

A New Colonial Power in Mozambique

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China Exploits Mozambique's Ecosystems and Lax Policies

"Cahora Bassa is ours" are the first words Mozambique's president, Armando Guebuza, said after signing an agreement with Portugal's prime minister to transfer ownership of the 27-year-old hydropower dam on the Zambezi. The last link to Mozambique's colonisation by Portugal is finally broken, but are Mozambique's new economic ties following a similar pattern of exploitation and abuse?

Abusive economic interests are not something new in international relations, with extensive examples of the destabilizing and crippling affects they can have on developing countries. These negative experiences have given foreign donors like the World Bank a bad reputation, and forced a number of donors to take social and environmental impacts more seriously and develop policies to address transparency, social justice and environmental sustainability. Past experience has shown that such protections are vital requirements in the quest for truly sustainable development.

However, one of the new overseas investors, the giant China, is rivaling the World Bank for honors as the biggest lender to African nations and undermining the lesson learnt of the importance of transparency, social justice and environmental sustainability. China's expanding demands for new energy and raw material (as well as markets for its own goods) has made Africa a focus point for obtaining these valuable natural resources and many of its nations are increasingly important economic partners. China is the biggest consumer of zinc, nickel, copper and crude oil and the top importer of tropical woods.

China's weak social and environmental requirements, disregard for human rights protections, lack of transparency and policy of non-interference in internal affairs of the countries they lend to has resulted in some African governments being shored up with funds while allowing them to avoid local and international pressure to clean up corruption. The result has been dictators maintaining power, centralising wealth, and avoiding true development.

Mozambique is one of the African countries that has latched onto China's funding approach and grabbed the opportunity of non-interference and weak policies with both hands. Below are some recent examples of the negative results of this relationship.

Mphanda Nkuwa Dam

The proposed Mphanda Nkuwa dam is a good example of the problems linked to China's lack of concern for human rights and the environmental impact of the projects they are financing. The US\$2.3 billion Mphanda Nkuwa dam proposal has caused considerable debate in Mozambique with civil society and the potentially affected communities raising numerous concerns. The project's weak social and environmental assessment, high economic, environmental, social and technical risks and many other negative impacts, have put Western funders such as the World Bank off the project. In spite of these problems, early this year the China Ex-Im bank, China's overseas lending arm, agreed to back the construction of the dam project.

The Mphanda Nkuwa dam will have a capacity of 1,350 megawatts and will be on one of Africa's most dammed rivers, the Zambezi. The dam's electricity will be directed primarily towards industry and southern Africa's regional grid, completely ignoring the fact that less than 5 per cent of Mozambique's have access to electricity. The production of the power will cause twice daily fluctuations in the river's flow, which will have adversely the people downstream that depend on the river for suitable and acceptable access to water, fishing, river navigation and flood recession farming.

The dam will also undermine years of restoration work in the Zambezi delta (East Africa's richest wetland and a Ramsar "wetland of international importance" site), which has been damaged by the mismanagement of the Cahora Bassa dam, just over 70km upstream of Mphanda Nkuwa. A daily flow regime and flood simulation is being suggested for Cahora Bassa dam to better support downstream ecology and meet environmental flow requirements. However, the Mphanda Nkuwa dam flow regime has been based on Cahora Bassa's present destructive one, and the project environmental impact assessment states that if that is changed it could make Mphanda Nkuwa uneconomic. It is likely, therefore, that the years of work to begin restoring the Zambezi downstream of Cahora Bassa will be dropped in favour of getting more hydroelectricity out of the river.

The recent 7.5 earthquake and several aftershocks in Mozambique have justified already existing concerns about the seismic risk linked to the Mphanda Nkuwa project. The country is in the vicinity of the Nubia-Somalia plate boundary and straddles a highly active fault zone called the Shire trough, which runs southward from the southern point of Malawi almost all the way to Maputo. Thus the country is considered to be in a seismically active zone, but poor records in the area severely constrain scientists' ability to determine the potential for large earthquakes. For example, the recent 7.5 earthquake was nearly 13 times bigger than had been thought possible along that fault.

The Mphanda Nkuwa dam will be in this seismically active area, just 200km from the heart of the Shire trough fault zone. In addition, the shape of the Shire trough means that the dam's reservoir could increase the surrounding plates' seismic potential as a result of the increased weight of the water – a phenomenon known as "reservoir-induced seismicity" or RIS. Furthermore, the Estima fault crosses the reservoir 25 meters from the

proposed dam wall. It is thought that this fault is active despite there being no activity in the recent geologic record. Mozambique's lack of experience with and knowledge of large dams and China's low social and environmental requirements, coupled with the weak data available for the area, increases the risk and creates the potential for a major disaster.

The China Ex-Im Bank's funding is intended to promote the export of Chinese mechanical and electronic products and high- and new-tech products, to support Chinese companies with comparative advantages, to 'go global' with offshore construction contracts and overseas investment projects. The bank's involvement in Mphanda Nkuwa has removed the pressure on the Mozambique government to improve the social and environmental assessments of this project and has enabled the government to avoid addressing its various negative impacts. If the Mphanda Nkuwa dam project goes ahead in its present form, it will be another example of the negative impacts of large dams and will significantly handicap Mozambique's development.

Other dam projects in Africa have not set an encouraging precedent. There have been serious human rights abuses around the Merowe dam in Sudan, for example (see the article by Ali Askouri). Its resettlement programme has been very poor, there has been no transparency, and it has a bad record on environmental and social assessment. Closer to home, in Zambia, state utility ZESCO is working with the Chinese company Sinohydro on the Lower Kafue gorge project.

It chose a dam site after a balanced assessment of the economic, social and environment factors. However, we have learned from an inside source that Sinohydro told ZESCO that it was not how they did things in China and that they wanted to see a site assessment that focused only on economic factors. In the end, the original ZESCO site was selected, but the role of the Chinese dam builders in trying to focus only on the economics of the project does not bode well.

Logging in Zambezia Province

Chinese timber buyers are colluding with Mozambican business people and some members of the Mozambique government and their forest services to strip precious slow-growing tropical hardwoods from Mozambique's semi-arid forests at a rate that could see the resource exhausted in 5-10 years, according to reports of the trade on timber and wood in the Zambezi. The unsustainable logging begins with Chinese support to timber buyers to acquire "simple licenses," which allow logging of a relatively small quantity in a specific area. These licenses are given to local Mozambicans (146 in 2003 alone), thus starting a deforestation process often referred to as 'the Chinese takeaway'.

Under-reporting of logs taken is systematic and widespread. Inspections are rare, bribes common, and the computer-based control system of licensing and transport is purely cosmetic, according to reports and local experts. There is only one real checkpoint, where copies of all the licences of all the operators are filed and where all drivers should stop. Here, the focus is on villagers with small volumes of hand-sawn timber and established

industrial operators, while operators well-connected to politicians and the timber buyers are allowed to escape. In 2002, the quota was set at 42,000m³ but the local government agency responsible for logging reported only 33,200m³, of which only 28,400 m³ was exported. However, that year 17 bulk carriers and 27 container ships loaded logs in the port, totaling 51,000m³ based on the port authorities' record (also believed to be an underestimate by local experts).

The manipulation does not stop with the statistics and data, but also involves the regulations. Originally, the main commercial species had to be processed prior to export. However, just as the regulations were coming into force, the ministry, under pressure from the logging industry, passed a special regulation, reclassifying the commercial timbers to permit their export as logs. Now the unprocessed logs are exported to China, undermining local industry and transferring most of the benefits from one of the poorest countries in the world to what is becoming one of the richest. What is happening in Zambezia Province is replicated or even worse in other provinces. Rather than combating illegal logging, China, through measures including the manipulation of forest regulations, false technical information and statistics, bribes and indirect involvement in logging, is actually facilitating illegal logging and hindering sustainable development in the sector.

We also hear allegations from the coastal fishing communities of illegal fishing from Chinese boats, using longlines and gill nets that not only capture turtles and sharks but are also destroying our coastal zone. It was reported that in October 2005 a Chinese ship docked in Maputo harbor with around four tons of illegal shark fins. The Chinese illegal fishing boats are taking advantage of our government's lack of interest in or means to control and monitor our coastal area, and are destroying it and the livelihoods of the local communities.

The economic link with China is still a young and growing partnership with numerous investments in the pipeline. The few current investments have shown a tendency towards exploitation and abuse. The secrecy of the negotiations, the conditions of the funding and the disregard of the basic building blocks of development such as equality, social justice, a healthy environment and equity make us wonder if we Mozambicans are taking ownership of our country or just changing owners. What are the costs to our people and land? What will be the heritage of future generations? What is ahead of us? After so many years of being colonized by the Portuguese, are we now being colonized again, in the name of development but under the new flag of 'economic partnerships with China'?

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