Resource Governance and Rising Challenges in Mozambique: The Role of the National Assembly

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Introduction

Mozambique’s enhanced international profile, reflecting the gains from more than two decades of peace and democracy and recent significant gas and coal finds, brings new challenges to the country’s leaders tasked with ensuring effective long-term resource governance and, in the short term, responding to rising socio-economic pressures. In the context of the inauguration of a newly elected legislature in January 2015, parliamentarians from FRELIMO (Frente de Libertação de Moçambique), RENAMO (Resistência Nacional Moçambicana) and MDM (Movimento Democrático de Moçambique) met at Chatham House and discussed their role and priorities in supporting improved governance and economic transformation in Mozambique.

The meeting and the question and answers session were held on the record, and the views expressed are those of the participants. The following summary is intended to serve as an aide-memoire for those who took part, and to provide a general summary of discussions for those who did not.

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António José Amélia

António José Amélia opened the discussion, and noted that his parliamentary colleagues would be able to participate and give their point of view in the discussion. He stated that it is always a pleasure to have the opportunity to discuss issues that can affect Mozambique but which are also global issues.

The speaker noted that some of the MPs present were entering the new parliament for the first time, but had experience in many sectors that parliament encountered on a day-to-day basis.

There are a number of issues facing Mozambique as parliament begins its new legislative session – both development issues and issues arising from natural disasters such as flooding, which has devastated many provinces in the centre and north of the country. Infrastructure has been severely impacted, including bridges and many key access roads, and this has affected the living and working conditions of many Mozambicans. Parliament was deeply saddened by the disappearance of many Mozambicans who were swept away by the floods, and by the situation for survivors, including many children who lost their parents. The natural environment is a matter of concern for the new parliament. Following the floods, Mozambique received help and assistance from its citizens, African neighbours and other international partners. Despite this, there had not been enough help to resolve all issues.

In terms of resources in sustainable development, there is a distinction to be made between finite resources and those that are more durable. With appropriate investment, agriculture is an example of a sector that can operate as a renewable resource. Mozambique has enacted legislature to approve the tools needed to exploit natural resources. Such tools will be suitable until better ones are found. Both the leaders and citizens of Mozambique want to benefit from resource exploitation. Citizens are concerned that natural resources should be distributed fairly. Attitudes have changed: for example, it is now widely understood that Mozambican charcoal must undergo a process to be transformed into wealth that can in turn help Mozambique. With regard to citizens’ concerns over gas, the country’s leaders will work to ensure that previous forms of exploitation will not be repeated.
There is a challenge to ensure that legislation, even where it is fully enforced, meets the expectations of and satisfies both investors and state. Peace is important to this, as is ensuring that those who come to exploit Mozambique's natural resources do so in good faith.

Parliament is a privileged space for political activity in Mozambique, and political stability is important as a facilitator of legislation. The work of parliament has sometimes been constrained by the need for its members to compromise when faced with different views. Parliamentarians must remain aware that they are serving their country.

Regarding the role of oversight, parliament has performed according to its regulations. The legislature is made up of different parties, and this diversity is reflected in the make-up of the visiting delegation. Parliament formulates questions for the executive, which is then summoned to answer these questions. Additionally, there are sessions in which the members of the public suggest questions, which are then assessed in order of importance and concern. There are also select commissions, which visit constituencies and scrutinize the government’s national plan. Working with national authorities, these visits are designed with concrete objectives, and seek to verify compliance with the national programme. Another dimension in terms of oversight is that within their constituency every parliamentarian meets with executive authorities who check that programmes are being carried out.

**Summary of Questions and Answers**

**Questions**

The need for increased investment in agriculture rather than extractives was highlighted. Members of the delegation were asked for their views on the potential benefits of foreign investment, and for their concerns.

The parliamentarians were asked whether they consider foreign investment in Mozambique primarily from a constituency-level perspective, or from a group perspective as members of the legislature.

Explanation was sought about the provincial autonomy debate in Mozambique. The parliamentarians were asked to clarify how the debate might lead into discussions about frameworks of governance.

**António José Amélia**

Investment is considered by parliamentarians as a matter that benefits the country overall, in addition to specific constituencies. Extractives are important in at constituency-level, but investment in non-extractive industries in different regions is also needed. There are investment opportunities for example in macadamia production and cattle farming, the latter being particularly important in Gaza province. Meat processing is also a possible industry for expansion to service the internal and export markets.

As regards production of agricultural commodities for export, such as corn, a slowing of development within the sector may be due to management issues. Mozambique used to export flowers to the Netherlands, and there are potential opportunities in forestry. Specifically, eucalyptus and pine trees could be developed for export as part of the paper industry.
Manuel Chang

Mozambique has welcomed foreign direct investment for a long time, and continues to do so. The country is politically stable and is recognized for its regular elections: Mozambique has never missed a planned election. There has been some internal disturbance, but this should not be interpreted as wider instability. Mozambique’s macroeconomic stability – with a decade-long record of seven per cent annual economic growth, and less than single-digit inflation currently – should be emphasized.

Mozambique is on good terms with the IMF, and has benefited from the Heavily Indebted Poor Countries (HIPC) programme of the IMF and World Bank. The lack of private investment is the main hindrance to Mozambique’s investment in public services. Key priorities for private investment include agriculture, cattle, tourism, energy and port infrastructure. There are also opportunities in roads and communications, and natural resources, alongside other sectors, are important.

Questions

The parliamentarians were asked to give their views on environmental responsibility of companies when considering foreign direct investment.

They were also asked to explain whether communities affected by resource exploitation would be permitted to give their free and informed consent to resource exploitation, particularly where open-cast mining was taking place, as this tends to have the biggest social and environmental impact.

António José Amélia

Parliament has a commission to deal with issues of the environment; this examines the likely effect of every new extractive project, including the human impact and, in some cases, the impact on Mozambique’s wildlife – particularly fish and birds. The commission is required to be thorough in its analysis, and so some projects are discussed in the legislature for a long time.

Parliament’s human rights commission investigates the extent to which citizens’ rights will be affected where resource exploitation will take place. Mozambican legislation asserts that the population should be consulted whenever extractive activity is planned. This activity must provide evidence that the affected population believes it will benefit from planned resource exploitation.

When communities are relocated as a result of extractive activity, an assessment is made on the impact and outcome on the affected population. There is legislation that stipulates that 20 per cent of the value of taxes derived from tourism must be allocated to local communities, and 20 per cent of the tax levied whenever an elephant is killed through hunting goes to the population. These taxes also provide for the building of schools and improvements to health centres.