



The Cabora Bassa Oil and Gas Project:

An Assessment of the Project's Social, Economic,
and Environmental Impacts on Local Communities
in Muzarabani and Mbire Districts



**The Centre for Natural Resources Governance (CNRG)
and Good Governance Africa (GGA)**

February 2023



The Centre for Natural Resource Governance (CNRG) is a Zimbabwean civil society organization that was established in 2012 with a mandate to be a watchdog of natural resources extraction, governance and management issues affecting the country. The organization was formed against a backdrop of the resource curse in Zimbabwe, where poor development outcomes are continuously recorded amongst extensive natural resource endowments in Zimbabwe. These poor development outcomes include poverty, low economic growth and less democracy.

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Cover image: “Mukuyu-1” drill site, located in Mbire District, Mashonaland Central, Zimbabwe. On 03 January Invictus Energy Company announced that it had concluded drilling operations at the site, that the well had proven a working hydrocarbon system in Zimbabwe's Cabora Bassa Basin, and that work is already underway for a follow-up appraisal campaign.



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GGA engages in applied research and stimulates debate on critical governance issues facing Africa. All our work is based on exploring and advancing key governance principles of democracy, accountability and transparency, rule of law and respect for human, civil, and property rights.

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Executive Summary

Since 2017, exploration activities by GeoAssociates, a joint venture formed between Invictus Energy and One Gas Resources, have uncovered major potential liquid natural gas reserves in the Cabora Bassa Basin. The Cabora Bassa Project (Special Grant Permit 4571) comprises 250,000 acres incorporating the Mzarabani Prospect – a multi-trillion cubic feet prospect first identified by Mobil Oil in the 1990s.

In 2022, Good Governance Africa (GGA) partnered with the Centre for Natural Resource Governance (CNRG) to provide a preliminary assessment of how early exploration activities in the region have occurred, whether local communities had been adequately consulted, and what potential risks could be associated with the project. Research included fieldwork studies among affected communities in the region, key informant interviews, as well as a review of relevant documentation and legislation.

Our findings illustrate the need for improved transparency on the parameters of the project as well as how its potential benefits will be shared. More transparency is also required as to the potential environmental risks posed by the project, particularly given the high level of drought and flooding risks local communities face, and what adaptation and mitigation measures are being provided to local communities in this regard. Moreover, our research also identified a lack of meaningful and continuous engagement with local communities, resulting in a significant information asymmetry between communities on the one hand, and the government and investors on the other.

Historically, natural resource extraction in Zimbabwe has tended to only benefit a political elite, often at the expense of local communities and ordinary citizens, and failed to translate into development gains. The potential LNG finds in the Cabora Bassa Basin come at a time when the country is ostensibly seeking to stabilise and grow its economy and overhaul many of its mining policies, while also maintaining its commitment to global efforts to lower greenhouse gas emissions. If these objectives are to be met, the government and investors involved must seek a major departure from the exploitative mining practises which have characterised the sector in Zimbabwe, and work to meaningfully contribute to community development and with more equity.

Recommendations

- Both the Production Sharing Agreement and Petroleum Exploration Development and Production Agreement signed between Geo Associates and the Government of Zimbabwe should be made publicly available in the interest of transparency.
- An independent review of the Environmental Impact Assessment (EIA) should be carried out and its findings, along with the original EIA, made public.
- GeoAssociates should develop and publicly present a comprehensive community communication and engagement plan, which outlines how the company will engage the community throughout the life-cycle of the project, as well as conflict-resolution and information-sharing modalities. The principle of Free, Prior, Informed and Continuous Consent must be respected.
- The government of Zimbabwe should be clear on how it intends to resettle and compensate households affected by mining activities, including the proposed oil and gas pipelines to Harare.
- The government should avoid deploying excessive security forces or taking actions which negatively impact the freedom of movement and association of people in the region.
- Place for community representation at the board level should be made for the project, which currently has no representatives from the region or Mashonaland Central Province, and a clear plan presented on how local communities will benefit from the project.
- The government of Zimbabwe should articulate how the Cabora Bassa oil and gas project fits into its National Development Strategy and Climate Change Response Strategy. Currently, the government's position on when fossil fuel exploration will be scaled down in line with its climate change commitments is unclear.
- Investment into climate adaptation and mitigation measures for local communities should be provided, given that the project will likely increase the risk of flooding and environmental degradation in the region. The Muzarabani–Mbire valley has substantive potential for commercial agriculture, providing there is adequate technical support is provided to communities, and oil exploration and production do not come at the opportunity cost of sustainable agricultural productivity.

Introduction

Zimbabwe is endowed with an abundance of natural resources, including diamonds, gold, and platinum group metals (PGM). The predominant country contains the second-largest platinum deposit and high-grade chromium ores in the world, with approximately 2.8 billion tons of PGM and 10 billion tons of chromium ore. The sector accounts for about 12 percent of the country's GDP.¹ Despite this abundance, the potential to exploit highly mineral-rich zones like the Great Dyke has been curtailed by ongoing political economy circumstances which discourage investment.² Moreover, historically, natural resource extraction in Zimbabwe has largely failed to translate into meaningful development gains for the country nor benefited ordinary citizens.

Like many states in the Southern Africa region, Zimbabwe has suffered the impacts of the 'resource curse', an empirically-grounded theory which posits that unless a country's governing institutions are strong at the time of discovering oil or mineral wealth, rents accrue to ruling elites, entrenching a bargain that consolidates wealth and power for the few at the expense of the many.³ A corollary impact is that rent availability disincentivizes the ruling coalition from building a broad-based economy with multiple tax sources.⁴ Over-reliance on fossil fuels creates path-dependent development trajectories that also inhibit switching to cleaner energy systems. These elite political bargains often occur at the expense of local communities and fragile ecosystems and can generate a range of social grievances.⁵

Since 2017, exploration activities in Zimbabwe have uncovered major potential liquid natural gas reserves in the Cabora Bassa Basin. The findings come at a time when the country is ostensibly seeking to stabilise and grow its economy, and overhaul many of its mining policies, while also maintaining its commitment to global efforts to lower greenhouse gas emissions.⁶ The finds also happen to be situated in a region highly susceptible to increasingly devastating impacts of climate change and among vulnerable and impoverished communities.



Above: A local schoolchild collects water from a manual pump well in Mbire District.

In the context of climate change, which disproportionately impacts low-income communities and developing countries, reversing the resource curse is more critical than ever. This can only be achieved by strengthening institutional quality and good natural resource governance mechanisms while also empowering local communities to take a leading role in decisions to host resource extraction projects in their ecosystems.

The purpose of this research was to provide a preliminary assessment of how early exploration activities in the region have occurred, whether local communities had been adequately consulted, and what potential risks could be associated with the project. To the authors' knowledge, there has been no independent research undertaken which directly interviews the members of communities directly impacted by mining exploration activities in the region. Fieldwork conducted by the Centre for Natural Resource Governance (CNRG) and Good Governance Africa (GGA) took place between January and October 2022. It included qualitative interviews with community members in Mbire and Muzarabani Districts, as well as discussions with a cross-section of relevant stakeholders from the government, civil society, and the private sector. In addition, publicly available documents by Invictus Energy and GeoAssociates also informed the research, as did news reporting on the project.

- 1 International Trade Administration. (2022). Zimbabwe – Country Commercial Guide. <https://www.trade.gov/country-commercial-guides/zimbabwe-mining-and-minerals#:~:text=The%20predominant%20minerals%20include%20platinum,billion%20tons%20of%20chromium%20ore>. Accessed 31 January 2023
- 2 Prendergast, M.D. "The Geology and Economic Potential of the PGE-rich Main Sulphide Zone of the Great Dyke, Zimbabwe. *Geo-Platinum* 87, pp 281-302. https://link.springer.com/chapter/10.1007/978-94-009-1353-0_32
- 3 Halvor Mehlum, Karl Moene, and Ragnar Torvik, "Institutions and the Resource Curse," *The Economic Journal* 116, no. 508 (January 2006): 1-20, <https://doi.org/10.1111/j.1468-0297.2006.01045.x>.
- 4 Michael Herb, "No Representation without Taxation? Rents, Development, and Democracy," *Comparative Politics* 37, no. 3 (2005): 297-316, <https://doi.org/10.2307/20072891>; Michael Lewin Ross, "Does Oil Hinder Democracy?," *World Politics* 53, no. 03 (2001): 325-61, <https://doi.org/10.1353/wp.2001.0011>; Joseph Wright, Erica Frantz, and Barbara Geddes, "Oil and Autocratic Regime Survival," *British Journal of Political Science* 45 (2013): 287-306, <https://doi.org/10.1017/S0007123413000252>.
- 5 Ross Graeme Harvey, "From Diamonds to Coal? Critical Reflections on Botswana's Economic Future," *Extractive Industries and Society* 2, no. 4 (2015): 827-39, <https://doi.org/10.1016/j.exis.2015.06.009>.
- 6 Government of Zimbabwe. (2020). Zimbabwe Long-term Low Greenhouse Gas Development Strategy. (2020 – 2050).

Background and Project Status

The Cabora Bassa Project, otherwise known as Special Grant Permit 4571, comprises 250,000 acres of the Cabora Bassa basin.⁷ The Project encompasses the Mzarabani Prospect, a multi-trillion cubic feet (TFC) gas-condensate prospect first identified by Mobil Oil in the 1990s. Exploration by Mobil between 1989 and 1993 covered an area spanning 30,120 square kilometres using gravity and 2D seismic surveys. Mobil concluded that there was “nearly 100 percent potential of gas” and a “high possibility of oil occurrence in the region.”⁸ However, the company relinquished the acreage after concluding that the project would not be economically viable due to gas drilling in neighbouring Mozambique already serving the small regional market, comprising of states which were, at the time, mostly energy-sufficient.

In 2017, Invictus Energy (“Invictus”), an upstream oil and gas company listed on the Australian Securities Exchange (ASX: IVZ) moved in when the exploration permit SG4571 was granted for three years in August 2017. This followed Zimbabwe’s change of political regime that year, and President Mnangagwa’s apparent effort to attract new foreign investment, particularly in the natural resources sector.⁹

Invictus Energy and One Gas Resources Ltd (“One Gas”), a special purpose vehicle owned by Paul Chimbodza and established to participate in the Cabora Bassa Project formed a joint venture, GeoAssociates Private Limited (“GeoAssociates”).¹⁰ Invictus owns a controlling stake in the venture (80%) and is the primary funding and technical partner, while One Gas, the original vendor of the special grant, controls the remaining 20 percent. One Gas is primarily focused on midstream and downstream sectors. The Invictus Energy Board comprises Scott Macmillan,¹¹ Joe Mutizwa¹² and Gabriel Chiappini.¹³

Building on the extensive dataset provided by Mobil’s

work in the 1990s, between 2017 and 2020, Invictus invested significant resources into further exploratory geotechnical surveys with pre-drill estimates finding a prospective resource of 9.25 trillion cubic feet + 294 million barrels of condensate.

In March 2021, GeoAssociates and the government of Zimbabwe signed a Petroleum Exploration Development and Production Agreement (PEPDA) and a Production Sharing Agreement (PSA). PEPDA provides a framework for the progression of the project through the exploration, appraisal, development, and production phases. While the document has not been made public, it gives GeoAssociates the right to enter into a 25-year production licence following the

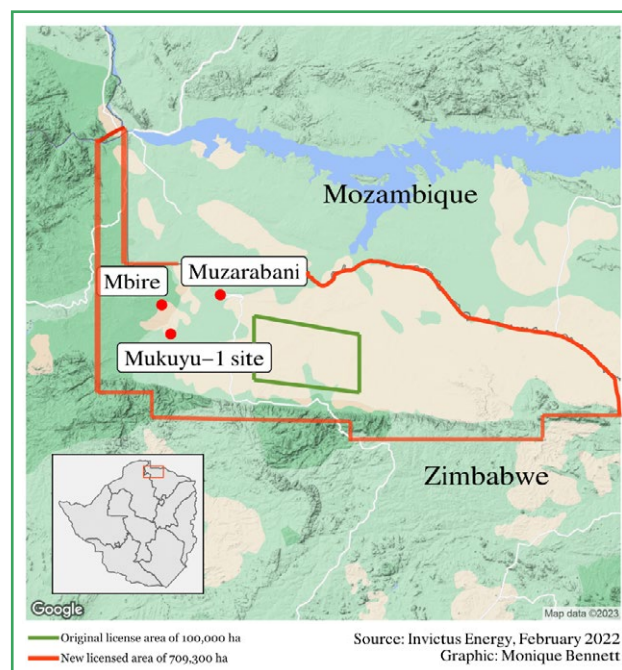


Figure 1: Special Grant 4571, Cabora Bassa Basin, Northern Zimbabwe.

⁷ Invictus entered into an agreement with the Sovereign Wealth Fund of Zimbabwe in August 2022 to increase the licence area to a total of 360,000 hectares.

⁸ The Sunday Mail. (2014). Oil, gas reserves found in Zimbabwe. 28 September.

⁹ Wilkinson, R. (2018). Interpose Holdings acquires interest in Zimbabwe gas-condensate prospect. *Oil and Gas Journal*. 18 April.

¹⁰ Paul Chimbodza is an influential player within Zimbabwe’s mining industry and has more than 30 years of experience in mineral exploration, evaluation and mining in the country. He is a board member of Prospect Resources, Associate Member of the Southern African Institute of Mining and Metallurgy, and Executive Director and shareholder of Stonestar Investments—the owners of Dinhidza Vermiculite Mine. Chimbodza has previously held positions as a senior exploration geologist and management positions at Rio Tinto, Trillion Resources of Canada, and Delate Gold of Australia. He holds a BSc General and BSc Honours Geology Honours from the University of Zimbabwe.

¹¹ Scott Macmillan is the Managing Director and founder of Invictus Energy Resources. He is a Reservoir Engineer and a member of the Society of Petroleum Engineers (SPE). Macmillan was previously a Senior Reservoir Engineer at Woodside Energy on large offshore Oil & Gas field developments and Business Advisor in the Global New Ventures team focused on Africa exploration as well as a Senior Reservoir Engineer for AWE working on the Waitisia Gas Field; the largest onshore gas discovery in Australia in the last 40 years. He has extensive business experience in Zimbabwe.

¹² Joe Mutizwa is Deputy Chairman and Non-Executive Director for Invictus Energy and the current chairman and major shareholder of Mangwana Capital. He served for ten years as Chief Executive of Delta Corporation, one of Zimbabwe’s largest listed companies before taking early retirement in 2012. He currently sits on the Presidential Advisory Council (PAC), a body appointed by President Mnangagwa to advise and assist in formulating key economic policies and strategies. He served on the board of the Reserve Bank of Zimbabwe (2015-2019) and currently chairs the boards of the Star Africa Corporation Zimbabwe (ZSE: SACL), a local sugar refiner; as well as the board of the Infrastructure Development Bank of Zimbabwe (IDBZ).

¹³ Gabriel Chiappini is the Non-Executive Director & Co-Sec. He is an experienced ASX director and has been active in the capital markets for 17 years, providing investment and divestment guidance to a number of companies having been involved with 10 ASX IPO’s in the last 12 years. He is also a member of the AICD and CA ANZ. Chiappini is a director of Black Rock Mining, (ASX: BKT).

exploration period¹⁴ as well as Special Economic Zone (SEZ) status. The SEZ status will facilitate a host of fiscal and non-fiscal incentives over the life of the project including legal and fiscal stability, offshore banking, zero capital gains tax, tax holiday periods and a 15 percent corporate rate thereafter.¹⁵

The PSA details the sharing of benefits realised from oil and gas extraction but has not been made public. However, Mr Chimbodza told Mbire Rural District leadership that GeoAssociates and the Government of Zimbabwe will share 50 percent each in the upstream production chain.¹⁶ It is not clear at what stage government will claim its share – whether as crude oil/natural gas or as a percentage of its sale. The PSA is an important document which should be made public in the interest of transparency and accountability. Keeping the arrangement secretive allows for potential corruption or abuse of public resources and it may unnecessarily tarnish the reputation of Invictus.

Ahead of the drilling the first (“Mukuyu-1”) of two exploration wells, Invictus stated that it completed a comprehensive Environmental Impact Assessment “which was one of the largest surveys ever undertaken in the country” and was granted a certificate of full environmental compliance by the Zimbabwe Environmental Management Agency (EMA) on 25 August 2020.¹⁷ The EIA was undertaken by Scientific and Industrial Research and Development Centre (SIRDC) which was established by the Zimbabwe government in 1993. Invictus has stated that the assessment included field surveys and baseline measurements of hydrology, ecology, environmental, archaeological, hydrogeological, soil surveys and socioeconomic and community consultations of the key project stakeholders, local leaders, relevant government ministries and government extension offices.¹⁸ The company has also stated that community information sessions were well attended, with up to 1,000 participants at some meetings, and that local communities in the Muzarabani and Mbire Districts and Mashonaland Central Province have expressed their full support for the project.¹⁹ A project presentation meeting was held on 27 July 2021 at the Zambezi Escarpment Lodge with the Mbire Rural District leadership, made up of the district council officials, the District Development



Above: A local community member in Mbire District on the way to collect water from a well.

Coordinator, Chiefs, Members of Parliament and Senators, and representatives of government agencies and ministries, and was the first for the district. However, ordinary members of the community remain largely unaware of the project.²⁰

The EIA, which has been renewed by the Zimbabwe Environmental Management Agency through to July 2023, has not been made public. This makes it difficult to determine the quality of the assessment or the veracity of its findings.

Invictus began drilling at its Mukuyu-1 site in Mbire in September 2022. In August 2022, Invictus entered into an agreement with the Sovereign Wealth Fund of Zimbabwe to increase the licence area to a total of 360,000 hectares which covers the entirety of the Cabora Bassa Basin and is planning on drilling two new wells in 2023. In January 2023, the

¹⁴ The Special Exploration Grant (SEG), which originally ran from 2017 to 2020, was extended by another three years in August 2020.

¹⁵ Invictus Energy. (ND). Zimbabwe SG 4571 & EPOs 1814/49. <https://www.invictusenergy.com/project/sg-4571/>. Accessed 23 January 2023.

¹⁶ Interview with community member. 27 October 2022. Mbire District. Mashonaland Central, Zimbabwe.

¹⁷ Stockhead. (2022). Environmental Impact Assessment for Invictus renewed through to July 2023. 26 July.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ It is typical in fragile jurisdictions that community engagement is performed as a ‘tick-box’ exercise whereby meetings between the mining company and local community are undertaken simply to ensure communities conform to the new status quo rather than looking to identify their best interests. For more information on Good Governance Africa’s work on this issue, see: <https://gga.org/social-licences-and-community-rights-an-assessment-of-the-xolobeni-community/#:-:text=The%20Xolobeni%20community%20refers%20to,coastline%20for%20almost%20fifteen%20years.>



Photos courtesy The Herald

Above and right: President Mnangagwa and Invictus Energy director, Joe Mutizwa, witness the signing ceremony between Mines and Mining Development Minister Winston Chitando and Geo-Associates chairman Mr Paul Chimbodza at State House in Harare.

company announced that it had completed operations at the Mukuyu-1 drill site which identified 13 potential hydrocarbon bearing zones and deeper untested potential.²¹

As part of the company's plan to manage carbon emissions, One Gas has entered into a 30-year contract with the Forestry Commission of Zimbabwe (FCZ) for the development of the Ngamo-Gwayi-Sikumi (NGS) REDD+ project. Developed by the United Nations under its Framework Convention on Climate Change (UNFCC), the REDD+ aims to incentivise developing nations to contribute to climate change mitigation actions by reducing carbon emissions from deforestation and degradation as well as conservation and sustainable management of forest carbon sinks.²² The NGS REDD+ project areas were awarded by the FCZ through an international tender process and cover a combined area of 301,565 hectares of indigenous forest in Matabeleland North Province. One Gas envisions that the NGS REDD+ project will fully offset all carbon emissions



generated across the lifecycle of the Cabora Bassa Project.²³ The NGS REDD+ project will not be the first of its kind for Zimbabwe. Other projects, such as the Kariba REDD+ Project which began in 2011, provide a proof of concept.²⁴ However, while the NGS REDD+ Project will serve to mitigate carbon emissions, it will not address the dire environmental challenges and climate change vulnerabilities experienced by communities in Muzarabani and Mbire.

21 Invictus Energy. (2023). Twitter Post. 23 January 2023. https://twitter.com/energy_invictus/status/1617351314333388801.

22 United Nations. UN-REDD Programme Fact Sheet.

23 The Herald. (2022). Invictus signs emission reductions deal with FCZ. 05 August.

24 South Pole Group. (2016) Kariba REDD+ Monitoring and Implementation Report 2014-2016.

Community Profiles

Mbire and Muzarabani Districts are both located in Mashonaland Central approximately 200km and 233km north of Harare respectively. According to the most recent population census, Mbire district has a population of approximately 83724 and comprises 19,915 households.²⁵ Primary economic activities in the area include cotton and maize farming, gold panning, fishing and barter trading. Muzarabani District has a population of 134,076 and comprises 31,100 households.²⁶ Primary economic activities of the area are livestock production, cotton farming, and streambank cultivation.

Both districts experience high levels of poverty and food insecurity, in large part due to their arid and low-lying terrain which makes them susceptible to flooding and hydro-meteorological hazards. Several community members acknowledged the negative impact of climate change in the region, particularly its impact on rainfall patterns and crop yields in recent years. As one senior community leader noted:

In the past, rains used to start in October but now only come in December or even in January, with floods that further damage our crops and homes. This change in weather patterns has also seen an increase in wildlife encroaching into domestic spaces and further destroying our crops.²⁷

Others cited changes in rainfall patterns as a reason to grow more resilient grains like sorghum to enhance crop yields to ensure food security.²⁸ Most houses in Mbire and Muzarabani are built of pole and dagga which leaves families with a higher degree of exposure to flood risks compared to houses constructed with bricks and cement. Many families survive on harvesting indigenous wild fruits called *Masawu* (*Ziziphus mauritania*). The fruits are then sold to markets throughout the country. Others make handicrafts such as reed mats and baskets for sale. Significant deforestation, possibly due to the community's bias towards more affordable pole and dagga houses can also be observed, further increasing flood risk.

In Mbire, more than 70 percent of households were assessed to be 'highly vulnerable' to flooding according to a 2021 household vulnerability assessment, which also noted the area's "high levels of unemployment resulting



Above: A local trader selling indigenous wild fruits called *Masawu* (*Ziziphus mauritania*). Many families in Mbire and Muzarabane rely on the trade for their livelihoods.

in low income and poverty; low levels of education; and over-dependence of the community on rain-fed smallholder farming.”²⁹

Similar conditions prevail in Muzarabani, where poverty prevalence was assessed at 88.4 percent, with some wards as high as 95 percent.³⁰ In 2019, about 21,000 households in 7 wards survived on food aid from World Food Program through the Zimbabwe Red Cross Society. Twelve other wards were left out of the food assistance programme due to limited relief food available.³¹

Poor education and health services also characterise both

²⁵ ZimStat. (2022). 2022 Population and House Census Preliminary Results.

²⁶ Ibid., 14.

²⁷ Interview with community member. 26 October 2022. Mbire District. Mashonaland Central, Zimbabwe.

²⁸ Interview with community members and informal traders. 27 October 2022. Fume Village, Mbire District. Mashonaland Central, Zimbabwe.

²⁹ Mudavanhu, C., Manyangadze, T., Mavhura, E., Pedzisai, E. (2021). Rural households' vulnerability and risk of flooding in Mbire District, Zimbabwe. Natural Hazards. 10.1007/s11069-020-04145-y.

³⁰ ZimStat. (2022). 2022 Population and House Census Preliminary Results.

³¹ The Standard. 2019. 'Distressing tales of poverty, neglect as starvation stalks Muzarabani. 21 April.



Above: Local children in Muzarabani often have to walk several kilometres to school on dirt roads. Many schools still use pole and dagga structures as classrooms or pupils learn in the open.

districts. People often have to travel several kilometres on foot to access health care services, while many schools still use pole and dagga structures or pupils learn in the open. Secondary schools are few, especially in the remotest parts of the districts that are close to the border with Mozambique.

Early oil and gas exploration in the region initially indicated the project would fall wholly in Muzarabani, however, it has since emerged that the concession stretches well into Mbire. A special grant (SG 4571) held by One Gas Resources covers 100,000 hectares – a sizeable amount of ground roughly a third of the area of the country’s largest game park.³² In Muzarabani, this covers 10 wards under Chiefs Hwata, Muzarabani, Chiweshe, and Kasekete.

The wards are 1- 6, 17 - 19 and 27 which have a combined population of 45,024 people from 10,020 households. Of the total population, 22,058 are males while 22,966 are women.³³ The concession extends past the Utete River to Mbire under Chiefs Chisunga, Chitsungu, Chapoto and Matsiwo. The area covers 9 wards in Mbire and these are 4, 6 - 8, 12 - 15 and 17, home to 46,553 people constituted of 22,834 men and 23,719 women from 11,124 households.³⁴ In August 2022, Invictus entered into an agreement with the Sovereign Wealth Fund of Zimbabwe in August 2022 to increase the licence area to a total of 360,000 hectares which covers the entirety of the Cabora Bassa Basin.

³² The Sunday Mail. (2023). ‘Invictus flags more oil, gas in Zim.’ 12 September.

³³ ZimStat. (2022). 2022 Population and House Census Preliminary Results.

³⁴ ZimStat. (2022). 2022 Population and House Census Preliminary Results.

Community Engagement

Community involvement is a principle provided for by the Constitution of Zimbabwe (CoZ) on national development. Section 13 obligates the state and all institutions to facilitate rapid and equitable development.³⁵ The development, in terms of the CoZ, must involve the people in the formulation and implementation of development plans and programmes that affect them. Similarly, Section 4(2) (b) of the Environmental Management Act states that environmental management must place people and their needs at the forefront of its concern and section C states that the participation of all interested and affected parties in environmental governance must be promoted.³⁶

Relationships between exploration and mining companies, local communities and other stakeholders begin long before the construction of a mine commences. While the Cabora Bassa Project is still in its exploratory phase, it is in line with best practices to engage local communities in a meaningful and ongoing manner throughout the life cycle of a mining project.

The 2012 United Nations Guiding Principles on Business and Human Rights presents a useful framework which comprises three core principles: the State's duty to protect against human rights abuses by third parties, including business; the corporate responsibility to respect human rights; and the need for more effective access to remedies. The Guiding Principles include the following:

- A.** Legitimacy: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes;
- B.** Accessibility: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;
- C.** Predictability: providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;

- D.** Equitability: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;
- E.** Transparency: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake;
- F.** Rights-compatibility: ensuring that outcomes and remedies accord with internationally recognized human rights;
- G.** Dialogue and engagement: consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances;
- H.** Continuous learning: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harm.³⁷

To date, stakeholder engagement for the project has largely consisted of a project presentation meeting held on the 27th of July 2021 at the Zambezi Escape lodge, and one community presentation held in Muzarabani to Mbire respectively where local community members gathered outdoors to hear about the project and traditional ceremonies were held to endorse it. Interviews with members of the community who participated in these traditional ceremonies indicated that they have had no further engagement with GeoAssociates.³⁸

As mentioned above, the first meeting between Mbire Rural District leadership and OneResources took place on 27 July 2021 at the Zambezi Escape Lodge. Representatives of Mbire Rural District included district council officials, the District Development Coordinator, Chiefs, Members of Parliament and Senators, and representatives of government agencies and ministries. Several of those present at the meeting, including, including Member of Parliament for Mbire Constituency, Hon Douglas Karoro and Mashonaland

³⁵ Constitution of Zimbabwe. (2013). Section 13. See; 23 January 2023. https://www.constituteproject.org/constitution/Zimbabwe_2013.pdf. Accessed

³⁶ Government of Zimbabwe. (2002). Environmental Management Act [Chapter 20:27].

³⁷ United Nations Office of the High Commissioner. (2011). Guiding Principles on Business and Human Rights.

³⁸ Interviews with multiple community members. 26 October 2022. Mbire District and Muzarabane Districts. Mashonaland Central, Zimbabwe.

Central Senator, Chief Matsiwo, asked when the investors were going to visit and consult with the people of Mbire. Many of those who attended also revealed it was the first time they had heard about the project and that the majority of community members themselves had not been consulted.

In Muzarabani, many community members interviewed revealed that they had never heard of any meeting between locals and GeoAssociates, despite seeing an increase in mining project vehicles in their area. While GeoAssociates have produced pictorial evidence of engagement with political and traditional leadership, including hosting a traditional ceremony with the village elders and Svikiro,³⁹ engagements have been few and limited to a small area. When interviewed about his involvement in these, the local Svikiro expressed resentment at no follow-up engagements and the feeling of being exploited.⁴⁰

Multiple interviews with members of the community in Mbire clearly indicated that ordinary community members have little information regarding the project and there has been no follow-up engagement with them since the initial presentations in July 2020. These findings cast doubt upon the Environmental Impact Assessment's (EIA) consultative process component, despite statements made by Mr Chimbodza that the process was inclusive of all the stakeholders affected by the project.

Whilst 'consultative' meetings have been held in both Mbire and Muzarabani concerning the oil and gas project, the decisions on the project were made by the executive arm of government in Harare. Negotiations of shareholding were done and concluded in Harare. The Mbire and Muzarabani Rural District Councils were not involved in the decision-making. The 'consultative' meetings held in the two districts were largely ceremonial and meant to allow GeoAssociates to explain the project to the communities. The mentioned traditional ceremonies, where the community was given free traditional opaque beer and food, were held in Muzarabani where traditional leaders reportedly welcomed the project.⁴¹

There is clear information asymmetry between the

government and GeoAssociates on one hand and the community on the other. According to Mr Chimbodza, the major issue that came up during the consultations was fear of sexual immorality that could ruin marriages, increase school dropouts, and early pregnancies. Whilst this reflects the social conflicts invariably created by large extractive projects in communities, it also reflects the need for civic education and awareness-raising in the communities ahead of such consultations. It also shows that the community engaged based on fear of losing what they have, not necessarily seeing the project as an opportunity to boost economic growth and livelihoods in the area. The involvement of local technocrats would have ensured the community bargained for public goods and long-term socio-economic gains that will be felt long after the project has ended. However, it remains unclear if the communities and their local representatives have the kind of competencies required to effectively communicate and negotiate in their best interests.

³⁹ A Svikiro is a spirit medium of the Shona people of Zimbabwe.

⁴⁰ Interview with community member and informal trader. 29 October 2022. Mbire District. Mashonaland Central, Zimbabwe.

⁴¹ The term consultative is in inverted commas because the definition remains largely contested. Genuine consultation, based on best practice, is substantively different from merely communicating information about an intended activity. Rather, it is about engagement over time through trust and relationship building, and can include a capacity development element to ensure vulnerable communities have the competencies required to effectively communicate and negotiate their best interests.

Potential Negative Impacts

There are several examples of mining projects in Zimbabwe that have had profound and longstanding negative impacts on the economy, environment, and local communities. Violence associated with the country's gold mining sector has cost hundreds of lives and seen mass human rights violations, eroding the gold export potential of the country and bringing international condemnation.⁴² Diamond mining in Marange, eastern Zimbabwe, has seen local communities forcibly removed from their lands, high levels of environmental degradation, and being implicated in transnational organised crime.⁴³

Given the environmental fragility of the region, as well as the vulnerability of the indigenous communities which reside there, several potential negative impacts could arise from the Cabora Bassa Project in both the short and long term. Every effort should be made to mitigate these risks.

1. Securitisation and human rights abuses

In the past, the natural resources sector in Zimbabwe has also served a political and economic elite, often at the expense of ordinary Zimbabweans. When mineral discoveries have been made, the government has often put in place security measures which adversely impact local communities. For example, in 2007, following the discovery of major diamond reserves, the Chimanimani Restricted/Reserved Area ("Marange") was declared a protected place per GN 181/2007 under the Protected Places and Areas Act ("the Act"). Under the guise of the Act, the government deployed military units, and police garrisons, and established multiple roadblocks. It is estimated around 200 civilians died in conflicts with security forces which were met with international backlash and threatened the country's membership in the Kimberly Process.⁴⁴ Assemblies and community gatherings in Marange were prohibited and visitors to the region were often turned away by security forces. Additional licensing and permits are



Photo: Jekesai Njikizana / AFP

Above: Zimbabwe military police man a security checkpoint on December 13, 2011 in the area surrounding the diamond-rich Marange region, where families were expelled from their house to make way for excavation machines of major mining companies allied to the regime of President Robert Mugabe. Thousands were moved from their homes in Marange and are still awaiting compensation promised by the mining companies. Only 500 families obtained new housing from the mining firms while another 3,500 are still waiting to be either moved or are living in temporary housing.

⁴² International Crisis Group. (2020). All That Glitters is Not Gold: Turmoil in Zimbabwe's Mining Sector. 24 November.

⁴³ Human Rights Watch. (2009). Diamonds in the Rough: Human Rights Abuses in the Marange Diamond Fields of Zimbabwe. 26 June.

⁴⁴ Harvey, R. (2009). Zimbabwe: Failure to Act on Abuses Threatens Conflict Diamonds Process. South African Institute for International Affairs. 13 November. <https://saiia.org.za/research/zimbabwe-failure-to-act-on-abuses-threatens-conflict-diamond-process/>

required by residents to carry out simple daily tasks; freedom of movement and assembly are severally restricted.⁴⁵ While the Cabora Bassa Project is still in its exploratory phase, there is a high risk of similar securitisation of the region if and once major extractive operations commence.

2. Uneven development

Unlike some mineral deposits where artisanal mining can occur, oil and gas extraction requires large capital investment and is not labour-intensive. As mentioned above, negotiations of shareholding for the current project took place in Harare without involvement from the Mbire and Muzarabani Rural District Councils. Neither the Petroleum Exploration Development and Production Agreement (PEPDA) nor the Production Sharing Agreement (PSA) has been made public, so it is difficult to determine if or what local content opportunities may be created or other dividends local communities may benefit from the project. However, interviews with community members indicate that there is a high degree of expectation when it comes to the project. Several individuals interviewed expressed either a desire or expectation of new roads, road infrastructure, education and health care services, and job opportunities arising from the project. A failure to manage or meet these expectations may cause deep social grievances and further erode trust in government and create antipathy towards the firm.

3. Environmental impact

The global negative potential impacts of oil and gas drilling projects are well documented.⁴⁶ At the local level, exposure to pollutants associated with drilling can lead to respiratory, cardiovascular and other diseases for those who live nearby. Drilling and mining, if done irresponsibly, often leak toxic substances into the water basin and soil with adverse effects on human and environmental health. Infrastructure built for oil and gas extraction, as well as the use of heavy equipment can severely damage the environment and impact animal behaviour and disrupts wildlife habitat. The fact that the Environmental Impact Assessment has not been made public makes it difficult to determine the potential



Above: Most homes in Mbire and Muzarabane are built from dagga and straw, making them highly susceptible during frequent flooding which occurs in the region. The above home is built from brick with a thatch roof.

environmental risks posed by the project, and whether the government has the capacity or systems in place to adequately deal with these risks.

Moreover, the region in which Mbire and Muzarabani districts are located is extremely arid and highly prone to flooding, while high levels of poverty in the region make both adapting to adverse weather conditions and recovering from such natural disasters difficult for communities. As a result of climate change, Zimbabwe will also likely see an increasing number of both droughts and flooding, making potential disruption to the fragile environment a greater risk to local communities.⁴⁷ Invictus has already hired outside companies to clear forests for exploration activities. Deforestation increases vulnerability to flooding, while also increasing human-wildlife conflict and other adverse effects on the environment.

⁴⁵ International Crisis Group. (2020). All That Glitters is Not Gold: Turmoil in Zimbabwe's Mining Sector. 24 November.

⁴⁶ Gustafsson, M., Svensson, N. (2021). Cleaner heavy transports – Environmental and economic analysis of liquefied natural gas and biomethane. Journal of Cleaner Production. Vol 278.

⁴⁷ World Bank. Climate Change Knowledge Portal. Zimbabwe: Vulnerability. <https://climateknowledgeportal.worldbank.org/country/zimbabwe/vulnerability>. Accessed: 23 January 2023.

Conclusion

The government of Zimbabwe should consider a fair equity model with the Muzarabani-Mbire community if the Cabora Bassa project continues to move from exploration to extraction phases.

The proposal presented by GeoAssociates Private Limited to stakeholders in Mbire and Muzarabani has a Corporate Social Responsibility (CSR) component. The company claims it has already started CSR projects by donating boardroom furniture to the Mashonaland Central Provincial offices and has plans to drill boreholes, construct dip tanks, support schools with bursaries and stationery and some other initiatives. However, this top-down approach is not different from what has been tried by other extractive industries in Zimbabwe. Often, there is limited community input in decision-making on priorities. Secondly, there is a lack of transparency on the amount of money spent on community projects. Often, corporates inflate the cost of CSR projects, resulting in communities disputing the figures published in annual reports. The third limit to CSR projects is often their focus on immediate, short-term needs of gaining local political support. While the beneficiaries of these projects are few, the externalised costs of mining are far-reaching. Beneficiaries tend to be those who are amenable to being co-opted and would otherwise constitute an obstacle to the project. Too often, companies tend to approach the local chief as an act of expediency, which can, over time, create local tensions and damage intracommunity relations when community members feel they have not benefited from mining activities.

Whilst GeoAssociates Private Limited stated that they have a 50-50 shareholding arrangement with the GoZ, as noted, it is not clear which vehicle the government used to enter the agreement. If the government is to benefit through taxes, judging from Zimbabwe's mining history, there is no realistic chance that any of the taxes paid to the government will be reinvested in the Mbire and Muzarabani districts. Wealth from Mbire and Muzarabani will create millionaires elsewhere whilst those directly affected by the project regrettably sink deeper into poverty.

A new approach is needed if long-term socio-economic goals are to be realised from this project. What the Mbire and Muzarabani communities need is equity in the entire investment – a stipulated and viable share of the community in the company shareholding. The community should be able to appoint its own trustees, open its own bank account, consult widely on community-wide priorities and build mechanisms of accountability. A master plan that creates linkages between the envisaged oil and gas project with other economic activities is also needed. For instance, both Mbire and Muzarabani districts have great agricultural potential. The two districts sit on a large floodplain that is underutilised due to a lack of capital investment. Creating agricultural cooperatives that operate irrigation schemes can be a sustainable investment that also taps into the farming skills of the community. Drawing water from the mighty Zambezi River can be a game changer that also ensures local communities can remain economically viable long after the gas and oil project is concluded. The community will also invest its share of the profits in infrastructure development, health and education sectors.

Giving the Mbire and Muzarabani communities equity in the project will minimise the risk of conflict between GeoAssociates and the affected people. Rather, it will bring closer cooperation between the local people and the company and compensate for the adverse long-term effects of the project. It will also be a clear indicator on the part of the 'New Dispensation' that government has moved from the predatory approach witnessed in Marange, where the community and the nation at large are concerned with the government's lack of accountability, to a more inclusive approach to natural resource governance. It is a model that can be replicated anywhere in the country with positive results.

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Above: Artisanal miners watch operations during an ongoing rescue and recovery operation at the flooded Cricket gold mine near Kadoma, Zimbabwe.

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