

# “To promote sustainable socio-economic development in the Northern Region of Mozambique”

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## ERNESTO MAX ELIAS TONELA

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Ernesto Max Elias Tonela is, as of March 2022, Mozambique’s Minister of Economy and Finance after having successively held the positions of Minister of Mineral Resources and Energy (December 2017-March 2022) and Minister of Industry and Trade (2015-2017). He participated in the Mozambique, Portugal, and South Africa tripartite negotiation process regarding the Cahora Bassa Hydroelectric Complex and the definition of the strategy, structure, and negotiation of funding for plant capital reversal following the agreements between the Mozambican government and the Portuguese Republic. With extensive business management experience, Tonela has held the positions of executive manager at Hidroelétrica de Cahora Bassa, SA, economics and finance manager at Electricidade de Moçambique, EP, and non-executive manager at Sociedade de Desenvolvimento do Corredor de Maputo, SARL. Tonela holds degrees in Business Management from the Eduardo Mondlane University (UEM) School of Economics, in Mozambique and in Business Management and Finance from the Centre for Financial, Economic and Banking Studies in Marseille, France. He holds a master’s degree in Financial Management from the Institute of Business Management of the University of Paris I, Panthéon, Sorbonne, France.

Below are excerpts from the written interview Mr. Tonela gave to CEBRI-Journal.

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**According to the UN Global Assessment Report on Disaster Risk Reduction, Mozambique is the third most vulnerable African country to disaster risk. In recent years, the country has suffered two droughts and seven cyclones, including Cyclone Idai in 2019, the strongest to hit the African continent. In response, in 2020, the Ministry of Land and the Environment launched the Improving Local Climate Resilience in Mozambique (MERCIM Program) in strategic partnership with the European Union, with the Catalan Agency for Development Cooperation, with technical assistance from the United Nations Capital Development Fund (UNCDF) and its LoCAL (Local Climate Living Facility) methodology. In your view, how is Mozambique preparing for the effects of climate change, and how does its environmental foreign policy help raise global awareness of East Africa’s climate problems?**

**MAX TONELA:** Mozambique has, over the past decade, been working on implementing a clear and transparent legal framework to manage an effective disaster risk management response. In 2014, Mozambique passed its Disaster Risk Management Act (Law 15/2014), followed by adopting a Master Plan for Disaster Risk Reduction establishing priority actions and measures to implement in 2017-2030. In 2017, the govern-

ment of Mozambique also established a Disaster Risk Management Fund to respond more efficiently and quickly to extreme weather events. The Fund is financed through an annual commitment of 0.1% of the State budget, supplemented with financial contributions from key donors such as the World Bank. More recently, the government put out a tender for sovereign disaster risk insurance and began implementing an early warning system to prevent and minimize losses and damage associated with extreme weather events.

**Mozambique is expected to become a major world producer of liquefied natural gas (LNG) in coming years. The European Union recently proposed that Mozambican gas could become a significant alternative to the energy crisis the EU is going through. In addition, the world has been talking about the importance of the energy transition to the move toward cleaner energies. What is Mozambique’s position on this issue? What role can LNG play in this energy transition process in Mozambique? And what role will gas play in Maputo’s foreign policy?**

**MT:** Gas will be a part of energy transition plans in many countries as a means to reduce their CO<sub>2</sub> emissions. Mozambique boasts one of the world’s largest known natural gas reserves and is expected to become one of the largest

exporters of LNG in the next decade. When combined with Carbon Capture and Storage (CCS) solutions, Mozambican LNG can provide the world with one of the cleanest natural gases on the market. In addition to natural gas, Mozambique has unique renewable energy assets that can significantly contribute to boosting green industrialization and an energy transition process, both domestically and in the southern African region. Thanks to our large water potential on the Zambezi River, we are uniquely poised to support the decarbonization of the regional electricity system. Mozambique can potentially displace about 7 GW of coal-fired power generation and further facilitate some 5 GW of additional solar and wind power. Put together, these resources are estimated to save more than 40 million tCO<sub>2</sub>e (tons of CO<sub>2</sub> equivalent) in annual emissions, which correspond to Portugal's current annual emissions.

**Nearly one million people are currently displaced in northern Mozambique after fleeing their homes seeking safety as a consequence of the conflict that flared up in Cabo Delgado province in October 2017. Five years later, some communities in Cabo Delgado still live in constant fear and suffer trauma and loss. Troops from Southern African Development Community (SADC) countries, deployed in Cabo Delgado in**

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**July 2021 in a joint effort with the Mozambican Army, met relative success to quell the insurgency. However, insurgents continue to destabilize pockets of territory and have sallied across neighboring Niassa province and Tanzania. In addition, they can increasingly call on ISIS networks in East Africa for support. SAMIM (SADC Mission in Mozambique) troops working along the local army have reclaimed significant territory from insurgents, while donor money has brought Cabo Delgado's population some relief. Yet these remedies alone are unlikely to resolve a conflict born of local grievances. With those untreated, the insurgency will persist as a source of regional insecurity. In your view, what are the next steps to completely stabilize the region? If SAMIM leaves the region, will Mozambican Armed**

### **Forces be able to maintain stability in Cabo Delgado?**

**MT:** Supporting the populations of northern Mozambique is one of the government’s most important goals. The government has, with partner support, established programs and initiatives to promote a stable and inclusive economic environment. The region’s stability involves creating social and economic conditions that foster regional development in line with the implementation of on-site projects. Take, for example, the Northern Mozambique Integrated Resilience and Development Program (PREDIM), which has a vision of peace and fast-paced development with inclusion and participation, and a mission to restore and consolidate peace and promote sustainable social and economic development in Northern Mozambique. The program is supported by the AfDB (African Development Bank), the European Union, the United Nations and the World Bank Group. Regarding your second question, the insurgency in Cabo Delgado poses a challenge to regional stability. It is only natural that the government works on joint solutions to tackle the challenge of maintaining stability.

**By all indications, the insurgents claim a significant role in Cabo Delgado’s economy so they can benefit from the opportunities created by major mining and gas projects. If the insurgents’ motiva-**

**tions go unaddressed, the roots of the conflict will remain untreated, and the conflict will likely reignite as insurgents adapt to the presence of foreign troops. Mozambique and its regional partners should start thinking about how they might obtain peace through means other than military operations and development money, as these measures, on their own, are unlikely to stop conflict dead in its tracks. In your view, is there a political way out of the conflict? Or is the military solution combined with development programs the only solution?**

**MT:** As I mentioned earlier, the region’s stability depends on creating social and economic conditions that foster regional development. Major mining and gas projects are enabling a new economic development environment in the country, particularly the North. Project sponsors have been developing opportunities to encourage regional entrepreneurship that have already created new jobs and benefited local livelihoods. The government is using the recently announced Economic Acceleration Package (PAE) to implement economic improvement actions to enhance regional stability. Paradigm-changing actions such as allocating 10% of natural resource revenues to the province of origin, creating a sovereign fund and fiscal tools directly impacting on the production sector, among others, will stimulate job creation

and improve local livelihoods. Better social and economic conditions are the cornerstone for stability in the region.

**Mozambique will become a rotating member of the UN Security Council for the first time in the 2023-2024 biennium. It is more than natural for the country to contribute to the debate on terrorism, given the situation in Cabo Delgado. In your view, will greater involvement of UN Security Council countries in the conflict be necessary? Should UN-sponsored peacebuilding missions be deployed in Cabo Delgado?**

**MT:** Mozambique is receiving various types of support from diverse partners from various friendly countries in Africa, Europe, and in different latitudes, and any support to fight terrorism is very useful. We have received support from the Southern African Development Community (SADC), we have received support from Rwanda, the African Union, and we have received

support from the United Nations. We thank everyone for their help, including even those countries that, facing other challenges, condemn and criticize the faceless and savage violence imposed on defenseless populations in Cabo Delgado and elsewhere in Northern Mozambique. The support we receive contributes to bringing home the populations affected by terrorism. In short, Mozambique is receiving assistance and continues to obtain various types of assistance in this chapter of the fight against terrorism. Several United Nations organizations are widely known to be present in Cabo Delgado so that we are receiving a lot of support and it is certainly desirable that we put an end to this aggression as soon as possible so that we can focus on development challenges and provide full security for the relevant populations to resume their normal lives. Taking a rotating seat in the UN Security Council is a great honor for Mozambique, and we hope to use our government's tradition of regional mediation to contribute in the best possible way. ▬

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