



MAIN STORIES

**World Bank Admits
Policy Failure in
Mozambique, Requiring a
Rethink of Current Model**

**Regional Security
Support: A Vital First
Step for Peace in
Mozambique**

HIGHLIGHTS

- The World Bank has admitted ‘catastrophic failure’ of its policies in Mozambique over the past three decades.
- Successes against insurgents require greater economic and political inclusion to ensure prosperity and make the gains irreversible.
- The Institute for Economics and Peace (IEP) ranked Mozambique as the 122nd most peaceful country in the world (1=most peaceful; 163=least peaceful).
- The National Elections Commission (CNE) needs US\$292 million for the 2023 municipal elections and the 2024 general elections.
- Some successes were achieved in arresting kidnapping criminals but the involvement of police officers in various crimes remains a concern.
- Insurgent operations in Nampula province may be a precursor for an attack on the Mizeze prison to free hundreds of their comrades.
- The Southern African Development Community (SADC) Peace Building Support Programme under the Africa Peace Facility's Early Response Mechanism (ERM) has commenced.
- The European Union (EU) is divided on disbursements from the European Peace Facility to Rwanda for its military involvement in Mozambique.
- The World Bank foresees economic growth in Mozambique to accelerate in the medium term, averaging 5.7% between 2022 and 2024.
- The National Statistics Institute (INE) indicated year-on-year inflation at 10.81% in June 2022.
- Significant fiscal receipts from liquefied natural gas (LNG) are not expected until payment of initial costs, while substantial LNG revenues are not expected until the 2030s.

MOZAMBIQUE



- TotalEnergies will assess security conditions by year-end before deciding whether to resume operations at the Afungi LNG camp.
- Mozambique has the 5th highest income inequality in SADC and the 7th highest in the world.
- Possible social unrest due to the high cost of living is a concern for both the government and local economists.
- By 19 July 2022, the country had recorded 229 077 COVID-19 cases. Of these cases, 226 438 people have recovered while 2 215 people have died. The total number of tests carried out was 1 360 359.
- China wants all-round exchanges with Mozambique, inclusive of actively building the Belt and Road Initiative.
- Bilateral relations with India were reviewed while an agreement of general principles was signed with Italy to strengthen bilateral cooperation.

