

MOZAMBIQUE 138

FORMER INTERIOR MINISTER ALMERINO MANHENJE ARRESTED

FINANCE MINISTER CHANG CHALLENGES DONORS

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Corrected version of

News reports & clippings no. 138 from Joseph Hanlon

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FORMER INTERIOR MINISTER ARRESTED

Former Interior Minister Almerino Manhenje was arrested yesterday (Monday) for alleged corruption. His arrest was very public. On the orders of the Maputo City Attorney's office he was arrested as he was giving a class at Maputo's Higher Institute of International Relations (ISRI) where he is a lecturer.

In December 2005, Manhenje's successor, Jose Pacheco, told reporters that an audit of the Ministry revealed that nearly \$9 million could not be accounted for in the Interior Ministry from the period between November 1996 and January 2005 when Manhenje was minister.

In March 2006, Pacheco personally handed the details of the case to Attorney General (Procurador-Geral da República) Joaquim Madeira. Nothing happened, but in August 2007 Augusto Paulino was named Attorney General, and various important cases have begun to move forward.

At least six other people have been arrested, including former financial directors of the Interior Ministry and of the riot police. One of those detained is believed to be Armando Pedro, chair of the board of the National Social Security Institute (INSS, Instituto Nacional da Segurança Social).

Finance minister says donors back government

The three donors who have reduced budget support are the exception, and the other 16 budget support donors have shown their backing for the government by maintaining or increasing aid, said

Finance Minister Manuel Chang. Indeed, total promised aid for 2009 is 18% higher than this year, "We are fine because we have enough promises to be able to increase our budget next year," he said.

He stressed that the budget support donors act as a group, and budget support is rising. Chang was responding to criticism of the government by three donors, Switzerland, Sweden and Denmark. who all made small cuts in budget support to protest against lack of government action on corruption. (See newsletter 134, 2 September, <http://www.open.ac.uk/technology/mozambique/p4.shtml>)

He added that the last report from the budget support group praised the management of public funds. "It is strange that they make this positive analysis, but they afterwards raise the question of corruption. I don't understand this." He went on to argue that the Ministry of Finance and government were moving forward with administrative reforms.

Change also stressed that there is a language issue. Under Mozambican law, "if you steal from a state institution it is not corruption, it is theft. Theft is one thing and corruption is something else." Robbery always happens, but the new SISTAFE financial system should reduce the opportunity for such thefts. "Corruption is a phenomenon which is, perhaps, more difficult to tackle because it is about the use of influence."

Chang was speaking in a long interview to Noticias (11 September, attached) and Noticias director Rogerio Siteo and journalist Titos Munguambe went on to press him very hard on the "7 million", the money (now \$250,000 to \$350,000) given to each district as a local development fund for projects to create jobs or produce food. The money is supposed to be a repayable loan, but little money is being returned, and questions have been raised about the capacity of the district administration and consultative councils to manage such loans and projects.

Chang admits there was a calculated risk. If they had waited until the districts had the capacity, they would still not have started. Instead, they just moved forward, and in the districts there are already projects growing food and creating jobs. There is more capacity and experience now in the districts, and it is now possible to press harder for repayment of loans. "First you have to cross the desert, then move forward."

He went on to underline two key points. First, they wanted to increase the circulation of money at the district level. Second, they wanted to create local businesspeople "because we cannot wait for business people to come from outside."

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