

Seminar
Public-Private Partnerships in Mozambique
Tuesday, 1 October 2002
Maputo, Mozambique

**Co-organised by the OECD Development Centre and the Steering Committee of the Pilot
Project Public-Private Partnerships in Mozambique
Provisional Programme**

Session I: Mozambican Economic Performance

- Presentation by Professor Roberto Tibana of a Composite indicator of economic activity in Mozambique
- Presentation of the country note to be published included in the forthcoming African Development Bank/OECD African Economic Outlook;

Session II: Innovative Approaches to Financing

- Presentation by a representative of USAID of its "Emergency Reconstruction: Agricultural, Commercial and Trading Program - Loan Activity" under which 22 million USD were channeled through commercial banks to enterprises damaged by the February 2000 cyclones and flooding. Loans to affected enterprises were provided at below market interest rates (8-10% compared with the outside commercial rates of 34-36%) as the commercial risk is shared 50/50 between USAID and the banks and discussion about broadening the target groups in the Mozambique context.
- Discussion of other cases (such as the European Investment Bank (EIB) special facility set up by the European Union in Zambia that makes USD based loans available at favorable interest rates ranging between 9% and 12%. The EIB loan program is administered through the Bank of Zambia with Commercial Banks bearing 20% of the credit risk, the Bank of Zambia 30% and the EIB the balance).

Session III: Presentation of two case studies of Mozambican economic activities that illustrate that improvements are required in the knowledge base of the economy in order to produce better and more equitable solutions.

- The assessment of the 2001 collapse of the international cotton prices and its consequences for Mozambican farmers and economy.
- The practical result of liberalisation of trade in cashew nuts has been to encourage the export of raw nuts to certain countries, which paradoxically subsidise their processing factories. Therefore the Mozambican factories have closed down and thousands of cashew workers are now unemployed.