



MOZAMBIQUE:
**Good governance and rational management of natural
resources**

**Address by HE Armando Emilio Guebuza, President of the Republic of Mozambique, delivered at
5th Global Conference of the Extractive Industry Transparency Initiative**

Paris, 3 March 2011

Madam Chair;

Your Excellencies Heads of State and Government;

Honourable Heads of Delegations;

**Distinguished Heads of Diplomatic Missions and Representatives
of International Organizations;**

Distinguished captains of industry;

Invited guests;

Ladies and Gentlemen;

All Protocol observed.

We are very pleased to join you in this historic event and would like to thank, most warmly, its organizers for having extended us an invitation to be here today and for the warm welcome and gracious hospitality accorded to us since our arrival in this delightful city Paris. We also commend you for the excellent arrangements made for our meeting which will greatly facilitate our proceedings. In particular, we would like to place on record our deep appreciation to the World Bank, the African Development Bank and United Kingdom Department for International Development for the support they have provided us with to be at the stage we are with this noble Initiative.

Madam Chair

Distinguished Participants

Mozambique is a country of plenty. It is a country endowed with a rich potential of mineral resources and, already, has made a name as a producer and exporter of significant quantities of natural gas and of minerals extracted from the heavy sands. Plans are on course for us to start producing coal both for domestic consumption and for international markets.

At the same time, we have signed oil prospecting and production contracts with several multinational companies. After months of drilling, we are encouraged by the technical discovery of natural gas and oil in the Rovuma Basin.

In Mozambique we take a two-pronged view where natural resources are concerned. On the one hand, we believe that however resourceful the country is it cannot and should not depend on its natural resources alone for socio economic development. We need to invest in human resources

development, agriculture, logistics and other sectors of the economy. These resources should also play a special role in the industrialization of the country.

On the other hand, whatever natural resources we are blessed with should be used to induce the development of the other sectors of the economy. The forecasts indicate that the extractive industry will make a significant contribution in the implementation of our national agenda intended to make poverty history.

It is in this context that the promotion of transparency is to be viewed. First, we have the enabling political environment which stems from the rule of law and the attendant liberties and citizens' rights. It is under this umbrella that the dialogue with different sectors of the civil society takes place, which, in turn, consolidate the sense of common belonging and of purpose and generate policy formulations. One such recent example is Mozambique national report of the African Peer Review Mechanism which is the result of open and frank debate around four pillars, namely

- ❖ Political and Democratic Governance;
- ❖ Economic Governance and Management;
- ❖ Corporate Governance; and
- ❖ Socio-economic Development.

The other example is the annual conference for dialogue with the private sector which has been going on for a decade a half. Thirdly, we have been consolidating institutions which promote transparency, accountability and good governance. Chief among these is the Inspector General's Office, the Administrative

Tribunal and the Parliamentary Accounts Committee.

Furthermore, on the more operational levels:

- ❖ anti-corruption clauses are an integral part of the concession contracts;**
- ❖ a strategy for the licensing and concession of oil prospecting areas has been adopted;**
- ❖ fiscal and tax legislation applicable to contracts has been reviewed;**
- ❖ model contracts are in place;**
- ❖ documents on mining records are open to public consultation; and**
- ❖ contracts are endorsed by the Administrative Tribunal.**

We are of the view that the promotion of good governance and transparency in the payments and receipts in the extractive industry will contribute significantly for an efficient use of the natural resources. As a result, our governments will be in a better position to fund the macroeconomic development plans and strategies for poverty reduction.

Thank you very much for your kind attention