World aid builds up for Mozambique

Mozambique's closure of its border with Rhodesia resulted in considerable cost to its own economy. Now aid from the UN and Commonwealth is starting reports ROGER MURRAY.

A NEW pattern of financial aid from the international community has been developed in response to Mozambique's most urgent requirements – in particular the consequences of last year's border closure with Rhodesia and the decision to enforce strict trade sanctions against the Smith government.

The aid programme has been organised under the auspices of the UN International Programme of Assistance to Mozambique, and the Commonwealth Fund for Mozambique, both launched last April, following discussions between UN Secretary-General Kurt Waldheim, Commonwealth Secretary-General Shridath Ramphal, and President Samora Machel of Mozambique.

The establishment of the Commonwealth Fund with a £1m. target over a 2-3 year period, is a further indication of the increasing importance of southern Africa in joint Commonwealth decision-making on southern Africa. To date a total of £901,795 has been pledged to the Fund by 18 countries. Australia, Britain, Canada, India and Nigeria are the largest donors, while the latest pledges include shs. 400,000 from Tanzania (£27,845), and Ghana has trebled its original pledge of US $10,000.

In addition, at Dr Waldheim's request, the Commonwealth Secretariat agreed to provide Mr. Gordon Goundrey, Canadian Director of the Commonwealth Fund for Technical Cooperation (CFTC), Technical Assistance Group, to act as joint coordinator of UN assistance with A. A. Farah, UN Assistant Secretary-General with special responsibility for the programme.

The border closure represented the most effective intensification of sanctions since 1966. It immediately denied Rhodesia the use of one road and two rail links which had previously carried 60% of Rhodesia's foreign trade via the ports of Beira and Maputo. Rhodesia also lost some 16% of its railway rolling stock, cut off inside Mozambican territory. The consequences for Mozambique have proved equally severe, comprising a loss of export markets and of the substantial foreign exchange earnings derived from the transit of Rhodesian goods to and from Mozambican ports. The direct financial costs of applying sanctions has been estimated by the UN mission as between $108-134m. annually, including losses on transport and services, (63-85m.) tourism and remittances, (26.5-30.5m.) and increases in the trade deficit (16m.).

These losses will continue for a minimum period of two years, or until alternative export industries and export markets for existing products can be created. In 1975, exports to Rhodesia were approximately $5m., while imports amounted to $20m. Mozambique faces a reduction in export earnings of $3m. a year; even after the establishment of alternative markets, higher transport costs, particularly for coal and timber, two of Mozambique's main exports, will have the effect of reducing export proceeds by $1.5-2m. a year. The costs of finding alternative sources for imports of maize, iron, fertiliser and a wide range of chemical, paper and food products previously imported from Rhodesia amounts to a further $10m.

While the emphasis has been on emergency needs (costing $35m.), such as essential foodstuffs, and projects to provide substitutes for supplies and services, the Mozambique Government has made it clear that it views the aid as part of its own programme of reducing Mozambique's overall dependency on the economic links forged in the colonial era.

The total cost of development programmes are expected to be in the region of $85 million for agriculture, $300-325m. for basic infrastructure, and $50-60m. for social sectors, mainly education and health. In the first four months of the UN Programme $98m. was pledged, principally in the form of bilaterial assistance.

Although relatively modest in comparison, the Commonwealth Fund has provided for a distinctive joint contribution in the technical assistance field.