

# MOZAMBIQUE News reports & clippings

262 13 June 2014 Editor: Joseph Hanlon ( [j.hanlon@open.ac.uk](mailto:j.hanlon@open.ac.uk) )

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**Also in this issue: On-going war**

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## Budget support falls from \$400 mn to \$275 mn as Ematum takes its toll

Budget support pledges yesterday (Thursday) fell dramatically, from \$400 million for this year to only \$275 mn for 2015. Two countries, the UK and Germany, did not make pledges. Excluding those countries from last year's pledges, there was still a fall, from \$324 mn down to \$275 mn - due largely to a sharp cut by the European Union. The World Bank increased its commitment by \$25 mn.

The World Bank remains the largest budget support donor (\$135 mn, up from \$110 mn), now followed by Sweden (\$47 mn, unchanged), then the European Union (\$16 mn, down sharply from \$78 mn), the African Development Bank (\$15 mn, down from \$29 mn), Ireland (\$12 mn unchanged) and Denmark (\$11 mn, unchanged).

Programme aid increases slightly, from \$270 mn to \$290 mn, but that is largely due to two very large new World Bank programmes, \$50 mn for climate change and \$50 mn for agriculture. There are big cuts in education (from \$119 mn to \$75 mn) and health (\$84 mn to \$54 mn), and the health money is conditional on a full audit from 2012, an action plan based on 2011 and 2012 audits, and a financial report on 2014. Water and sanitation falls from \$11 mn to \$2 mn and roads from \$12 mn to \$6 mn.

In their press statement the donors promised to do better in meeting their commitments, but they "stressed the need to be able to verify significant progress in relation to fiscal transparency and management of public investment, combating corruption, and concrete measures for inclusive growth."

The outgoing G-19 chair, Italian ambassador Roberto Vellano, was more outspoken than he has been in previous statements: "Between late 2013 and early 2014, our partnership passed through moments of difficulty, relating mainly to questions around the operation of the Ematum company with respect to fiscal transparency and the control of public investment. This caused some partners to delay releasing their funds." He said that the two countries that had delayed pledges, Britain and Germany, did so partly because of "preoccupations" relating to Ematum. He continued that as a result of Ematum, donors are now demanding an "action plan on fiscal transparency, which contains the commitments for the current year and the next."

## Budget support pledges

Donor	2013 pledge \$ mn	2014 pledge \$ mn
Af Dev Bank	29.4	14.7
Austria	2.0	2.1
Canada	9.1	9.1
Denmark	11.3	11.4
European Union	77.8	15.9
Finland	7.9	8.3
France	2.6	2.8
Germany	9.2	
Ireland	11.8	12.4
Italy	6.6	6.9
Portugal	0.5	0.6
Switzerland	7.4	8.2
Sweden	47.3	47.3
UK	66.4	
World Bank	110.0	135.0
TOTAL USD million	399.1	274.6

+ The 2013 pledge is for 2014, etc.

+ Pledges are made in local currency, so where there are small changes, for example by the Euro group, pledges were the same for both years, but the rate of exchange between the Euro and US dollar changed.

+ Four countries do not give budget support - Belgium, Netherlands and Spain, and Norway - and are now associate members of the G-19 budget support group.

## Sector and programme support pledges

Sector	2013 pledge \$ mn	2014 pledge \$ mn	Change
Agriculture	7.7	60.4	52.7
Tribunal Administrativo ATA	5.4	2.7	-2.7
Education FASE	118.9	75.0	-43.9
Health PROSAUDE	84.2	54.2	-30.0
HIV/SIDA CNCS	0.0	0.0	0.0
Water ASAS	3.9	0.0	-3.9
Water & sanitation PRONASAR	7.2	2.2	-5.0
Social Action INAS	5.2	5.7	0.5
Tax/Autoridade Tributária TAA	7.1	8.4	1.3
Statistics INE	1.9	5.0	3.1
Roads PRISE	12.3	6.5	-5.9
SISTAFE	5.6	5.9	0.3
Fish	6.3	9.9	3.6
Decentralization PNPFD	1.4	0.6	-0.8
IGF	3.0	3.5	0.5
Climate Change	0.0	50.0	50.0
Total USD million	270.0	289.8	19.7

## Was Renamo using a church?

Renamo attacks have been reported on the N1 north of the river Save Tuesday and Wednesday. On Tuesday and Wednesday there were disagreements of drivers waiting to pass through the 100 km between Muxungué and the River Save. Some drivers argued that Renamo was only shooting at soldiers, and refused to carry soldiers in their vehicles, or in some cases even refused to drive in the convoy.

The Portuguese press agency Lusa and CanalMoz report that an attack Wednesday afternoon was very close to Muxungué. After the attack, government troops shelled and partially destroyed a local catholic church 3 km from the village because the Renamo guerrillas who had attacked the convoy were believed to be using the church as a base.

On Tuesday Renamo spokesman António Muchanga said "the cease fire will be re-established only if the government stops attacking Renamo forces. If the attacks continue, we will respond."

**Comment:** Muchanga would appear to be offering an informal deal, independent of the stalled Monday negotiations, in which Renamo would stop its attacks if the government pulled back its troops from around Gorongosa and allowed Dhlakama and Renamo to feel safe to leave and begin electoral campaigning. This is the deal Renamo thought it had when Dhlakama was allowed to register to vote. *jh*

## News briefs

**Industry book:** *An Enterprise Map of Mozambique* by John Sutton points out that there is more small industry in Mozambique than many observers realise. It is a very interesting survey of local industrial sectors, including agro-industry, with a set of small case studies.

[http://www.theigc.org/sites/default/files/An Enterprise Map of Mozambique\\_0.pdf](http://www.theigc.org/sites/default/files/An%20Enterprise%20Map%20of%20Mozambique_0.pdf)

**Two policemen** were part of a car theft gang; one was killed and the other injured and arrested in a shoot-out in Maputo on 5 June. (*O Pais* 10 June)

**@Verdade**, the free weekly newspaper, has moved its base and the bulk of its distribution from Maputo to Nampula. It has also announced it will not cover the 15 October national elections.

**Carlos Jeque has been dismissed as chair of LAM** after a series of problems with maintenance and cancelled flights, and replaced by Silvestre Valente Sechene. But CanalMoz claims that Jeque, who had only served for a year, was actually trying to clean up LAM and was overthrown by the group driving the company into the ground.

## More on earlier stories

**Green Resources** has completed its merger with Global Solidarity Forest Fund. Former GSFF shareholders, including Dutch Pension funds and Nordic churches, now hold 29% of the shares of Green Resources.

**Nedbank of South Africa** on Wednesday took part control of Banco Unico. It invested \$24.4 mn to gain 36.45% of the bank. The other shareholders are Gevisar (36.45%); João Figueiredo (10.35%); SFHolding (8.97%) and 8% shared by smaller investors: INSS, Rural Consult, António Barroso, António Martins, DHD, Miguel Chaves and herdeiros de António Pinheiro. Gevisar in turn is owned 70% by Américo Amorim (one of the owners of Galp Energia and said to be second richest man in Portugal) and 30% by Visabeira (which owns TVCabo, the Girassol hotel

chain, Edivisa and other companies in Mozambique).

**IESE** has moved to Av Tomas Nduda 1375, Maputo.

**Ematum:** Finance Minister Manuel Chang told a press conference 30 May that the \$800 million Ematum bond issue was totally transparent and was approved by parliament, but the two opposition parties, Renamo and MDM, both deny that Ematum was ever considered by parliament. (*O Pais*, 2 June)

**Criminal charges against 10 political parties** are being brought by the anti-corruption office (Gabinete Central de Combate à Corrupção, GCCC), for illegally importing 640 cars tax free, which were then sold on, the GCCC spokesman Bernardo Duce said on 6 June (*O Pais*). The scam was first exposed by CIP (Public Integrity Centre, Centro de Integridade Pública)

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***The next book***

## **Galinhas e cerveja: uma receita para o crescimento**

by Teresa Smart & Joseph Hanlon will be launched 2 July in Maputo.

## **Zimbabwe takes back its land**

by Joseph Hanlon, Jeanette Manjengwa & Teresa Smart is now available from the publishers [https://www.riener.com/title/Zimbabwe\\_Takes\\_Back\\_Its\\_Land](https://www.riener.com/title/Zimbabwe_Takes_Back_Its_Land) also as an e-book and <http://www.jacana.co.za/book-categories/current-affairs-a-history/zimbabwe-takes-back-its-land-detail>

***Now in paper at a reasonable price***

## **Do bicycles equal development in Mozambique?**

by Joseph Hanlon & Teresa Smart is now available in **paperback**, for £17.99 (+ p&p) from the publisher <http://www.boydellandbrewer.com/store/viewItem.asp?idProduct=13503>

## **Just Give Money to the Poor: The Development Revolution from the Global South**

by Joseph Hanlon, Armando Barrientos, and David Hulme

Most of this book can now be **read on the web**

[tinyurl.com/justgivemoney](http://tinyurl.com/justgivemoney)

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NOTE OF EXPLANATION:

This mailing list is used to distribute two publications, both edited by Joseph Hanlon. This is my own sporadic "News reports & clippings", which is entirely my own responsibility. This list is also used to distribute the *Mozambique Political Process Bulletin*, published by CIP and AWEPA, but those organisations are not linked to "News reports & clippings" Joseph Hanlon

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**Mozambique media websites:**

Noticias: [www.jornalnoticias.co.mz](http://www.jornalnoticias.co.mz)

O Pais: [www.opais.co.mz](http://www.opais.co.mz)

On Facebook:

@Verdade: <https://www.facebook.com/JornalVerdade>

CanalMoz: <https://www.facebook.com/CanalMoz>

Macauhub English: [www.macauhub.com.mo/en/](http://www.macauhub.com.mo/en/)

AIM Reports: [www.poptel.org.uk/mozambique-news](http://www.poptel.org.uk/mozambique-news)

Carlos Serra Diario de um sociologo: <http://oficinadesociologia.blogspot.com>

Good daily newsletters:

English: Mozambique Investor. Send e-mail to [theinvestor@clubofmozambique.com](mailto:theinvestor@clubofmozambique.com)

Portuguese: Mozambique Hoje. <http://mail.clubofmozambique.com/mailman/listinfo/mhoje>

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