMI and is expected to help to define policies for this subsector, including an estimate of their economic</p>

	<p>contribution. The report was published in March 2023, but is dated October 2022.</p> <p>The Outcome and Impacts template list the following lessons learned from the EITI implementation in Mozambique:</p> <ul style="list-style-type: none"> - Need for further outreach activities and dissemination of EITI reports to all districts and localities where extractive industry activities take place. - Need to provide training and capacity building to Members of the Coordination Committee and the National Secretariat. - Need to promote reforms in the Mozambican legislation to adapt to the EITI Standard. - Regarding subnational payments, there is a need to define beneficiary community and allocation formula of 2.75%. - Need to empower local communities about their rights and benefits. - Need to expand the number of entities and the range of people from the extractive sector involved in the EITI implementation.
<p>Review the outcomes and impact of EITI implementation (Requirement #7.4)</p> <p><i>Fully met</i></p>	<p>The Secretariat’s assessment is that Mozambique has fully met Requirement 7.4. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure regular public monitoring and evaluation of implementation, including evaluation of whether the EITI is delivering on its objectives, with a view to ensuring the EITI’s own public accountability. Based on available documentation and stakeholder consultations, the Secretariat’s assessment is that the objective has been met.</p> <p>The 2021 Annual Progress Report (APR) documents progress in implementing the work plan, while the Outcome and Impact file contains a review of the EITI impact in Mozambique, which includes the following:</p> <ul style="list-style-type: none"> - Use of extractive sector data by civil society, media and other national and international entities. The dissemination of information on EITI enables public interest and civil society engagement on revenues from the extractive industry, mining procedures, social benefits, and environmental impacts. - EITI involvement in the discussions related to the establishment of the Sovereign Wealth Fund. - EITI actively participated in the discussions for the creation of the decree that regulates subnational transfers (2.75%) - Study of the state participation in the extractive sector (SOEs). - To improve the collection of tax revenues and reduce discrepancies, the Tax Authority of Mozambique started to adopt a new model for the extractive industry, using an exclusive unit per project. <p>Considering the process of consolidating the implementation of the EITI in Mozambique, the Outcome and Impact file listed additional impacts to be considered, although evidence for these is not documented:</p>

	<ul style="list-style-type: none"> - Making the extractive sector more sustainable, as a key driver of the economy. - Attracting investment. - Increasing trust in governance and management of the extractive industry. - Reducing corrupt practices in the extractive industry. - Reducing the risk of conflicts and social upheavals. <p>Regarding gender, EITI Mozambique has participated in several forums on the matter with a focus on women's participation in the extractive sector, assessing its benefits and impacts.</p> <p>The 2021 APR and the Outcomes and impact file also include an overview of activities undertaken by EITI Mozambique, and progress in addressing recommendations and achieving work plan objectives. An explicit analysis of progress made towards addressing each EITI Requirement is not presented, but actions to follow up on gaps identified have been included.</p> <p>Based on stakeholder consultations, stakeholders beyond MSG members had the opportunity to provide input to the review of outcomes and impact through the constituency coordination mechanisms.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 1.5, the multi-stakeholder group (MSG) is encouraged to agree an updated work plan for 2023 and secure resources for achieving objectives. The MSG is encouraged to consider new activities that reflect stakeholders' priorities, including objectives directly related to anti-corruption and the impact of the energy transition. • To strengthen implementation of Requirement 7.1, the multi-stakeholder group (MSG) is encouraged to undertake outreach activities to disseminate findings from the 2020 EITI Report to communities affected by extractive activities and to continue engagement with journalists and the Parliament. Mozambique is encouraged to use the EITI process to inform public debate on the commencement and impact of large-scale natural gas projects. • In accordance with Requirement 7.2, Mozambique is required to disclose all EITI data in open format online. EITI Mozambique should agree a clear open data policy. Government agencies and companies are encouraged to disclose data related to the extractive sector in open format to facilitate its use. • To strengthen implementation of Requirement 7.4, Mozambique is encouraged to assess the impact of 14 years of EITI implementation in Mozambique. 	

3. Stakeholder engagement

This component assesses EITI Requirements 1.1 to 1.4, which relate to the participation of constituencies and multi-stakeholder oversight throughout the EITI process.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Government engagement (Requirement #1.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 1.1 is fully met. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation. Government engagement in the EITI appears to have strengthened since the previous Validation.</p> <p>The objective of this requirement is to ensure a full, active and effective government lead for EITI implementation, both in terms of high-level political leadership and operational engagement, as a means of facilitating all aspects of EITI implementation. The Secretariat's assessment is that the objective has been met.</p> <p>The integration of the national secretariat within MIREME has helped to embed the EITI process within the government system, facilitating information sharing and increasing the EITI's impact on reforms. This was formalised through a Ministerial legal despatch of 21 March 2022. The National Coordinator is a member of MIREME's council, which meets weekly. The MSG is effectively chaired by the Minister of Mineral Resources and Energy, currently Carlos Zacharias. Stakeholder consultations and documentation suggest that high-level engagement has been strong in the period under review, and the national secretariat is providing effective support to the MSG. The government is covering the costs of the secretariat. There is effective coordination between government agencies to follow up on EITI recommendations.</p>
<p>Industry engagement (Requirement #1.2)</p> <p><i>Mostly met with considerable improvements</i></p>	<p>The Secretariat's assessment is that Requirement 1.2 is mostly met with considerable improvement. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure that extractive companies are fully, actively and effectively engaged in the EITI, both in terms of disclosures and participation in the work of the multi-stakeholder group, and that the government ensures an enabling environment for this. Based on stakeholder consultations and available documentation, the Secretariat's assessment is that the objective has been mostly met. Consulted stakeholders noted that while some individuals from companies participated actively in the MSG's work, there was a lot of rotation in representation at meetings.</p> <p>The oil and gas industry is organised through the AMOPI association of oil and gas operators, which has five member companies. The current Chair of AMOPI is from Sasol. EITI information is shared at meetings and through a mailing list. AMOPI and the Chamber of Mines has two members and two alternated on the MSG each. The mining sector is represented by the Chamber of Mines.</p>

	<p>Established in 2012, the operations of the Chamber of Mines stagnated for several years, being revived only in 2022. At the lowest point, the Chamber had only three members companies. Following outreach prompted by MIREME, the Chamber now has 53 members and an executive director, who is also an MSG member. Seventeen of the members are small-scale mining companies. The revitalisation of the Chamber was formalised in October 2022 with a General Assembly. The Chamber also has a Board and committees. The revitalisation of the Chamber holds opportunities for strengthening company engagement in the EITI. The Chamber mailing list includes both member and non-member companies.</p> <p>For both petroleum and mining companies, there is room to improve the level of engagement in the EITI. Company representatives participate in EITI events and provide data for EITI reporting, but they do not appear to be actively driving the EITI process or using EITI data. Consulted companies considered EITI important for increasing public understanding about the sector and the benefits it creates, as well as about the tax regime and compliance. More active and coordinated engagement by companies could help to ensure that EITI implementation responds to companies' objectives. Industry could also help to overcome challenges related to disclosures of, for example, beneficial ownership information and help to improve the accessibility of information on social expenditures and environmental monitoring.</p>
<p>Civil society engagement (Requirement #1.3)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 1.3 is fully met. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation.. The enabling environment for civil society participation in extractives governance should continue to be monitored and safeguarded.</p> <p>The objective of this requirement is to ensure that civil society is fully, actively and effectively engaged in the EITI process, and that there is an enabling environment for this. The active participation of civil society in the EITI process is key to ensuring that the transparency created by the EITI can lead to greater accountability and improved governance of oil, gas and mineral resources. The provisions related to civil society engagement seek to establish the conditions that permit this to occur over time. The Secretariat's assessment is that the objective is met.</p> <p><u>Operation, association and expression:</u> There does not appear to have been significant changes in the enabling environment for citizen engagement since the previous Validation in 2019. Mozambique's score in the Freedom of the World assessment deteriorated from 51/100 points in 2019 to 43/100 in 2022, but remained "partly free".</p> <p>Civil society has raised concerns over a draft NGO law that has been presented to the Parliament. The proposed law would tighten reporting and disclosure requirements for NGOs, responding to recommendations on anti-money laundering raised by a FATF assessment. Civil society considers that the law would restrict its freedom of operation and could be used to silence critical CSOs. A broad coalition has campaigned against the proposed legislation, and presented an alternative proposal for revisions. Consulted civil</p>

	<p>society stakeholders consider the proposed law to reflect a narrowing civic space.</p> <p>They noted that the government had become more restrictive towards demonstrations, which were commonly either not authorised or were met with repression. The Secretariat is not aware of any cases of the authorities restricting civil society from organising public events related to extractive sector governance. Some consulted partners also noted concerns regarding a draft media law, which could make it more difficult and costly for foreign media and journalists to operate in the country.</p> <p>However, consulted stakeholder confirmed that there is freedom of expression, operation and association when it comes to matters related to extractive sector governance. CSOs on and outside the MSG publish critical analysis of the government and companies, including calling out rent-seeking and corruption in the extractive sector and naming high-level individuals. There do not appear to be any no-go topics that civil society or media would avoid discussing in public or at the MSG.</p> <p>CSOs engaged in the EITI are active also in affected communities. EITI-related issues, such as subnational transfers and the social and environmental impact of mining are discussed at civil society events at the local level. Several CSOs represented on the MSG originate from areas affected by extractive activities. The conflict in Cabo Delgado has restricted opportunities to undertake activities in the province. A consulted CSO stakeholder notes that they were discussing with companies the possibility of resuming activities there. Consulted stakeholders noted that operating in affected communities required coordinating with local authorities and that often a local government representative would attend events. However, they did not consider that this had restricted the activities or opportunities to speak freely.</p> <p><u>Engagement:</u> Civil society is represented in the EITI process through two coalitions: Plataforma da Industria Extractiva (Plataforma) and Coligação Cívica para Indústria Extractiva (Coligação). The latter was established following an internal conflict within the Plataforma. The conflict was related to disagreement regarding how the Plataforma should be managed and the role of a particular organisation.</p> <p>The two coalitions agreed to split the seats on the MSG. In 2020, MIREME requested both coalitions to nominate two members and two alternates for the MSG. The Plataforma, which has 20 member organisations, undertook a nomination process through its General Assembly. The Coligação, which has only five members, agreed on MSG members at coordinating committee meeting. While there appears to be little formal interaction between the two coalitions, consultations suggest that individuals on the MSG coordinate positions. The Plataforma has established procedures for nominating MSG members, sharing information and collecting views from the constituency. The Coligação is a looser group, and there appears to be limited information sharing on the EITI between the MSG members and others. The Coligação also does not have a process for new members to enter, which restricts its representativeness of the broader constituency.</p>
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	<p>The disagreements between the two coalitions appear to have been mostly addressed. While it is positive that the constituency has managed to find practical solutions for working together and participating in the EITI effectively, it should improve its internal coordination mechanisms. When members are selected for the MSG's next mandate, the nomination process should be carefully documented and open to all CSOs that meet the criteria defined by the constituency.</p> <p><u>Access to public decision-making:</u> CSOs engaged in the EITI undertake advocacy activities related to extractive sector governance and civic space, including on the allocation of subnational transfers and the planned NGO law. There do not seem to have been significant changes in access to public decision-making in the period under review. Consulted civil society representatives noted that timely information on planned and ongoing reforms would be helpful. Information about the content of draft laws was often available only once the files were submitted to Parliament for its consideration.</p>
<p>Multi-stakeholder group (Requirement #1.4)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 1.4 is fully met. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure that there is an independent MSG that can exercise active and meaningful oversight of all aspects of EITI implementation that balances the three main constituencies' (government, industry and civil society) interests in a consensual manner. As a precondition for achieving this objective, the MSG must include adequate representation of key stakeholders appointed on the basis of open, fair and transparent constituency procedures, make decisions in an inclusive manner and report to wider constituencies. The Secretariat's assessment based on stakeholder consultations is that the objective is met.</p> <p>Documentation and stakeholder consultations suggest that the MSG is functioning effectively. The MSG oversees the production of EITI Reports, approves work plans and other documents, organises outreach and training events, and follows up on recommendations. Meetings are regular, records are kept of discussions and decisions. All constituencies had an active role in preparing documentation for this Validation. The national secretariat provides the MSG with effective support.</p> <p>Stakeholder consultations suggest that MSG members can speak freely at meetings and raise issues for discussion. The Stakeholder template noted that CSO members sometimes had concerns that their comments on draft documents were not fully integrated. Based on consultations, this appeared to be related to tight timelines in the preparation of documents. They also noted that the national secretariat should allow the constituency to decide who should represent them at EITI events, rather than inviting a particular member directly. The secretariat noted that they attempted to invite experienced MSG members as speakers.</p> <p>The nomination processes for civil society and industry members are not clearly documented in writing. For the current MSG's mandate, which</p>

	<p>commenced in 2020, the two civil society coalitions were both requested to nominate two members and two alternates (see Requirement 1.3). The Plataforma da Indústria Extractiva has clearly established governance mechanisms, and its members were selected through a vote at the general assembly. The Coligação Cívica para a Indústria Extractiva agreed on representation informally within the group of five member organisations. The petroleum operators' association rotates MSG membership among its five member companies. The nomination process for the mining sector is expected to become more formalised following the recent revival of the Chamber of Mines. In practice, all constituencies are adequately represented on the MSG, and there appear to be sufficient feedback mechanisms with the broader constituencies.</p>
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New corrective actions and recommendations

- To strengthen implementation of Requirement 1.1, Mozambique is encouraged to guarantee the financial sustainability of EITI implementation.
- In accordance with Requirement 1.2, oil, gas and mining companies should ensure full, active and effective engagement in the EITI. AMOPI should ensure systematic participation in the MSG's work and coordination with member companies on EITI matters. The Chamber of Mines should leverage its recent restructuring to establish mechanisms for systematic engagement and information-sharing within the constituency, and continue outreach to non-member mining companies.
- To strengthen implementation of Requirement 1.3, civil society is encouraged to strengthen collaboration between the two coalitions. The MSG is encouraged to monitor the enabling environment for civil society participation in extractive sector governance and to document any issues identified, as well as actions required to address challenges.
- To strengthen implementation of Requirement 1.4, the MSG and the national secretariat are encouraged to ensure that comments from each constituency are reflected in final documents in a balanced way, and that members are consulted when deciding on representation at EITI events. Civil society and companies are encouraged to clearly document their mechanisms for selecting MSG members.

4. Transparency

This component assesses EITI Requirements 2 to 6, which are the requirements of the EITI Standard related to disclosure.

Overview of the extractive sector (Requirements 3.1, 6.3)

Overview of progress in the module

The 2020 EITI Report and government websites provide an overview of Mozambique's extractive sector. However, there are some gaps in publicly available data about the sector's contribution to the economy, and systematic disclosures could be further strengthened. The MSG could play an active role in reviewing the availability and reliability of data from different sources, including considering estimates related to ASM activity.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Exploration (Requirement #3.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 3.1 is fully met. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure public access to an overview of the extractive sector in the country and its potential, including recent, ongoing and planned significant exploration activities. The Secretariat's assessment is that the objective is met.</p> <p>The EITI Report provides up-to-date and forward-looking information about the extractive sector, including exploration and occurrence of minerals by province. For oil and gas, the INP website systematically discloses information about exploration activities. For mining, the INAMI website provides information about geological data that is available upon request. Disclosures related to ongoing exploration activities in the mining are quite limited.</p> <p>The MSG noted in its feedback on the draft Validation report that mining exploration data is presented in the activity reports submitted by mining companies, as well as in the monitoring that is carried out to the activities in the field by INAMI. Mining activities are reported by the government through the Economic and Social Plan Balance Report. The recently published ASM report includes information about ASM activities.</p>

<p>Contribution of the extractive sector to the economy (Requirement #6.3)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 6.3 is fully met. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure a public understanding of the extractive industries' contribution to the national economy and the level of natural resource dependency in the economy. Based on available evidence, the Secretariat consider the objective to be met.</p> <p>The corrective action from the previous Validation highlighted that it was not possible to establish the contribution of the extractive sector to Mozambique's economy, as clear figures on total government revenues from the sector were not available. This issue has been resolved (<i>see Requirement 4.1</i>).</p> <p>The 2020 EITI Report and other public sources include the required data points, apart from economy-wide employment data. Extractive sector employment data is presented in the EITI Report, but not as a percentage of total employment. The Secretariat was not able to locate overall employment data on the website of the national statistics office, but the World Bank database includes an estimate. The Secretariat does not consider this to be a material gap that would merit assessing the requirement below fully met given the public availability of extractive industry employment data.</p> <p>The EITI Report does not include an estimate of the contribution of artisanal and small-scale mining (ASM). Consulted government stakeholders noted that the government had recently concluded a survey on ASM. The report, dated October 2022, was published in March 2023 after the Validation consultations had been concluded. It includes gender-disaggregated employment data for the informal ASM sector, as well as production volumes and values by commodity, disaggregated by province. The report also includes information about production costs, income and environmental and social impact. The MSG also highlighted the data included in the ASM survey in its feedback on the draft Validation report.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 3.1, MIREME and/or INAMI are encouraged to disclosed further information about significant exploration activities in the mining sector, including related to transition minerals. • To strengthen implementation of Requirement 6.3, Mozambique is encouraged to review available sources of employment data and present employment in the extractive industries as a percentage of total employment. The multi-stakeholder group is encouraged to review the results of the ASM survey and consider ways to disseminate the findings. Mozambique is encouraged to disclose the data from the ASM survey in open format. 	

Legal environment and fiscal regime (Requirements 2.1, 2.4, 6.4)

Overview of progress in the module

Mozambique discloses comprehensive information about the legal and fiscal framework, including contracts and rules for managing environmental impact. The information is mostly disclosed systematically through government websites, although accessibility could be improved.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Legal framework and fiscal regime (Requirement #2.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat’s assessment is that Requirement 2.1 is fully met. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure public understanding of all aspects of the regulatory framework for the extractive industries, including the legal framework, fiscal regime, roles of government entities and reforms. Based on available disclosures, the Secretariat considers the objective to be met.</p> <p>Laws and regulations are generally systematically disclosed on the MIREME, INP and INAMI websites, although the MIREME website had technical problems when this assessment was undertaken. They are also published in the official gazette. The roles of government entities are disclosed in the EITI Report as well as on government websites. The EITI Report lists relevant laws and presents ongoing reforms.</p>
<p>Contracts (Requirement #2.4)</p> <p><i>Fully met</i></p>	<p>The Secretariat’s assessment is that Requirement 2.4 is fully met. The objective of this requirement is to ensure the public accessibility of all licenses and contracts underpinning extractive activities (at least from 2021 onwards) as a basis for the public’s understanding of the contractual rights and obligations of companies operating in the country’s extractive industries. Based on stakeholder consultations and available documents, the Secretariat considers that the objective has been met. Consulted stakeholders, especially from civil society, consider contract transparency to be a key achievement of Mozambique EITI. However, there are uncertainties related to clauses or parts of annexes that may have been redacted from contracts.</p> <p>Mozambique EITI has documented relevant government policy for the mining and hydrocarbon sectors and mapped out relevant laws and regulations. In accordance with the 2014 mining and hydrocarbon laws, all contracts entered into after the adoptions of these laws shall be published. Following negotiations with companies, the government has been able to disclose contracts predating these laws as well. For the oil and gas sector, this includes a summary of the</p>

	<p>key terms of each contract, as well as the full contract. The publication of contracts is a result of civil society advocacy, influenced by EITI Requirements.</p> <p>All oil, gas and mining contracts appear to have been systematically disclosed on the INP and INAMI websites, apart from the contract with Vale, which did not agree to waive the confidentiality clause in its contract. The contract pre-dates the 2014 Mining Law, and the company exited Mozambique in 2022. The INAMI and INP websites provide comprehensive lists of all active contracts and licenses in the mining, oil and gas sectors, as well as links to the contracts.</p> <p>According to INAMI and INP, all annexes and amendments are disclosed, apart from elements related to commercially sensitive private-private transactions. Some external sources also referred to redactions, including a reference in a recent Centre for Democracy and Development (CDD) publication on extractive industry governance and conflict in Mozambique noting that contract addenda concluded after the contract's signature has not been comprehensively disclosed to the public to date (p.72, CDD, 2023)¹. It is unclear to the Secretariat what these clauses or documents contain. The EITI Board has determined that the redaction of commercially sensitive clauses for contracts is not permitted. It is important to clarify specifically what information related to extractive contracts, in particular those entered into or amended post-2021, has not been publicly disclosed and whether this information is considered to be part of the contract providing the terms related to the exploitation of oil, gas or minerals.</p> <p>In the comments to the draft Validation report, the MSG cites a response from INP and ENH, confirming that all oil and gas contracts are disclosed in full, apart from gas sales agreements (see <i>Requirement 4.2</i>). INAMI confirmed that all mining contracts were fully available on its website and that is working to have the 2007 Vale contract also disclosed shortly. The MSG did not question the availability of the contracts in full.</p> <p>Consulted stakeholders noted that the publication of contracts was at times delayed. The legislation mandates the publication of the contract within 30 days after the review by Tribunal Administrativo (TA, the auditor general) is concluded, but does not establish a timeline for the TA's review. Consulted stakeholders confirmed that no new or amended contracts were awaiting publication at the time of this Validation.</p> <p>Consulted government stakeholders confirmed in writing that mining licenses are pro forma, and the content of each license type is available through the regulation of the mining law.</p>
<p>Environmental impact (Requirement #6.4)</p> <p><i>Not assessed</i></p>	<p>The Secretariat's assessment is that Requirement 6.4 is not assessed. The Requirement was introduced in the 2019 Standard and was thus not assessed</p>

¹ "The EITI Standard encourages implementing countries to publicly disclose any contracts or licences that provide terms linked to oil, gas and mineral exploration. In recent years, in Mozambique, an effort has been made to ensure that all contracts agreed with the government are in the public domain. Thus, current contracts between operators and the government are available on the pages of the National Mining Institute (INAMI) and the National Petroleum Institute (INP). Despite this effort, there are still gaps insofar as the addenda signed after the approval of the contracts are not publicly available."

	<p>in the previous Validation. The requirement is encouraged, and is thus only scored as exceeded, if fully implemented.</p> <p>The objective of this requirement is to provide a basis for stakeholders to assess the adequacy of the regulatory framework and monitoring efforts to manage the environmental impact of extractive industries, and to assess extractive companies' adherence to environmental obligations.</p> <p>The 2020 EITI Report provides an overview of the management and monitoring of the environmental impact of the extractive sector. It summarises relevant legislation and different government agencies' responsibilities, discloses the number of environmental licenses granted, and explains monitoring procedures. The report summarises the results of environmental audits undertaken in 2020 by issue and by province. Material companies were requested to provide their environmental reports for 2020, and the report indicates that eight companies complied with this. The companies are listed, but links are not provided to the reports. The Independent Administrator noted that it had the reports either in print or as pdfs.</p> <p>Consulted stakeholders noted that environmental impact assessments (EIAs) and environmental monitoring reports were public documents in principle, but that access was often challenging. Physical copies of the documents are available at the Ministry of Land and Environment in Maputo and at provincial level. However, documents could not be copied, and at the local level, access was not always granted.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 2.1, Mozambique is encouraged to ensure that links to legislation, including regulations and decrees, related to the extractive sector are easily accessible and that the links on government websites function. • To strengthen implementation of Requirement 2.4, Mozambique is encouraged to establish a timeline for the Administrative Court's review of signed oil, gas and mining contracts to ensure timely disclosure. The multi-stakeholder group is encouraged to keep track of any amendments to contracts and monitor the disclosure of these amendments, together with the complete underlying text of all contracts amended after 1 January 2021. • To strengthen implementation of Requirement 6.4, Mozambique is encouraged to improve the accessibility of Environmental Impact Assessments (EIAs). Mozambique EITI is encouraged to disclose the environmental monitoring reports received from reporting companies. 	

Licenses and property rights (Requirements 2.2, 2.3)

Overview of progress in the module

Mozambique systematically discloses comprehensive information about oil, gas and mining licenses on the INAMI and INP websites. EITI reporting provides complementary information on

license award and transfer processes. The methodology for identifying possible deviations from the legal framework should be strengthened.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Contract and license allocations (Requirement #2.2)</p> <p><i>Mostly met with considerable improvements</i></p>	<p>The Secretariat’s assessment is that Requirement 2.2 is mostly met with considerable improvements since the previous Validation. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to provide a public overview of awards and transfers of oil, gas and mining licenses, the statutory procedures for license awards and transfers and whether these procedures are followed in practice. This can allow stakeholders to identify and address possible weaknesses in the license allocation process. Based on documentation and stakeholder consultations, the Secretariat’s assessment is that the objective has been mostly met. Disclosures related to the award and transfer of oil, gas and mining licenses are comprehensive. However, the methodology for identifying possible non-trivial deviations from the statutory procedure should be strengthened to address corruption risks.</p> <p>Mozambique has made progress on the requirement since the previous assessment. The MSG has addressed the corrective action that highlighted shortcomings in disclosures regarding license awards and transfers in the period under review. Awards and transfers are now documented through EITI reporting, identifying awardees and transferees. Mozambique systematically discloses information on the award and transfer of mining licenses and uses EITI reporting to disclose information on mining license transfers, and oil and gas license awards and transfers.</p> <p>In 2020, no oil and gas licenses were awarded. ENH transferred 80% of its participating interest in the Mazenga gas field to MozGas UK. The 2020 EITI Report notes that the transfer was approved by the Minister of Mineral Resources and Energy in February 2021. The EITI Report explains the statutory procedure for transferring an oil and gas license, but does not disclose further information about the selection of MozGas UK as the transferee. MSG feedback on the draft Validation report includes some further information about the selection process, but does not disclose specific technical and financial criteria nor specify whether there were other bidders. The change is SOE participation in the Mazenga field is further discussed under Requirement 2.6 State participation.</p>

	<p>In the mining sector, 269 licenses were awarded and nine transferred in 2020. The process for awarding and transferring mining licenses is disclosed in the EITI Report. None of the licenses was awarded through a bidding process.</p> <p>The 2020 EITI Report notes that there were no non-trivial deviations from statutory processes for mining, oil and gas license awards and transfers. Stakeholder consultations suggest that the licensing authorities (INAMI and INP) were simply requested to confirm that this was the case. Consulted stakeholders did not express concerns regarding the award or transfer process of particular licenses. The EITI Report comments on the efficiency and effectiveness of the sector, but ultimately concludes that more information is needed to make a proper assessment.</p> <p>The MSG confirmed in its feedback on the draft Validation report that there were no non-trivial deviations from the legal framework for awarding and transferring licenses. However, the MSG also noted a methodology for identifying possible deviations would be developed for the next EITI Report.</p>
<p>Register of licenses (Requirement #2.3)</p> <p><i>Exceeded</i></p>	<p>The Secretariat’s assessment is that Requirement 2.3 is exceeded. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure the public accessibility of comprehensive information on property rights related to extractive deposits and projects. The Secretariat’s assessment is that the objective has been met.</p> <p>The mining cadastre features an online portal with a map. The portal includes the required data points, indicates the type of license and includes a search function. It also provides some geological data. The 2020 EITI Report suggests that contracts can be accessed through the portal, but this does not appear to be the case. The report notes ongoing reforms to the cadastre system. The MSG confirmed in its feedback on the draft Validation report that mining contracts are available on the INAMI website, and that reforms sought to improve the accessibility of the cadastre,</p> <p>The mining cadastre portal also indicates active hydrocarbon licenses, but detailed information about these is provided on the INP website, which lists active oil and gas licenses and on separate pages their coordinates and links to the contracts. The coordinates for the Mazenga field do not appear to be included. However, the contract, which includes the coordinates, is publicly disclosed.</p> <p>Mozambique has exceeded the requirement by systematically disclosing required license information.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> In accordance with Requirement 2.2, Mozambique should develop a methodology for identifying possible non-trivial deviations from the statutory framework guiding the award and transfer of oil, gas and mining licenses. The technical and financial criteria applied in the transfer of 80% of ENH’s interest in the Mazenga gas field to MozGas UK should be disclosed, as well as any other applicants, if applicable. 	

Beneficial ownership (Requirement 2.5)

Overview of progress in the module

Adherence to Requirement 2.5 on beneficial ownership is assessed in Validation as of 1 January 2020 as per the framework agreed by the Board in June 2019.² The assessment consists of a technical assessment and an assessment of effectiveness.

Technical assessment

The technical assessment is included in the Transparency template, in the tab on Requirement 2.5.

The 2022 Anti-Money Laundering (AML) law establishes a definition of beneficial ownership and a legal framework for reporting BO data. The updated AML law requires that the identity of beneficial owners is reported to the register of legal entities. This requirement appears to apply to financial and other service providers that collect BO information from their clients, rather than all companies. It is not clear what data points related to the BO's identity and control should be submitted.

The AML law includes definitions of beneficial owners and politically exposed persons (PEPs). A beneficial owner is defined as an individual controlling directly or indirectly at least 10% of the legal entity.

The 2018 Commercial Code requires newly formed companies to report their legal owners and share of ownership when registering. However, according to the 2020 EITI Report this provision does not apply to companies registered prior to 2018. The information held in the register of legal entities is available to the public upon request. Consulted stakeholders note that the Commercial Code continues to define the beneficial owners of Anonymous Companies (Sociedade Anónima) as confidential. The matter was not addressed in the latest revision of the code. The 2019 Report on Transparency, Governance and Corruption³ notes a plan to establish legislation on beneficial ownership transparency, but there appears to have been little progress on this to date.

EITI Mozambique requested material companies to provide beneficial ownership information using the data collection template provided by the International Secretariat. The information provided is partial and seems to consist of legal owners. The national secretariat requested ownership data from the company register, which provided some information on legal owners. Data is not comprehensive. No specific data quality assurances appear to apply to the disclosure of ownership information.

² <https://eiti.org/document/assessing-implementation-of-eitis-beneficial-ownership-requirement>.

³ <https://www.mef.gov.mz/index.php/publicacoes/estudos/estudos-relatorios/710-report-on-transparency-governance-and-corruption-july-2019/file>.

For at least some publicly listed oil and gas companies, the [INP's website](#) provides a link to their respective stock exchanges. However, it is not clear whether the list is comprehensive and whether all Mozambican subsidiaries are wholly owned by the listed parent company.

Assessment of effectiveness

Mozambique does not appear to have in place a comprehensive legal framework for the collection and disclosure of beneficial ownership data of companies applying for or holding an oil, gas or mining license. The definition of a BO and a PEP, included in the AML law are a useful first step. The 10% ownership threshold is sufficiently low to enable effective BO disclosures. The 2022 update of the AML law helpfully requires the reporting of BO data to the register of legal entities.

However, reporting BO data to the register does not appear to apply to all companies registered in Mozambique. It is unclear to what extent BO data related to extractive companies is available in the register, as the MSG does not appear to have reviewed this. There is no indication that companies would be required to disclose their beneficial owners when applying for an oil, gas or mining license.

There is no public register of BO data. The Secretariat was not able to verify whether the information available to the public upon request from the register of legal entities includes BO data, whether information is provided in a timely manner, or whether this involves a fee. It is not clear if the government has in place mechanisms to verify the comprehensiveness and reliability of reported data. In 2021, the MSG commissioned the Independent Administrator to review the availability of beneficial ownership information and the legal framework.⁴ The review proposes that the MSG focuses on legal ownership disclosure for the time being and seeks adapted implementation on BO disclosures.

The effort by Mozambique EITI to request material companies for BO data is commendable. However, the results are very limited and do not provide effective disclosure of beneficial ownership in the extractive sector. Achieving effective BO disclosures in Mozambique's extractive sector would require an enabling legal framework, comprehensive reporting obligations that cover all oil, gas and mining companies applying for or holding a license, and an accessible BO register.

Following the receipt of the draft Validation report, the MSG and MIREME requested further information from the Ministry of Justice on ongoing reforms. The MSG argued in its feedback that ongoing work to address FATF and IMF recommendations on BO should be considered in the assessment, as well as existing definitions of BO and PEP. The MSG's feedback notes the following activities:

1. The process of revising the Regulation for the Registration of Legal Entities is underway, which is expected to include the legal regime for beneficial ownership, in accordance with the Law on the Prevention and Combat of Money Laundering and Financing of Terrorism and with the Commercial Code. This activity is part of the list of actions that are being

⁴ <https://itie.org.mz/index.php/download/itie-parecer-beneficiarios-efectivos-e-gastos-parafiscais-2020/?wpdmdl=3218&refresh=633318d986d7b1664293081>.

carried out, with a view to removing Mozambique from the grey list of the Financial Action Task Force (FATF).

2. Consultants from the EU AML/CTF Global Facility are conducting analysis of Mozambican legislation, namely the Law to Prevent and Combat Money Laundering and Terrorism Financing, the Financial Institutions Law and the Commercial Code. This activity also aims to contribute to Mozambique’s removal from the FATF grey list. The main objective of the consultancy is to propose an appropriate legal instrument that fits together the IT system and the legal regime for registration of beneficial owners. A Training Session was held in February 2023 by the Global Facility Consultants to the Ministry of Justice.

3. In June 2022, MIREME agreed regulations to the Mining Law that require mining license applicants to provide confirmation that the company’s shareholder or beneficial owners are not involved in money laundering or financing terrorism. The regulation does not include a provision on the disclosure of beneficial owners, however. An [IMF review](#) from December 2022 refers to plans to establish a public BO register, in line with EITI Requirements, by mid-2023.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Beneficial ownership (Requirement #2.5)</p> <p><i>Partly met</i></p>	<p>The Secretariat’s assessment is that Requirement 2.5 is partly met, bordering on not met. The objective of this requirement is to enable the public to know who ultimately owns and controls the companies operating in the country’s extractive industries, particularly those identified by the MSG as high-risk, to help deter improper practices in the management of extractive resources. While the MSG has undertaken some limited work in agreeing a definition of beneficial owner and to start requesting data from material companies in the scope of EITI reporting, significant aspects of the requirement remain outstanding, and the broader objective of the requirement has not been fulfilled. In concluding an assessment of “partly met”, the Secretariat has taken into account the MSG’s feedback on recent progress in establishing an enabling legal framework.</p> <p>While definitions of beneficial owner and politically exposed person exist in legislation, reporting this information to the register of legal entities does not appear to be consistently required from companies within the scope of Requirement 2.5. The MSGs efforts to request BO data from material companies resulted in very limited disclosures, mostly of legal owners.</p>
<p>New corrective actions and recommendations</p>	

- In accordance with Requirement 2.5, Mozambique should disclose the beneficial, as well as legal, owners of all corporate entities that apply for or hold a participating interest in an oil, gas or mining license. This should include the following measures:
 - Ensure that there is a legal and regulatory framework in place for collection and public disclosure of beneficial ownership information of all companies applying for or holding extractive licenses.
 - Request all companies holding extractive licenses to disclose beneficial ownership information, including at the application stage. This should include all data points listed in Requirement 2.5, including the identity of any politically exposed persons.
 - Introduce adequate assurances to ensure the reliability and comprehensiveness of this data. Undertake regular assessments on comprehensiveness and reliability with regards to all the beneficial ownership disclosures.
 - Name entities that have failed to disclose beneficial ownership information.

State participation (Requirements 2.6, 4.2, 4.5, 6.2)

Overview of progress in the module

The national oil company ENH and its subsidiaries hold participating interests in gas projects, which entails financial liabilities and large potential revenues in the future. The mining SOE EMEM held interests in several mining projects, but was dissolved in 2021. EMEM's shareholdings were transferred to IGEPE, the State Holdings Management Institute. This assessment treats ENH and its subsidiaries and EMEM as material extractive sector SOEs. While EMEM was dissolved at the end of the period under review, the state may continue to have liabilities related to its participation in mining projects.

Since the previous Validation, Mozambique has made progress in improving transparency related to state participation in the extractive sector. In 2018, a new law governing SOEs was introduced ("SOE Law"⁵), followed by regulations in 2019. This legislation clarified the rules governing SOEs in all sectors, including the financial relationship between the state and extractive SOEs. The law requires that all SOEs publish their audited financial statements in a timely manner. The Ministry of Economy and Finance also publishes annually an overview of public debt and loan guarantees provided to SOEs.⁶ The increased focus on the good governance of SOEs follows the "hidden debt" corruption scandal, which came to light in 2016. The state had opaquely guaranteed company debt worth over USD2bn, and the scandal led to the ballooning of public debt and a financial crisis.⁷

EITI Mozambique has made efforts to review and strengthen disclosures related to extractive SOEs. In 2021, the EITI and MIREME published the study [The State-Owned Enterprise Sector in Mozambique and Strengthening Reporting on State Participation by These Companies and EITI](#) ("SOE study"). The study summarises the legal framework related to SOEs and provides an

⁵ Law no. 3/2018, of 19 June - Establishes the principles and rules applicable to the State Business Sector

⁶ <https://www.mef.gov.mz/index.php/publicacoes/politicas/gestao-da-divida-publica>.

⁷ See eg <https://www.theafricareport.com/137710/mozambiques-hidden-debt-scandal-where-did-the-2bn-go/>.

overview of compliance and available disclosures. It also addresses in-kind gas revenues commercialised by ENH, as well as quasi-fiscal expenditures. The SOE study identifies gaps in disclosures and provides the government and the MSG with recommendations on further strengthening the governance of extractive SOEs. However, ENH appears to be selling gas to the domestic market subsidised rates, which is yet to be included in QFE disclosures.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>State participation (Requirement #2.6)</p> <p><i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 2.6 is mostly met. Mozambique was assessed as having made inadequate progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure an effective mechanism for transparency and accountability for well-governed SOEs and state participation more broadly through a public understanding of whether SOEs' management is undertaken in accordance with the relevant regulatory framework. This information provides the basis for continuous improvements in the SOE's contribution to the national economy, whether financially, economically or socially. The Secretariat's view based on available disclosures and stakeholder views is that the objective has been mostly met.</p> <p>The prevailing rules regarding the financial relationship between the state and SOEs are documented in the SOE law and its regulations. The SOE study provides a clear overview of these. The SOE study and the 2020 EITI Report document the practices in the period under review. The policies for determining dividends, and the actual dividends paid to the state are disclosed. The SOE study indicates that extractive SOEs have not received funds from the state, apart from loan guarantees.</p> <p>The SOE study and the 2020 EITI Report note that at the end of 2019, the government issued ENH a USD2.25bn loan guarantee to cover the debt service during the construction phase of the Mozambique LNG project (Golfinho-Atum field). The SOE study notes that the terms of the underlying loan are not publicly available, although it notes that the loan tenor is until the completion of the construction phase. The interest rate is not disclosed. Consulted ENH representatives noted that the guarantee was in place only until the construction was completed, after which the infrastructure itself would be considered as the guarantee. The SOE study confirms that the guarantee remains in effect "until all completion tests specified in the Financing Documents are completed, as identified in articles 4 and 6 of Decree No. 102/2019". The 2019 Report on Public Debt also includes information about loan guarantees to SOEs.</p>

	<p>The audited financial statements (AFS) are publicly available, apart from those of EMEM, which does not have a functioning website. ENH's 2020 AFS details the terms of its loans, including the interest rates. However, the state-guaranteed loan related to the development of the Golfinho-Atum field is not included in the AFS.</p> <p>The SOE study and the 2020 EITI Report provide an overview of ENH's subsidiaries, as well as ENH's and EMEM's/IGEPE's interests in oil, gas and mining projects. The SOE study notes that the level of ENH's ownership had not changed in 2016-2019, while EMEM had increased the number of mining projects it held an interest in. It is not known whether EMEM's level of ownership in individual companies changed during the period. EMEM is indicated as the majority-owner of three non-operational companies.</p> <p>The 2020 EITI Report notes that in 2020, ENH transferred 80% of its participating interest in the Mazenga Onshore field to MozGas UK. The report notes that no capital gains tax was paid, as "no gains were generated". No further details about the terms of the transfer were disclosed. Consulted stakeholders noted that ENH had given up part of its interest in the project to share risks and attract a partner capable of developing the project. The field is at exploration stage. Consulted government stakeholders noted that the process involved requesting applications from several companies. The ability of MozGas UK to develop ENH's capacity was considered an asset. Information about other bidders or the assessment process does not appear to be publicly available. While it appears that no funds were transferred from MozGas UK to ENH/the state as part of the transaction, it remains unclear what the terms of the agreement are, including how costs and profits will be shared.</p> <p>The MSG's feedback on the draft Validation report cites further information from ENH. It notes that the company has internal procedures for forming partnerships that include analysis of the terms and conditions underlying the partnership, assessment of gains, using financial modelling, business plan, and due diligence, among other aspects, which are considered relevant for the decision to form a partnership with a particular entity. ENH notes that with regard to the partnership signed with MozGas UK for exploration of the Mazenga Onshore block, the criteria of technical experience and financial strength of the partner were used, as well as the possibility of ENH being able to participate more in the day-to-day operations of the block, a factor that will increase the national oil company's technical experience.</p> <p>The Secretariat's assessment is that ENH's response does not provide the necessary additional information to clarify the terms of the transaction, i.e., the split of costs and benefits from the project between ENH, MozGas UK and the state. The contract signed in 2020 between ENH and the state regarding the Mazenga field is publicly available here.</p> <p>The terms of state participation are not fully disclosed. In the oil and gas sector, the contracts are publicly available, which enables public understanding of ENH's responsibilities. ENH's financial statements provide insight into its liabilities. In the mining sector, the Secretariat was not able to locate publicly available information about the terms of EMEM's/IGEPE's interests in mining projects. The</p>
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	<p>state is entitled to 5% free equity. It is unclear whether participation beyond this is at commercial terms.</p> <p>EMEM's AFSs could not be accessed, and the company has been dissolved. It is unclear what kind of liabilities, if any, IGEPE inherited when it took over EMEM's shareholdings. The 2020 EITI Report and the SOE study note that EMEM's investments had not been profitable. It is unclear if any of the companies EMEM held interests in were indebted to it or to the state, although there is no indication of this in the reports. Considering the expansion of EMEM's activities in 2016-2019, disclosures related to the level of public investment in its activities is necessary for ensuring accountability. Consulted government stakeholders clarified that the liquidation process was still ongoing and was expected to be concluded in the first half of 2023. The process involves clarifying debt owed by EMEM, as well as debt owed to it by extractive companies. It will be important to disclose this information to enable the public to assess the implications of EMEM's operations and liquidation to public finances. The MSG noted in its feedback on the draft Validation report that the only financial liability associated with the transfer process was the realization of capital of the 10% of EMEM shares in VALE Moçambique, whose payment was conditioned to the receipt of dividends that Vale Moçambique never generated for the shareholders.</p> <p>The SOE study discloses information about the rules related to SOEs' corporate governance, operating and capital expenditures, and acquisition of goods and services.</p>
<p>Sale of the state's in-kind revenues (Requirement #4.2)</p> <p><i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 4.2 is mostly met. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation. The corrective action has not been addressed. The objective of this requirement is to ensure transparency in the sale of in-kind revenues of minerals, oil and gas to allow the public to assess whether the sales values correspond to market values and ensure the traceability of the proceeds from the sale of those commodities to the national treasury. Based on available evidence, the objective has been mostly met.</p> <p>The SOE study and EITI Report include total volume and value of gas royalty received by ENH in kind. ENH operationalises the allocation (sale) of in-kind gas. The recipients are selected according to criteria outlined in the Gas Master Plan. The SOE study provides an overview of the criteria. ENH enters into the gas sales agreements, which are authorised by MIREME. The sales agreements are not publicly available. However, disclosure of the agreements is only an encouraged element of the requirement.</p> <p>ENH is required to transfer to the treasury the market price of the royalty received in-kind. In practice, stakeholder consultations suggest that the amounts paid for the royalty gas are transferred directly to the Treasury, without an assessment of whether they correspond to market price. The volume of royalty gas allocated to each company is disclosed, as well as the aggregated value of sales. The 2020 EITI Report discloses the amount earned by ENH from the sale of royalty gas by month, but it is unclear whether this corresponds to the amount received by the Treasury. In the MSG's feedback on the draft Validation report, ENH confirms that the amounts received from the sale on in-kind gas royalties are transferred to the</p>

	<p>Treasury on a monthly basis. ENH notes that not all gas sales contracts are at market price to promote access to energy. Further details are not included.</p> <p>The disaggregated amounts paid by each of the buying companies for the gas are not disclosed, as required by Requirement 4.2.a. This was also the focus of the corrective action from the previous Validation. In stakeholder consultations, government representatives noted that the sales contracts dated from different periods and therefore the process differed. Some stakeholders expressed willingness to consider the publication of disaggregated sales data, although other expressed reservations. In the MSG feedback on the draft Validation report, ENH notes that the amounts paid by each purchasing company are disclosed in the audited financial statements. However, the Secretariat was not able to locate this information specifically for royalty gas received in kind.</p>
<p>Transactions related to state-owned enterprises (Requirement #4.5)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 4.5 is fully met. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure the traceability of payments and transfers involving SOEs and strengthen public understanding of whether revenues accruable to the state are effectively transferred to the state and of the level of state financial support for SOEs. Based on available documentation and consultations, the Secretariat considers the objective to be fully met.</p> <p>The SOE study, the 2020 EITI Report and ENH's audited financial statements include disclosures of SOE-related transfers, including dividends paid to the state. There do not appear to have been any transfers of funds from the state to extractive SOEs in the period under review (apart from loan guarantees covered under Requirement 2.6). Extractive SOEs do not appear to collect revenues on behalf of the state, apart from in-kind gas royalties commercialised by ENH (covered under Requirement 4.2). The SOE study notes that ENH's AFS documents institutional and training contributions that ENH collects from SASOL for its own use.</p> <p>It is unclear, whether information about funds transferred by ENH to the treasury resulting from the sale of in-kind royalty gas is publicly available. However, this is covered in the assessment of Requirement 4.2.</p>
<p>Quasi-fiscal expenditures (Requirement #6.2)</p> <p><i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 6.2 is mostly met. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation. The objective is that where state-owned enterprises undertake extractive-funded expenditures on behalf of the government that are not reflected in the national budget, these are disclosed to ensure accountability in their management.. The MSG's view was that the requirement is not applicable. However, the Secretariat's assessment suggests that the considerations have not covered sale of gas for domestic power production below market price.</p> <p>Since the previous Validation, Mozambique EITI has made progress in defining quasi-fiscal expenditures and has undertaken an assessment of their existence in the Mozambican context, including for 2020. The SOE study notes that the SOE law and the corresponding regulation make no mention of the requirement</p>

	<p>for state-owned companies to make expenditures on behalf of the government. In the analysis of the AFS of SOEs in the extractive industry, the study found no evidence of the occurrence of quasi-fiscal expenditures.</p> <p>For the 2020 EITI Report, ENH reported QFEs worth MZN84,5m (approx. USD 1.2m). However, the report notes that these represent social expenditures, rather than QFEs. An analysis of these expenditures suggest that the Independent Administrator’s interpretation is correct. The listed expenditures consist of modest amounts contributed mainly to health and humanitarian purposes in areas where ENH has operations. Consulted government agencies and ENH confirmed that these were social expenditures that were not mandated by the government, but rather guided by ENH’s approach to CSR.</p> <p>ENH input to the MSG’s feedback on the draft Validation report confirms that some of the agreements for the sales of the state’s in-kind gas royalties revenues to domestic power plants are priced below the market rate, in order to make power production projects viable and to improve access to energy. According to ENH, it transfers the actual revenue received from in-kind royalty gas sales to the Treasury, rather than the market price (see <i>Requirement 4.2</i>). It appears that the sale of in-kind royalty gas below market price was not considered by the MSG in its definition of QFEs. The arrangement results in lower amount of revenues transferred to the Treasury, and is therefore considered a QFE (subsidy) by the International Secretariat given that this foregone revenue is not recorded in the national budget. The revenue foregone by the government as a result should be disclosed. This could be achieved by comparing the subsidised sales price to the prevailing market price. It is unclear whether subsidised sales of gas for domestic power production extend to ENH’s gas sales beyond the sale of the state’s in-kind royalty gas. The 2020 ENH AFS includes the value of sales to EDM (the state-owned energy company), but it is unclear whether the sales values were subsidised. A similar section in the 2021 AFS notes that sales to EDM and other related parties were at market price. Thus, the Secretariat considers that there is evidence to suggest that there are quasi-fiscal subsidies on natural gas sales to domestic power plants that require further work from the MSG in order to comprehensively disclose.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • In accordance with Requirement 2.6, Mozambique is expected to disclose the terms of the transfer of ENH’s participation in the Mazenga field to MozGas UK. Mozambique should disclose the terms of EMEM’s/IGEPE’s interests in mining companies, and any changes in the level of ownership, as well as the terms of the transactions. Mozambique should disclose the outcome of the liquidation of EMEM, including any outstanding loans, loan guarantees and debt, and funds allocated by the state to sustain EMEM’s operations. • In accordance with Requirement 4.2, Mozambique is required to disclose the revenue received from the sale of royalty gas, disaggregated by buyer. Mozambique is encouraged to disclose the sales agreements related to royalty gas. • In accordance with Requirement 6.2, Mozambique is required to disclose quasi-fiscal subsidies to domestic power production executed through ENH selling gas, either royalty gas or its share of 	

production, at below market prices. Mozambique is encouraged to annually review the existence of other quasi-fiscal expenditures by extractive sector SOEs.

Production and exports (Requirements 3.2, 3.3)

Overview of progress in the module

Production and export data is disclosed both systematically and through EITI reporting. There are opportunities to review the consistency of different data sets and monitoring mechanisms to strengthen the reliability of disclosed data. Data is partly disaggregated beyond what is required, but systematic disclosures are not available in open format.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Production (Requirement #3.2)</p> <p><i>Fully met</i></p>	<p>The Secretariat’s assessment is that Requirement 3.2 is fully met. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure public understanding of extractive commodity(ies) production levels and the valuation of extractive commodity output, as a basis for addressing production-related issues in the extractive industries.</p> <p>The Secretariat’s assessment is that the objective has been met. Production volumes and values for oil, gas and minerals are disclosed by commodity systematically on INP’s and INAMI’s websites, as well as through the 2020 EITI Report and the summary data template. The Statistical Yearbook also contains production data. The 2020 EITI Report additionally provides monthly project-level production data for the mining sector, sourced from INAMI. Disaggregation by project is commendable.</p> <p>The 2020 EITI Report does not comment on the reliability of production data or possible discrepancies between different data sets. The sources of data are disclosed, but the method for determining values is not. INAMI noted that it had launched procurement in November 2022 for a company to support it in monitoring the quality of production and export data provided by the companies, including sampling. INP monitors the production and sales of gas. After two</p>

	<p>unsuccessful tenders, a third tender was launched in April 2023, according to MSG feedback on the draft Validation report.</p>
<p>Exports (Requirement #3.3)</p> <p><i>Fully met</i></p>	<p>The Secretariat’s assessment is that Requirement 3.3 is fully met. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure public understanding of extractive commodity(ies) export levels and the valuation of extractive commodity exports, as a basis for addressing export-related issues in the extractive industries.</p> <p>The Secretariat’s assessment is that this objective has been met. The 2020 EITI Report discloses export volumes and values disaggregated by commodity. The information is sourced from MIREME. Which receives it from INAMI. Additionally, the 2020 EITI Report provides monthly project-level export data for the mining sector. The source of this information is not stated. The MSG noted in its feedback on the draft Validation report that INAMI receives monthly, quarterly and annual project-level export data from companies, which it systematises.</p> <p>The 2020 EITI Report does not comment on the reliability of production data or possible discrepancies between different data sets. The method for determining export values is not stated. INAMI noted that it had launched procurement in November 2022 for a company to support it in monitoring the quality of production and export data provided by the companies, including sampling. After two unsuccessful tenders, a third tender was launched in April 2023, according to MSG feedback on the draft Validation report.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen implementation of Requirements 3.2 and 3.3, Mozambique is encouraged to systematically disclose granular production and export data in open format. 	

Revenue collection (Requirements 4.1, 4.3, 4.4, 4.7, 4.8, 4.9)

Overview of progress in the module

The comprehensiveness of reporting has improved, despite a higher materiality threshold. Revenues and payments are disclosed by project, but clearer indication of the project title would facilitate public understanding of the disclosures. Quality assurances requested from reporting companies are clear, but the 2020 EITI Report does not include a review of the government’s audit mechanisms.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Comprehensive disclosure of taxes and revenues (Requirement #4.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 4.1 is fully met. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure comprehensive disclosures of company payments and government revenues from oil, gas and mining as the basis for detailed public understanding of the contribution of the extractive industries to government revenues. The Secretariat's assessment is that the objective has been fully met. Reporting is comprehensive, and previous challenges related to disclosing total government revenues from the extractive sector have been overcome. Stakeholders considered the 2020 EITI Report to be comprehensive.</p> <p>The MSG's decisions on materiality thresholds are clear for company selection, and material revenue streams are described in the EITI report. The selection of material companies was based on a higher threshold than in the previous Validation, which enabled reporting to focus on the companies making the largest payments. All material companies reported comprehensively. The EITI report does not provide documentation of the rationale for the selection of MZN 30m as the materiality threshold. However, the report's coverage of revenues and payments is high at 95%. Additional documentation provided by the MSG in response to the draft Validation report includes some further explanation on the materiality decisions. The MSG's decision to raise the materiality threshold, while maintaining the comprehensiveness of disclosures, is commendable. For example, in the 2013/2014 EITI Report the materiality threshold was set MZN 0.5m, which resulted in 70 material companies (now 33). Requesting data from smaller companies was labour intensive, without significantly improving the comprehensiveness of the report</p> <p>With full company participation and the disclosure of government revenues, it was possible to perform a robust reconciliation on payment flows, although the IA did not include an assessment of the impact of discrepancies on the comprehensiveness of the report. The government's full unilateral disclosure of total extractive revenues is provided by revenue stream and company. Financial statements were provided for all oil and gas companies but not for all mining companies, though concerns exist for mining and oil and gas whether those companies that provide financial statements have also had these statements audited. In the 2020 EITI Report Mozambique was able to overcome the long-standing lack of clarity affecting total government revenues from the sector. The revenue authority's definition of extractive companies does not include all oil, gas and mining companies making payments to the government, which previously made it impossible to assess the coverage of EITI reporting in a reliable manner.</p>
<p>Infrastructure provisions and</p>	<p>The Secretariat's assessment is that Requirement 4.3 is not applicable. The objective of this requirement is to ensure public understanding of infrastructure provisions and barter-type arrangements, which provide a significant share of government benefits from an extractive project, that is commensurate with other</p>

<p>barter arrangements (Requirement #4.3)</p> <p><i>Not applicable</i></p>	<p>cash-based company payments and government revenues from oil, gas and mining, as a basis for comparability to conventional agreements.</p> <p>The EITI Report and the Transparency file conclude that the requirement is not applicable. Stakeholder consultations do not give reason to question this. The public availability of contracts supports the assessment.</p>
<p>Transportation revenues (Requirement #4.4)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 4.4 is fully met. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure transparency in government and SOE revenues from the transit of oil, gas and minerals as a basis for promoting greater accountability in extractive commodity transportation arrangements involving the state or SOEs. The Secretariat's assessment is that this objective has been met.</p> <p>The primary government revenue from transport of oil, gas and minerals relates to the transport of gas. State-owned CMG holds a 25% interest in the pipeline company ROMPCO. The 2020 EITI Report discloses the dividends received by CMG from ROMPCO, as well as dividends paid by CMG to the state.</p> <p>The 2020 EITI Report also provides information about the state railway company CFM's revenues from the transportation of coal. This data is disaggregated by company, as well as between rail and port activities. Volumes transported are included. The 2020 EITI Report also includes revenues received from granting concessions for the development of logistical corridors.</p> <p>The 2020 EITI Report does not directly comment on the materiality of transport revenues. However, the approach of disclosing gas and coal transport revenues appears relevant for achieving the objective of the requirement in the context of Mozambique. The report also documents transport arrangements for some other minerals, but does not comment on whether these resulted in revenues to the government.</p>
<p>Level of disaggregation (Requirement #4.7)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 4.7 is fully met.</p> <p>The objective of this requirement is to ensure disaggregation in public disclosures of company payments and government revenues from oil, gas and mining that enables the public to assess the extent to which the government can monitor its revenue receipts as defined by its legal and fiscal framework, and that the government receives what it ought to from each individual extractive project. The Secretariat's assessment is that the objective is met.</p> <p>In Mozambique, each license is required to have its own tax identification number (NUIT), which is linked to a specific legal entity. Thus, each legal entity can only hold one license, and all reporting of revenues and payments is at license/project level. The law does not appear to recognise interconnected licenses, and profits and losses are fully ringfenced. Thus, the determination of material companies de facto refers to material projects. Consulted government representatives noted that as part of the EITI reporting process, it had identified two mining companies with several licenses linked to one NUIT. This issue has been clarified with the companies, and data is disclosed by project. The MSG's</p>

	<p>feedback on the draft Validation report notes that requirement for each project to have its own NUIT stemmed from the 2014 Mining Law. For mining companies holding several licenses prior to 2014, a separate process to split these projects under distinct NUITs has taken place.</p> <p>The 2020 EITI Report does not in all cases include the full legal name of the reporting companies. For example, it presents “ExxonMobil” as one of the reporting companies, although the reporting company is de facto the specific subsidiary that made material payments to the government in 2020. The Summary Data Template includes the NUITs of each reporting company/project, which enables readers to identify them.</p>
<p>Data timeliness (Requirement #4.8)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 4.8 is fully met. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation. The 2020 EITI Report was published in September 2022, within the two-year deadline.</p> <p>The objective of this requirement is to ensure that public disclosures of company payments and government revenues from oil, gas and mining are sufficiently timely to be relevant to inform public debate and policy-making. The Secretariat's assessment is that the objective is met.</p> <p>Preparation of the 2021 EITI Report had commenced at the time of writing this report (February 2023). However, funding was not available to complete the report. An electronic reporting platform was being developed, which would enable collecting and disclosing data in a more cost-efficient and timely manner. The conclusion of the project was also pending funding.</p>
<p>Data quality and assurance (Requirement #4.9)</p> <p><i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 4.9 is mostly met. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure that appropriate measures have been taken to ensure the reliability of disclosures of company payments and government revenues from oil, gas and mining. The aim is for the EITI to contribute to strengthening routine government and company audit and assurance systems and practices and ensure that stakeholders can have confidence in the reliability of the financial data on payments and revenues.</p> <p>The Secretariat's assessment is that the objective has been mostly met. Data quality assurances for companies are clear, and discrepancies identified in reconciliation were minimal. Consulted stakeholders, including the Independent Administrator, considered the EITI Report to be comprehensive and reliable. However, the report lacks an overview and assessment of government audit and assurance systems, although annual audit reports by Tribunal Administrativo (the auditor general) are publicly available.</p> <p>The 2020 EITI Report is clear on the data quality assurances requested from reporting companies. All of them provided attested forms as requested. They were also requested to provide AFSs, and the report discloses which companies provided or disclosed these and which did not. However, the report does not include information about government audit systems or quality assurances</p>

	<p>applied to government revenues. The report does not include an assessment by the Independent Administrator of the reliability of revenues. Discrepancies were minimal (0,07%), and the reasons behind them are explained in the report. Non-financial data is not clearly sourced in all cases.</p> <p>The Independent Administrator noted that a senior official had signed off on the government reporting templates. Consulted government representatives also noted that Tribunal Administrativo (TA, auditor general), audited the accounts of government agencies annually and disclosed the reports. This included a compliance audit of revenue collection by the tax authority's (Autoridade Tributária) extractive sector unit.</p> <p>During the preparation of the 2020 EITI Report, a fraud was identified. Employees of a reporting company had colluded with officials from the tax authority to forge payments to the government, embezzling the funds. Reconciliation suggested that the company had paid the funds, while the government had not received them. The EITI and the Independent Administrator flagged the findings to the anti-corruption authorities, which investigated the case. The company was required to make the missing payments to the government, while those involved faced criminal charges.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none">• To strengthen implementation of Requirement 4.1, Mozambique is encouraged to regularly disclose revenue and payment data through government and company reporting in open format• To strengthen implementation of Requirement 4.7, the EITI Report should present the full name of material companies to enable the public to easily distinguish which specific projects the payments and revenues pertain to.• In accordance with Requirement 4.9, the EITI Report should review government audit procedure and include an assessment of whether the data is reliable and comprehensive. Non-financial data should be clearly sourced.	

Revenue management (Requirements 5.1, 5.3)

Overview of progress in the module

Extractive revenues enter the Treasury's single account, apart from minor fees collected by INP. There are opportunities to disclose more information about expected revenues from natural gas.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Distribution of extractive industry revenues (Requirement #5.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 5.1 is fully met. Mozambique was assessed as having made satisfactory progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to ensure the traceability of extractive revenues to the national budget and ensure the same level of transparency and accountability for extractive revenues that are not recorded in the national budget. The Secretariat's assessment is that the objective has been fulfilled.</p> <p>All extractive revenues continue to be recorded in the national budget, apart from minor training fees collected by INP from oil and gas companies and managed by INP. These are disclosed in the EITI Report and classified as mandatory social expenditures.</p>
<p>Revenue management and expenditures (Requirement #5.3)</p> <p><i>Not assessed</i></p>	<p>The Secretariat's assessment is that Requirement 5.3 remains not assessed, given that several encouraged aspects of this requirement remain to be addressed.</p> <p>The objective of this requirement is to strengthen public oversight of the management of extractive revenues, the use of extractives revenues to fund specific public expenditures and the assumptions underlying the budget process.</p> <p>The Secretariat is not aware of any earmarking of revenues to specific geographic areas, apart from subnational transfers described under Requirement 5.2.</p> <p>According to consulted stakeholders, the government has engaged in revenue forecasting to inform policies related to a sovereign wealth fund that is being established for revenues from natural gas. There is potential for the MSG to engage in increasing public understanding about projected revenues and plans for their management. Disclosure of medium and long term revenue scenarios would inform public debate about the management of revenues, debt sustainability and economic diversification.</p> <p>There are considerable uncertainties related to future gas revenues due to price volatility, the security situation in Cabo Delgado, and fluctuation in demand resulting from the energy transition. The EITI could contribute to managing expectations and informing dialogue about different trajectories.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 5.3.c, the government is encouraged to disclose gas revenue forecasts and the assumptions underlying different scenarios. The multi-stakeholder group is encouraged to engage in overseeing the establishment and management of the sovereign wealth fund. 	

Subnational contribution (Requirements 4.6, 5.2, 6.1)

Overview of progress in the module

The subnational contribution of the extractive sector is of high interest to stakeholders in Mozambique. EITI has informed public debate and policy-making on subnational transfers. Meeting the objective of Requirement 5.2 requires disclosure of further information about the allocation of revenues to affected communities and how these are calculated. Disclosures of mandatory social expenditures in the mining sector are included in EITI reporting, but lack the required level of granularity.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Subnational payments (Requirement #4.6)</p> <p><i>Not applicable</i></p>	<p>The Secretariat's assessment is that Requirement 4.6 is not applicable. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation. The Secretariat agrees with the MSG's assessment that subnational payments were not material in the period under review.</p> <p>The objective of this requirement is to enable stakeholders to gain an understanding of benefits that accrue to local governments through transparency in companies' direct payments to subnational entities and to strengthen public oversight of subnational governments' management of their internally-generated extractive revenues.</p> <p>The Mozambican fiscal system is highly centralised. Centralised information about payments collected from extractive companies is not available. Following recommendations from the previous Validation, the MSG requested extractive companies to disclose their payments to subnational government entities to allow the MSG to determine whether subnational payments are material. Four mining companies and three hydrocarbon companies disclosed their payments by recipient and revenues stream. The payments totalled below MZN23m (approx. USD0,3m). The MSG concluded that subnational payments are not material.</p> <p>While the applied methodology does not provide a full overview of subnational payments, it provides a clear indication that payments were not material. The revenue streams and payments indicated in the report relate to minor municipal taxes and fees. These are not specific to the extractive sector.</p>

<p>Subnational transfers (Requirement #5.2)</p> <p><i>Mostly met with improvements</i></p>	<p>The Secretariat's assessment is that Requirement 5.2 is mostly met with considerable improvements. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to enable stakeholders at the local level to assess whether the transfer and management of subnational transfers of extractive revenues are in line with statutory entitlements. The Secretariat's assessment is that the objective has been mostly met.</p> <p>The EITI Report discloses the formula for allocating funds for subnational transfers (2.75% of production royalty collected in the second-to-previous year), the actual amount allocated in the budget, as well as the amount transferred to each community. Mozambique has made progress since the previous Validation, as actual allocations are now compared to the calculation of 2.75% of production tax. The reason behind the discrepancy between the two is explained.</p> <p>However, the report notes that it is not clear how the transfers to each community are determined and which communities are eligible. It appears that a clear policy for allocating the funds does not exist. The lack of transparency in this regard hinders the ability of local stakeholders to hold the central government accountable.</p> <p>A government representative explained that the sum allocated to each community reflects the amount of production tax paid by the project active in the community. Civil society representatives noted that the definition of host communities was not clear, as several communities were often affected by operations. Also, the report does not disclose the basis of calculating the transfers to each community, which a government representative noted was the production tax per project. It is unclear whether this information is publicly available elsewhere in government documents.</p> <p>Consulted civil society representatives noted that the management of funds at the local level could be improved. Communities had in practice limited influence over the allocation of funds, which were paid to the district level, to be used for the communities' benefit. A government representative also noted that monitoring of the use of funds could be strengthened. This aspect exceeds the requirement, but is of high interest to stakeholders.</p> <p>Civil society representatives noted that the EITI had provided useful information to support advocacy on monitoring and clarifying subnational transfers, as well as a platform to discuss the issue with the government and companies. An industry representative noted that EITI Reports had helped to increase public understanding about the roles and responsibilities of the government and companies, namely that the company was not responsible for paying the 2.75% directly to communities.</p> <p>In late 2022, the government agreed that a larger share of 10% of production tax would be allocated to the subnational level in coming years. Of this, 2.75% would continue to be allocated to host communities and the remaining 7.25%</p>
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	<p>to the provincial level. A decree establishing details was pending approval at the time of writing this assessment.</p>
<p>Social and environmental expenditures (Requirement #6.1)</p> <p><i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 6.1 is mostly met. Mozambique was assessed as having made meaningful progress on this requirement in its previous Validation.</p> <p>The objective of this requirement is to enable public understanding of extractive companies' social and environmental contributions and provide a basis for assessing extractive companies' compliance with their legal and contractual obligations to undertake social and environmental expenditures. Based on available documentation and consultations, the objective has been fully met.</p> <p>The 2020 EITI Report includes information about mandatory social expenditures. In the oil and gas sector, companies are mandated to make payments to a social projects fund managed by INP. These payments are disclosed, alongside information about social projects executed by INP in 2020. In the mining sector, some contracts appear to mandate social expenditures. The EITI Report discloses the mandatory social expenditures of two mining companies. However, third party beneficiaries or the nature of expenditures are not clearly defined. As such, the gaps identified in the 2019 Validation persist.</p> <p>The International Secretariat was not able to confirm whether there were other mining companies making material social expenditures in 2020. The IA considered this to be unlikely, as companies had the incentive to report expenditures that they had undertaken. However, the availability of contracts would enable reviewing whether other mining contracts have clauses on mandatory social expenditure. There may be companies at exploration stage that are not making material payments to the government, but are already undertaking material social expenditures. The MSG clarified in its comments on the draft Validation report that the Mining Law did not mandate social expenditures. With regard to mining contracts, memoranda of understanding are agreed by the concessionaires with the communities and the local government for social responsibility activities.</p> <p>The 2020 EITI Report does not comment on the existence of material environmental payments. However, stakeholder consultations suggest that the only environmental payments are funds that the companies are required to set aside for rehabilitation. These are not covered in EITI reporting and are not considered payments to government, as the government does not have access to the funds. The MSG's feedback on the draft Validation report confirmed this, noting that environmental regulation obliges mining companies to annually provide a financial guarantee for the costs of rehabilitation and closure of the mine, which may be called upon in the event of non-compliance with the environmental obligations planned in the rehabilitation and closure plan of the mine.</p>
<p>New corrective actions and recommendations</p>	

- In accordance with Requirement 5.2, Mozambique should disclose further information on how the allocation of subnational transfers to each community are determined, including the underlying production tax payments used for calculating the transfers. Mozambique is encouraged to document in a clear policy which communities are eligible to receive subnational transfers and how allocations are determined.
- In accordance with Requirement 6.1, Mozambique should disclose whether any mandatory social expenditures by mining companies are undertaken in cash or in kind and disclose beneficiaries, when those are not government agencies. The MSG is should review mining contracts and relevant annexes to clarify whether any other mining companies are obliged to undertake social expenditures and is encouraged to review companies' compliance with the obligations. The MSG should document its view of whether MoUs between mining companies and host communities represent forms of mandatory social expenditure.

Background

Overview of the extractive industries

An overview of the extractive industries is accessible on the [country page](#) of the EITI webpage for Mozambique.

History of EITI implementation

The history of implementation is accessible on the [country page](#) of the EITI webpage for Mozambique.

Explanation of the Validation process

An overview of the Validation process is available on the EITI website.⁸ The [Validation Guide](#) provides detailed guidance on assessing EITI Requirements, while the more detailed [Validation procedure](#) include a standardised procedure for undertaking Validation by the EITI International Secretariat.

The International Secretariat's country implementation support team include Regional Director Gilbert Makore and Country Officer Tatiana Camilo Eisenberg de Alvarenga, while the Validation team was comprised of Interim Policy Director Lydia Kilpi. The internal review for quality assurance was conducted by Gilbert Makore, Joanne Jones, Alex Gordy and Bady Baldé.

Confidentiality

The detailed data collection and assessment templates are publicly accessible, on the internal Validation Committee page here.

The practice in attribution of stakeholder comments in EITI Validation reports is by constituency, without naming the stakeholder or its organisation. Where requested, the confidentiality of stakeholders' identities is respected, and comments are not attributed by constituency. This draft report is shared with stakeholders for consultation purposes and remains confidential as a working document until the Board takes a decision on the matter.

Timeline of Validation

The Validation of Mozambique commenced on 1 October 2022. A public call for stakeholder views was issued on 1 September 2022. Stakeholder consultations were held in person on 6-13 February 2023. The draft Validation report was finalised on 29 March 2023 and submitted for translation into Portuguese. Following comments from the MSG received on 10 May, the Validation report was finalised for consideration by the EITI Board.

⁸ See <https://eiti.org/validation>

Resources

- Validation data collection file – [Stakeholder engagement](#)
- Validation data collection file – [Transparency](#)
- Validation data collection file – [Outcomes and impact](#)