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TRANSPARENCY IN THE EXTRACTIVE INDUSTRY IN MOZAMBIQUE

Eva Quembo

PhD candidate in Political Science and International Relations at the Catholic University of Mozambique (UCM). Lecturer and researcher at the Faculty of Natural Resource Management and Mineralogy.
Catholic University of Mozambique

Pedrito Carlos Chiposse Cambrão

PhD in Sociology from the University of Porto. Lecturer and researcher at Zambeze University, Mozambique.
Zambeze University



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Abstract: Transparency in the extractive industry is one of the essential pillars for good governance of natural resources, especially in countries such as Mozambique, which are marked by mineral abundance and high levels of information asymmetry. This article critically analyzes the degree of transparency in the Mozambican mining sector, focusing on the province of Tete, between 2020 and 2024. The research focuses on four analytical axes: adherence to the Extractive Industries Transparency Initiative, availability of information, financial transparency, and disclosure of the beneficial owners of companies. A qualitative approach was adopted, based on documentary analysis of official reports, legislation, and institutional publications. The results reveal that, although Mozambique has formally adhered to the EITI, the transparency mechanisms implemented remain limited, with little public disclosure, barriers to access to information, a lack of independent financial audits, and no functional register of companies' beneficial owners. It concludes that challenges to transparency weaken the state's ability to collect revenue fairly, undermine public trust, and hinder the exercise of social control. The study recommends institutional and legal strengthening of disclosure mechanisms, as well as the promotion of a culture of transparency that is active and responsive to society's demands.

Keywords: transparency, extractive industry, governance, natural resources, Mozambique.

INTRODUCTION

In recent decades, Mozambique has established itself as one of the African countries with significant mineral potential, particularly in the production of coal, natural gas, and other strategic resources (Serra, Dondeyne, and Durang, 2012). This potential has attracted huge foreign investment, especially in the province of Tete, where extractive industry (EI) megaprojects operate (Macuane and Muianga, 2020).

However, the effective contribution of this sector to sustainable development continues to be the subject of debate and controversy among different segments of Mozambican society, as attested t Castel-Branco (2013 p. 9) “despite the high expectations created around megaprojects, their real impacts in terms of economic development and improvement of the living conditions of local populations have been quite limited.”

One of the central elements of this debate concerns transparency in the management of natural resources, especially with regard to production, exports, and revenues generated by mining companies. Despite the country's commitments to initiatives such as the Extractive Industries Transparency Initiative (EITI), structural challenges remain in relation to access to information, the reliability of public data, and accountability on the part of actors in the extractive sector (EITI, 2021).

There is evidence of discrepancies in financial reports, gaps in the oversight of companies' operating costs, opaque tax benefits, and barriers to the informed participation of affected communities (Selemane, 2016; EITI, 2021, 2022; CIP, 2018). These factors weaken the state's ability to collect

fair revenues and promote equitable distribution of the benefits generated, as well as hindering public scrutiny and accountability (Medeiros, 2012; Dias, 2019; Macuácuá, 2023).

Against this backdrop, this article aims to critically analyze the degree of transparency in the extractive industry in Mozambique, based on empirical evidence collected in the context of Tete province between 2020 and 2024. It seeks to identify the main obstacles to the disclosure and monitoring of information relating to the sector's production and revenues, and to discuss the implications of this opacity for the governance of natural resources in the country.

The starting question that guides this analysis is: To what extent do the transparency mechanisms adopted by the extractive industry in Mozambique ensure public access to information and enable effective governance of natural resources?

The relevance of this study lies in its contribution to a critical understanding of the dynamics of power, information, and *accountability* in the Mozambican extractive sector, in a context where good governance of natural resources is essential to avoid the so-called “resource curse” and ensure that mineral exploitation effectively benefits local and national development. By highlighting the limitations of current transparency instruments, the article offers subsidies for the improvement of public policies and mechanisms for oversight and social participation in the sector.

THEORETICAL REFERENCE

The word transparency originates from the Latin *transparentia*, which refers to the

phenomenon in which light rays are perceived, or the act of becoming visible, of making oneself known, of clarifying (Teles, 2011 cited by Oliveira and Ckagnazaroff, 2022).

For Moser, 2001 cited by Zucolloto, 2019 , p. 3), transparency is “the openness of procedures so that they become immediately visible to those who are not directly involved in them, in order to demonstrate the proper functioning of an institution.” Thus, transparency is closely linked to the availability and accessibility of relevant information, in order to allow scrutiny of the actions and decisions taken by public or private institutions.

Olivier (2004) considers that transparency is only present when three elements are present: an observer; an observed – something available to be observed; and the means or methods to carry out the observation. They must be present simultaneously, and the absence of one decharacterizes the cycle of transparency.

Elements of the Concept of Transparency: Visibility and Inferability

Michener and Bershch (2013) and Meijer (2013), cited by Rodrigues (2020), propose that transparency be analyzed based on its two fundamental elements, both necessary and jointly sufficient: visibility and inferability. Visibility refers to the existence and accessibility of information—what citizens can see or access; the ease with which data can be found. It is reflected in the extent to which information is reasonable, complete, and found with relative ease. Inferability, in turn, is linked to the quality of information and the possibility of its use; it

reflects the ability of external actors to interpret and understand the available content in order to infer actions, decisions, or intentions of public or private managers.

These two elements indicate that transparency is not just the publication of data, but rather its intelligibility, allowing for an informed assessment of the performance of institutions. Thus, more than just being accessible, data or information must allow for inferences to be made.

Transparency Classifications

There are several ways to classify transparency. Oliveira and Ckagazaroff (2022) point out that transparency can be classified in terms of direction as vertical and horizontal/direct or indirect; in terms of variety as events and processes; retroactive or timely; nominal or effective; in terms of initiative as active or passive. All of these classifications are useful for understanding the different levels and forms of transparency. For the present study, it is important to conceptualize some of these classifications.

Hood (2006) distinguishes between direct and indirect transparency; the former corresponds to disclosure by the source itself, while the latter involves intermediaries, such as the media or civil society.

Meanwhile, Oliveira (2022) differentiates between active transparency, which refers to the periodic and systematic disclosure of maximum information on government management of general interest, voluntarily without any need for request, whether motivated by legal obligations or not, and passive transparency, which occurs only when data is requested by citizens or organizations, and concerns the State's obligation to grant access to government information and official

documents to any citizen who requests it, except those considered confidential by law.

This boils down to the availability of access channels and personnel to meet more specific and detailed demands and requests for information, serving the interests of the requester. It requires a response to citizens' unanticipated demands for information.

Michener and Worthy (2013) introduce the distinction between nominal and effective transparency. Nominal transparency is associated with the existence of legal frameworks and disclosure mechanisms, but these may not result in real and useful access. This type of transparency aims to make the government's image acceptable and appealing to public opinion, meeting the requirements of various individuals determined through disclosure in large data columns, without concern for their compressibility by society. However, it often does not provide information on how institutions actually behave, how they decide, and the results of their actions.

Effectiveness, on the other hand, implies practical, understandable, and meaningful access, in which society can access, understand, and use information to hold public officials accountable. It allows access to reliable information about the performance of institutions.

Transparency in Natural Resource Management

In the field of governance, transparency is one of the central pillars for promoting public accountability and strengthening democracy. Transparency is the key activity of good governance, as the existence of a transparent state allows its institutions to be transparent, processes to be transparent,

and even society to be transparent (Hood, 2006; Meijer, 2014; Oliveira and Ckagnazaroff, 2022).

Transparency is widely recognized as an essential pillar of good governance, especially in the natural resources sector, where financial flows, technical complexity, and political and corporate interests often create environments conducive to opacity and rent-seeking. In this context, transparency refers to the clear, accessible, and timely disclosure of information on contracts, production, exports, revenues, social and fiscal expenditures, among other elements crucial to responsible public management.

In the literature on natural resource governance, the concept of “evidence-based governance” stands out, which values the production and use of reliable data as a condition for effective and participatory policies (World Bank, 2018). Informational opacity, in this sense, compromises not only fiscal justice, but also the rights of affected communities and the legitimacy of the state. Furthermore, transparency has been considered essential to prevent the so-called “resource curse,” promoting more equitable and sustainable governance of resources and ensuring fairness in the redistribution and sharing of the gains derived from them (Kolstad & Wiig, 2009; Van Alstine, 2014).

The Extractive Industries Transparency Initiative (EITI) is an international benchmark in this regard, setting standards for the disclosure of data on contracts, production, revenues, and social and environmental expenditures (EITI, 2023). However, authors such as Gillies (2010) and Lujala & Rustad (2012) point out that, despite regulatory advances, transparency often remains limited to the nominal sphere, especially in sensitive areas such as tax benefits, recove-

rable costs, and community development funds. Thus, effective transparency in natural resource management remains a central challenge for resource-rich countries.

Oliveira and Ckagnazaroff (2022) point out that transparency in natural resource management has implications for the possibility of social control, *accountability*, and public integrity.

Mejía Acosta (2013) and Kolstad and Wiig (2009) argue that transparency, when combined with effective accountability mechanisms, can reduce corruption, increase revenue collection efficiency, and improve development outcomes. On the other hand, simply making data available, without the institutional and social capacity to analyze and use this information, tends to produce limited effects.

METHODOLOGY

This study adopts a qualitative approach, which is descriptive and exploratory in nature. The choice of a qualitative approach is justified by the need to understand institutional processes, perceptions, and practices related to the disclosure of information, which are not always captured by quantitative metrics. To this end, a combination of documentary and bibliographic analysis was used, complemented by content analysis of official websites of institutions that are part of the mineral resources value chain in Mozambique.

The analysis was based on a diverse corpus of sources, including: EITI reports in Mozambique; financial and sustainability reports of companies in the extractive sector operating in the province of Tete; national legal instruments, such as the Mining Law

(Law No. 20/2014); the Access to Information Law (Law No. 34/2014); and the Tax Benefits Code (Law No. 4/2009 and subsequent revisions); Commercial Code (Decree-Law No. 01/2022); the Regulation of the Law on Public Works Contracting, Supply of Goods, and Provision of Services to the State (Decree No. 79/2022); and various scientific articles.

The data analysis followed the thematic content analysis method, as proposed by Bardin (2023), using the four analytical axes of the study as predefined categories: EITI compliance; Availability of information; Financial transparency; and Effective beneficiaries.

PRESENTATION AND DISCUSSION OF RESULTS

EITI Adherence: Commitments and Weaknesses in Implementation

The first major step the country took in promoting transparency in the natural resource exploitation sector was its adherence to the Extractive Industries Transparency Initiative (EITI), a global initiative that aims to contribute to quality debate in decision-making related to the management of revenues from the extractive industry (Kuwuka and Sekelekani, 2017).

The EITI is a mechanism for promoting transparency in the extractive sector with a view to enabling the appropriate and monitorable use of these resources and contributing to the economic and political stability of producing countries. The actions consist of verifying, reconciling, and publishing relevant information on the sector by verifying the entire value chain of

the extractive industry, from the point of extraction of resources to how they benefit the population (10th EITI Report of Mozambique, 2022).

EITI member countries are committed to implementing its standards, which include: (i) disclosure of payments made by companies (*royalties*, taxes, signing bonuses, etc.) and received by governments; (ii) publication of data on contracts, licenses, and the social and environmental impacts of extractive activities; (iii) creation of independent annual reports that analyze discrepancies between payments made by companies and receipts by governments; (iv) existence of a *multi-stakeholder* body (made up of representatives from government, companies, and civil society) that oversees the process in each country (EITI Report, 2022).

Mozambique joined this initiative in May 2009 with a view to improving internal instruments for promoting good governance, including transparency and corruption prevention, and ensuring that payments made by companies and receipts by the government from the extractive industry are published and made public (GMD, 2017).

Mozambique's accession culminated in its validation and declaration as a compliant country in 2012, which means that it has achieved effective compliance with EITI requirements during the process of reconciliation and annual publication of reports on the performance of the extractive industry, providing citizens with information on how much the country has received in terms of revenues from oil, gas, and mineral exploration, as well as other general information on the sector (GM, 2017; Kuwuka and Sekelekani, 2017).

The initiative is implemented by a tripartite group comprising the government, extractive sector companies, civil society organizations, and observers, guided by a coordination committee headed by the Minister of Mineral Resources and Energy, which defines and ensures the implementation strategies for this initiative through a work plan and an executive secretariat that carries out day-to-day activities.

Since Mozambique joined the initiative in 2009, around twelve reports have been published up to 2024, through which it was hoped that citizens would learn how much money mining companies contributed to the state budget in those years.

However, the country still faces challenges. According to Castel-Branco (2011) and Nombora (2012), the country's main challenges are related to the efficient management of natural resources and the equitable redistribution of their benefits. These challenges are mainly linked to limited institutional capacities due to a lack of resources and technical training, which hinders the implementation of EITI requirements.

Another limiting factor is the lack of civil society engagement. Despite efforts, there have been challenges in ensuring the active participation of all stakeholders, especially civil society organizations. There are also challenges related to the dissemination of information. Making the data accessible and understandable to the general population has been an ongoing challenge. Regular disclosure of EITI data is of little use without public awareness (), understanding of the significance of the figures, and public debate on how revenues from resources should be used effectively (EITI Report, 2022).

Therefore, the objectives of Mozambique's adherence to the EITI will only be achieved when a wider public is guaranteed to participate in an informed debate on the management of revenues from natural resources, thus ensuring that the exploitation of natural resources actually benefits citizens.

Nombora (2012, p. 5) adds that, despite being a compliant country, "the model being implemented is very basic, focusing only on payments and receipts from the extractive sector, leaving aside such important issues as the publication of contracts for the exploration and exploitation of natural resources, the tax regime, and the valuation of resources," which, in the author's view, raises a number of doubts as to whether this initiative is promoting significant and profound changes in the governance of natural resources.

In the same vein, Castelo-Branco (2011) considers that because ITIEM focuses on the transparency of IE's fiscal cash flows in terms of clarifying processes, this should not be the end in itself, but rather the means to an end. In the author's view:

"The ultimate goal of transparency should be to maximize the economic and social gains from the exploitation of natural resources, which is why it should cover contracts, resource valuation, payments, use of payments, the relationship between natural resource exploitation and other economic and social activities, environmental impacts, impacts on people's lives, among other issues" (p.4).

From this, it is clear that Mozambique's adherence to the EITI is yet another strategy for institutional strengthening and international legitimization, influenced by external pressures as part of a process of institutionalizing good governance standards recommended by international organizations such as the World Bank, the International Monetary Fund (IMF), and other donors, and internal dynamics to respond to the need for administrative and legal reforms aimed at fiscal transparency and natural resource management. The EITI functions as a normative mechanism that influences state practices and establishes standards of behavior, even in contexts of fragile institutions (North, 1990).

Internally, and from the perspective of decision-makers, adherence may aim to increase the institutional credibility of the state in the eyes of citizens and investors. Thus, Mozambique's adherence to the EITI can be interpreted in the view of Rodrigues (2019) as a strategic decision by the government to obtain political, economic, and reputational benefits. Even if it is not fully implemented, the government gains by signaling its commitment to transparency. From this perspective, it can be considered a case of "symbolic adherence," where the government adheres to please donors or avoid sanctions, but without substantially changing opaque practices.

Availability of Information: Opacity and Access Barriers

Although the Access to Information Law (Law No. 34/2014) establishes the right of citizens to public information, in practice, access to data on the extractive sector remains restricted and bureaucratic. Accordingly, Mozambique has some me-

chanisms in place for making information about the extractive industry available. These mechanisms include digital platforms managed by different ministries and public and private institutions, which provide data related to the exploitation of mineral, oil, and gas resources.

The system for providing information on the extractive industry in Mozambique encompasses: government entities linked to natural resource management, research institutions and civil society organizations that advocate for the industry, and the mining companies themselves.

The websites of public institutions that are part of the mineral resources value chain in Mozambique, such as the Ministry of Mineral Resources and Energy (MIREME), the Ministry of Land and Environment (MTA), and agencies such as the National Mining Institute (INAMI), and their national and provincial directorates and supervised institutions such as the National Institute of Geology and Mines (INGM), the Museum of Geology, and the Gemology Laboratory, are a good source of information. Through their *websites*, they provide a wealth of information to anyone interested, and various license, concession, and mining certificate applications can be made *online* at . Their *websites* also contain sector legislation, policies, strategies, guidelines, etc., including some of the concession contracts signed, which are available through the mining registration portal.

In addition to government efforts, civil society organizations play a crucial role in promoting transparency and disseminating information about the extractive industry in Mozambique. Institutions such as the Center for Public Integrity (CIP), the Institute for Social and Economic Studies (IESE), the

Development Observatory, the Terra Viva Center (CTV), and Environmental Justice (JA) have contributed significantly to monitoring, analyzing, and disseminating data on natural resource management in the country. These organizations produce independent reports, promote public debates, and conduct awareness campaigns to ensure that citizens are informed about the economic, social, and environmental impacts of resource exploitation.

Unlike the information and data provided by public institutions, these entities go beyond financial analysis and provide information on issues such as community resettlement, social compensation, environmental degradation, and local populations' access to the benefits generated by the extractive industry.

Through detailed studies and advocacy, they also highlight gaps in transparency and recommend improvements in public policies. Collaboration between these organizations, local communities, and the government is essential to strengthen governance in the extractive sector, ensuring that natural resources are managed responsibly and bring equitable benefits to Mozambican society.

The international press raises awareness of the challenges facing the country, highlighting cases of corruption, tax evasion, and lack of accountability on the part of companies and the government. By exposing relevant information and fostering public debate, the press helps citizens, civil society organizations, and policymakers demand greater accountability and fairness in the management of natural resources, thereby strengthening governance in the sector.

The official *websites* of companies are also a source of information on EI in Mozambique. On these *sites*, companies provide information about their history, products, and services, as well as sustainability or corporate social responsibility reports, which include information on: compensation programs; community projects; environmental and social measures implemented; information on operational performance and international certifications attesting to the quality and safety of operations; and employment opportunities.

Despite these advances, the centralization and accessibility of information remain significant challenges. Often, data is not systematized and is fragmented across different portals and is not updated regularly, making it difficult for civil society and local communities to monitor the sector (Selemane, 2014).

There is no single consolidated platform where all contracts and licenses are published in a comprehensive and detailed manner. Information is distributed among different agencies and formats, making access difficult (Castel-Branco, 2012).

In addition, aspects such as the socioeconomic and environmental impacts of extractive activities are given less priority than financial and technical data (EITI, 2022). This gap highlights the need to strengthen existing mechanisms, promoting greater transparency and a more comprehensive view of the extractive sector in Mozambique.

We also highlight the lack of regular updates to the platforms, which limits transparency on recent licenses or changes to contracts.

Furthermore, information on the social and environmental impacts of extractive

activities, as well as on community resettlement, financial compensation, and environmental mitigation plans, is often fragmented and difficult to access. It is often made available through the companies' own reports and *websites* and cannot be found at management institutions. This not only hinders access, but also undermines the credibility and accuracy of the information, considering the hidden interests of its producers.

Financial Transparency: Discrepancies and Lack of Independent Auditing

Taxation of the extractive industry in Mozambique is governed by a set of specific laws and regulations that aim to capture revenue efficiently and fairly, considering the economic and social impact of extractive activities. This taxation covers both mining and the oil and gas sector and is structured around different categories of taxes, fees, and *royalties*.

The taxation regime for the extractive industry in Mozambique consists of a set of laws and regulations that aim to ensure that the exploitation of natural resources contributes significantly to the national economy through the taxation of mining concession and license holders.

In addition to the other taxes that make up Mozambique's tax system, such as IRPC, import and export taxes, and capital gains tax, there is a specific taxation and tax benefits regime for mining activities approved by Law No. 28/2014 of September 23, which requires concession/ mining titles to also be subject to the Mining Production Tax (IPM), Surface Tax (ISS), Resource Income Tax (IRRM), as well as the specific rules on Income Tax provided for in this Law.

The National Mining Institute (INAMI) is responsible for controlling and auditing the quantities and quality of the mining product exploited and exported, in order to determine the value of mineral products for tax purposes. However, INAMI has always had technical and human limitations in fulfilling this important role, relying on companies' own declarations regarding the quantities and quality of exported products, which allowed for under-invoicing and tax evasion (CIP, 2023).

Although INAMI had access to information on coal reference prices through international platforms, the analysis and effective application of these prices were limited, as indicated in the 2018 and 2019 Reports and Opinions of the General State Account (RPCGE). This meant that mining companies paid a fixed percentage of the value of gross mineral production, calculated on the basis of the sale price declared by the company itself. This allowed some mining companies to understate sale prices in order to reduce the amount of taxes due, resulting in a loss of more than 893.5 million meticaís from 2013 to 2017.

In 2023, the government approved, through Ministerial Decree No. 91/2023 of June 16, the Reference Price Regulation for determining the value of mining products, which establishes that reference prices are determined based on international benchmarks and managed by a joint team with representatives from the Ministry of Economy and Finance, the Tax Authority, INAMI, UGEA of the *Kimberley* Process, and the General Inspectorate of RME.

Despite this, the fundamental problem of effective monitoring of mineral quantities at production and export sites, quality assessment, and transparency of the entire

process of determining the value of mining products remains (CIP, 2023).

The major challenge lies in the fact that the regulator must verify the quantities declared by companies based on a comparative analysis of the quality and quantity declared at the factory gate and at the final stage of shipment, prior to export. This would only be reliable if the regulator placed inspectors in all targeted companies and port terminals to certify this fact and not rely on information from the companies. However, this issue is still far from being resolved.

Another challenge in IE taxation is the failure to conduct recoverable cost audits. This audit consists of inspecting and certifying costs that are deductible in determining taxable income by the Tax Authority and are declared by companies.

In order for these costs to be recoverable by companies, INAMI must certify them within three years, otherwise the costs presented by the concessionaires will be considered effective.

The audit deadlines for the period up to 2015 ended without certification, which meant that the government failed to verify the compliance of 7.2 billion dollars. In the audit carried out in 2017/2019, of the total costs declared by companies as recoverable, the equivalent of 11.3 million meticaís were not eligible as such.

For the years 2020 onwards, no recoverable cost audit report has been published, which most likely means that it has not been carried out. The TA had already warned that the INP and AT were not certifying costs incurred by the multinational in order to allow them to be recovered in accordance with the guarantees without harming the State (RPCGE, 2021).

The same situation applies to the control and auditing of parafiscal and social contributions paid by companies, which are those in which companies pay for social services such as public infrastructure construction, subsidies, etc., which can be deducted from the tax burden borne by companies.

Although no audit has been published on companies operating in the coal industry, there is an example of ENH, which had declared 14.9 million meticaís as parafiscal expenditures in 2021, but an independent administrator found that the nature of the expenditures did not fall under parafiscal expenditures, but rather discretionary social expenditures.

This finding is a clear example of how the lack of auditing encourages fraud, as companies declare social and parafiscal expenses and thereby reduce their tax base. It would be advisable for companies to pay the taxes owed to the state and leave social and parafiscal activities to be carried out by the government.

In addition, there is the issue of tax benefits—incentives granted by the state to reduce the tax burden on certain companies or strategic sectors, in the case of the extractive industry. These incentives can be offered in the form of exemptions, rate reductions, tax credits, or tax deferrals, with the aim of stimulating investment, promoting economic growth, and boosting priority sectors for the country's development.

Although the contracts signed with mining companies are not available for consultation, the legislation provides, among other things, benefits such as exemption from customs duties and VAT on the importation of equipment, special deductions from corporate income tax (IRP), **and** a

guarantee that the agreed tax conditions will remain unchanged for a specific period, providing predictability for investors and fiscal stability for companies.

Even with these and other benefits, most mining companies in Tete reported negative financial results throughout their entire period of operation at the mine, with 2019 and 2020, the last years of their presence in the country, reporting the worst results.

Langa (2015) explains that this fluctuation in coal prices was due to relatively stagnant demand linked to greater energy efficiency, competition from other energy sources, and regulations limiting air pollution from coal use. This downward trend, combined with the decline in companies' profit margins, led to successive negative cash flows. According to Mapiisse (2021), this caused the country to lose approximately 4.6 billion meticaïs in production tax benefits from 2011 to 2019, not counting others that are not made public.

Most of the tax benefits negotiated by Vale would end in 2021, considering the agreed period of validity, which was 10 years after the start of exploration. It was expected that the company would finally be able to pay the amount due in taxes and increase its tax contribution to the Mozambican state. but it was precisely at this time that the company entered into a closure process and sold the project (Langa, 2015).

This event draws attention to the fact that, although tax benefits are important instruments for attracting investment, especially in priority areas such as mining, their application must be carefully monitored to ensure that they effectively contribute to the

country's economic and social development, avoiding significant losses in tax revenue.

Another problematic situation that arises when discussing FDI transparency is related to the availability of financial information through official publication in public institution reports. Although these reports are a fundamental tool for ensuring transparency, accountability, and public scrutiny, they often contain gaps, inconsistencies, or a lack of standardization, making it difficult to analyze in detail the financial flows generated by the exploitation of natural resources (Nombora, 2013).

For example, there are discrepancies between the values of coking and thermal coal production in the EITI report and the 2021 RPCGE. According to the RPCGE, the value was 64,655.6 million meticaïs and 26,434.4 million meticaïs for thermal coal, while the EITI exceeded this by more than 51.6 million meticaïs. This discrepancy discredits the institutions involved in managing IE revenue (CIP, 2023).

The data on total IE tax revenue in 2021 also differ, with RPCGE reporting a total of 19,849.0 million meticaïs, while the EITI report shows 20,413.73 million meticaïs, a difference of 567.73 million meticaïs. The 2020 reports of the two institutions also showed discrepancies, resulting in a difference of 860.18 million meticaïs. For CIP (2023), this constant discrepancy between the two documents indicates a lack of transparency and mismanagement of revenues or corruption. This discredits the MEF.

In addition, the frequency and level of detail of the information disclosed vary considerably. In some cases, the published data is outdated, omitting essential information on the amounts collected in taxes, *royalties*,

and other payments made by extractive companies. The absence of a clear and harmonized methodology for disclosing this information creates room for doubt about the accuracy of the figures presented, reducing public confidence in the sector's governance process.

Another critical factor is the lack of integration between the various bodies responsible for managing revenues from the extractive industry. Different institutions, such as the Ministry of Mineral Resources and Energy, the Tax Authority, and the Administrative Court, publish separate reports, often with discrepancies in the figures reported. This fragmentation makes it difficult to obtain a clear and consolidated view of the real economic impact of the extractive industry on the state budget.

Transparency on Beneficial Ownership: Limited Progress and Risks of Capture

The requirement to disclose the beneficial owners of extractive companies was introduced as part of the EITI reforms and the anti-corruption agenda. Transparency regarding beneficial owners in the extractive industry refers to the public disclosure of information about the individuals who actually own, control, or benefit from companies operating in the mining sector. The purpose of this transparency is to prevent practices such as corruption, tax evasion, conflicts of interest, and money laundering, ensuring that the exploitation of natural resources benefits society fairly.

Mozambique does not have specific legislation on beneficial owners. After many years of a strong extractive industry in the country, it still relies on the commercial code

and public procurement regulations to fill this gap, although these do not require the open disclosure of beneficial owners either (Bande, Jossai, Essinai, and Mate, 2023).

The Public Procurement Regulation, in Article 49(2)(v), establishes the obligation for companies competing for and winning a public contract to provide information on beneficial owners if the estimated value of the contract exceeds 60 million meticais. This excludes companies that do not win contracts and those that win contracts worth less than 60 million, in addition to the fact that the decree is silent on the open disclosure of this data, as it is intended for the contracting entity.

Transparency regarding beneficial owners would allow the contracting authority to detect signs of fraud and prevent conflicts of interest in public *procurement* processes, but this is not possible in the cases under consideration. The risk of corruption and conflict does not only occur when a contract involves large sums of money, because when divided up, it can even exceed that amount.

This concealment of the people who actually benefit from the exploitation of natural resources and public funds through public procurement encourages corruption, money laundering, tax evasion, and influence peddling.

The Commercial Code, in turn, in Article 99(1), stipulates that commercial companies must keep information on the identity of beneficial owners, but does not require them to provide any kind of declaration of beneficial owners, nor does it establish mechanisms for disclosing this information.

This lack of transparency regarding beneficial owners once again reveals the coun-

try's institutional fragility, since not only is there no specific law, but other laws requiring the disclosure of beneficial owners are unclear and assertive. The lack of technical capacity to monitor, opaque registration systems, and collusion between public officials and opaque business structures perpetuate the situation.

On the other hand, the opacity surrounding beneficial owners is functional to the extractive-dependent model, in which multinational companies hide the true owners to protect the interests of local and foreign elites. This cover-up is part of a global structure of tax evasion, corruption, and illicit capital transfers, facilitated by tax havens, obscure agreements, and a lack of real sovereign control.

Furthermore, the true owners of companies choose to conceal their identity to avoid taxes, legal accountability, public scrutiny, or conflicts of interest. In this way, both companies and public officials make strategically rational choices, even if this compromises institutional integrity and the collective interest.

CONCLUSION

This analysis has revealed that, despite regulatory advances and Mozambique's formal adherence to the Extractive Industries Transparency Initiative (EITI), structural barriers to effective transparency in the management of mineral resources persist, particularly in the mining sector in Tete province. Empirical data show that existing transparency mechanisms are largely formal and do not fully ensure public access to information, accountability, or the responsibility of the main actors involved.

The four areas analyzed—adherence to the EITI, availability of information, financial transparency, and disclosure of beneficial owners—presented significant challenges, such as:

- Low circulation and use of EITI reports by local actors;
- Difficulty in accessing relevant public information, despite existing legal guarantees;
- The fragility of the financial auditing and monitoring mechanisms of extractive companies;
- The lack of an effective system for identifying and disclosing the actual beneficiaries of companies operating in the sector.

These obstacles compromise not only the sound management of public revenues, but also fiscal justice, institutional integrity, and community involvement in decisions that directly affect their territories. The opacity that still characterizes the extractive sector in Mozambique fuels perceptions of injustice, fuels social tensions, and weakens trust in the state and in companies.

Given this scenario, the following is recommended:

1. Strengthen the practical implementation of EITI commitments, ensuring that reports are published in accessible language, discussed locally, and used as a tool for dialogue between the state, companies, and civil society;
2. Creating mechanisms for direct, public, and digitized access to data on production, exports, and revenues in the sector, as provided for in the Access to Information Act;

3. Establishing independent and regular financial audits of the operational, fiscal, and social costs declared by companies;
4. Develop a national public register of beneficial owners, with a clear legal basis, interoperability between institutions, and reliable verification mechanisms.

Transparency alone does not solve all the problems of natural resource governance, but it is a fundamental prerequisite for building fairer, more inclusive, and sustainable governance. Its implementation requires not only technical reforms, but above all political will, active participation, and institutional strengthening.

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