

# Position Paper

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## 24/05/2013 **About the resettlements in Mozambique and Human Rights Watch's report**

Vale recognizes and values the efforts of Human Rights Watch, in defending human rights and engaging the government, companies, local communities and international community in order to resolve the challenges faced by Mozambique in its current phase of development and economic growth. Owing to the fact that the organization based its research on concrete data and as a result of its problem-solving attitude, this engagement process has enriched Vale's understanding and processes, and resulted in major progress for the resettled families.

As pointed out by Human Rights Watch, Mozambique is a country with challenging socioeconomic conditions for businesses, notwithstanding the significant progress already achieved. Vale in Mozambique, due to its scale and its implementation of an important project for the country's economy, has also made a commitment to contribute to the development of local communities, as such, to the increase of opportunities and overall well-being of its members.

As an integral part of the implementation of the Moatize Coal Mine, which began operating in 2011, it was necessary to undertake a detailed resettlement program for the families living in the industrial and mining sites. Following procedures and guidelines established by the company based on respect for human rights and aligned with international standards, this program started in 2006 and has involved social dialogue with the government and communities. The family transfer stage was completed in 2010, following the resettlement of 1,365 families to two areas: the rural community of Cateme, and the urban district of 25 de Setembro.

As explained to Human Rights Watch, there are still improvements to be made concerning infrastructure in the new communities. Vale is dedicated to forging solutions which support those impacted, together with the relevant authorities, in order to meet the needs of the resettled communities. It is worth

noting that any and all such adjustments form an essential part of the broader social dialogue and the resettlement process.

In its report, Human Rights Watch recognizes Vale's efforts to resolve the problems presented by the resettled people and notes that last year, Vale and the government of Mozambique signed a memorandum of understanding, of which nearly all items committed to have now been implemented.

The results presented in the report by Human Rights Watch reflect data collected by the organization's researchers between May and October of 2012. Regarding a number of points raised, there are updates and clarifications to be shared.

Concerning some families' failure to receive their first hectare, the government is negotiating with the 83 families involved and will reach a decision concerning the financial compensation related to the second hectare. Vale will transfer compensation funds to a savings account for each family. Through a specialist institution, the company is training the families to employ these funds in productive activities.

Regarding regular food assistance, the families that opted for rural resettlement received food packages related to the loss of the production cycle on their plots of land. Three food packages were distributed, taking into account the maximum output that each family's plot of land could have produced. As the families have begun to cultivate their new plots of land, techniques have been introduced to enhance yields, such as the use of improved seeds, animal traction and natural insecticides. In addition, seven fruit trees were distributed to each family, and a team of 34 professionals has provided ongoing technical support to advise on farming activities.

Concerning the repairs to houses, as of the present date, 516 houses out of a total of 716 in Cateme have been renovated and delivered to their owners. It is expected that the repairs to the remaining houses will be completed in August 2013. In 25 de Setembro, work has begun on renovating 11 houses out of a total of 289, and the work is expected to be completed in March 2014. Eight houses acquired via the assisted compensation option have also been renovated.

It should be noted that our response time for doing maintenance work on the houses has improved continuously. During the latest stretch of seasonal rains, for example, we made repairs in up to 24 hours.

In relation to issues involving water and irrigation in the resettled communities, Vale has finished rehabilitating the existing water supply systems in Cateme and 25 de Setembro, reviewing equipment and conditioning it in order to work fully. This initiative included activities such as replacing two 10,000-litre raised tanks, installing three electric floats in elevated towers, replacing pressurized pumps and fountains, replacing two submersible electric pumps in wells, and implementing a drip irrigation project involving 100 families to help them grow vegetables, which will begin in June of this year.

Various other initiatives are also under way, such as the construction of a water supply and distribution system featuring an elevated cistern with total capacity of 500 m<sup>3</sup> linked to the existing network of fountains, which will guarantee greater autonomy even with a power cut, the drilling of nine wells with total flow of 110 m<sup>3</sup>/h, and the construction of two dams on the Muaradzi River, which courses through the Cateme area.

In terms of strengthening community-based communication channels, Vale is training 17 community agents who themselves reside in Cateme and 25 de Setembro. These agents will be able to map the communities' main issues, permitting an improved capacity to listen to and manage demands.