

# Mozambique News Agency

## AIM Reports

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## Renamo refuses to talk to Frelimo

President Armando Guebuza on 25 October urged all actors in the country's agricultural sector to participate in implementing the government's policies for the 2012-2013 agricultural year, which envisage an overall growth of 9.1 per cent in agricultural production. This figure would translate into a 2013 harvest of 15 million tonnes of food crops and 14.3 million tonnes of cash crops.

Mozambique's main opposition party, Renamo, has refused to meet with a commission set up by the ruling Frelimo Party to discuss issues which supposedly justify the recent threats to return to war made by Renamo leader Afonso Dhlakama.

The Commission consists of Afonso Meneses Camba, Manuela Mapungue, Yolanda Matsinhe and Renato Mazivila. They are not members of the Frelimo leadership, and do not sit on the party's Central Committee.

A Frelimo statement on the creation of the Commission said that the Party has always prioritised dialogue with in order to preserve national unity and peace. Frelimo added that as Renamo had expressed interest in a dialogue, the Commission would offer to meet with Renamo.

But Renamo has flatly rejected this offer. At a press conference on 17 November Renamo national spokesperson Fernando Mazanga said that Renamo was not interested in negotiating with any Frelimo delegation, but only with "serious people" from the government. He announced that Renamo has set up its own team of negotiators, headed by the party's general secretary, Manuel Bissopo.

Frelimo's Central Committee Secretary for Mobilisation and Propaganda, Damiao Jose, told reporters that there was no question of any negotiations with Renamo. Frelimo, he said, simply wanted to find out precisely what the concerns were that are troubling Dhlakama.

Since his sudden move from his house in the northern city of Nampula to a bush camp in the central district of Gorongosa, neither Dhlakama, nor any other Renamo leader, has issued a coherent list of demands or grievances.

There has been talk about renegotiating the 1992 peace agreement between the government and Renamo, and even of setting up a "transitional government".

More specific demands that have featured in Dhlakama speeches concern the composition of the armed forces and the police. In particular, Dhlakama wanted the riot police (FIR) either disbanded or reshaped with half of its members coming from Frelimo and half from Renamo.

Dhlakama has warned that "I am training my men up and, if we need to, we will leave here and destroy Mozambique".

The government seems content to leave Dhlakama in Gorongosa, where he is in no position to deliver on any promises he may have made to his followers.

### Maputo returns to normal after minor rioting

Life in Maputo and the neighbouring city of Matola returned to normal on 16 November, a day after the two cities had virtually closed down due to fears that a bus fare increase might spark off riots.

Businesses that closed early on 15 November reopened and the flow of traffic on the streets returned to normal.

The disturbances that did take place in Maputo and Matola were minor compared with the widespread rioting against the previous attempt to hike fares in February 2008, or the two days of turmoil that followed an abortive attempt to increase the price of bread in September 2010.

Attempts were made to throw up barricades in some areas, notably the Nkobe neighbourhood of Matola.

Elsewhere (such as in the outlying Maputo suburbs of Jardim and Benfica, on parts of Avenida de Angola and Avenida Acordos de Lusaka, and near the toll-gate at the start of the Maputo-South Africa motorway) burning tyres were thrown onto the roads, and stones were thrown at vehicles.

The police moved quickly to disperse groups of youth and clear obstacles from the roads. Only a handful of arrests were made, and that the police did not use firearms. There are no reports of any deaths or injuries during the disturbances.

The fare increase for chapas authorised by the Maputo and Matola municipal councils is 40 per cent for up to 10 kilometres, up from five to seven meticaís (17 to 24 US cents). For distances over 10 kilometres, the fare goes up from 7.5 to nine meticaís, a 20 per cent rise.

Many passengers particularly object to chapa drivers illegally refusing to carry their passengers for the full route for which the minibus is licensed. So a journey which ought to have cost 7.5 meticaís ended up costing twice as much.

For these passengers, the fare rise will actually cut their transport costs, provided the chapa drivers honour their promise to end route shortening.

Stern measures have been promised – including the confiscation of the vehicle – against anyone who shortens the route they are licensed to operate.

Chapa drivers claim they shorten the routes because they cannot make enough money to meet their costs, if they operate the entire route.

## Two new aircraft for LAM

Mozambique Airlines (LAM) has expanded its fleet by hiring two medium haul aircraft, which were baptized in Maputo on 16 November.

One of the planes is a Boeing 737-500, named Zalala, after a tourist resort in Inhambane province. It can carry 111 passengers (99 in economy class and 12 in business class) and 14 tonnes of cargo.

The second plane is a Brazilian Embraer-190, named Chaimite, after an area in Gaza province which was the site of the final battle between the invading Portuguese army and the most powerful of the pre-colonial Mozambican states, the Gaza Empire. The Embraer's capacity is 103 passengers (84 in economy class and nine in business class) and 12.7 tonnes of cargo.

Addressing the ceremony, Transport Minister Paulo Zucula said the expansion of the LAM fleet will enable the airline to reach more destinations, so that by the end of 2015, the company can fly to at least one destination in all 14 member states of the Southern African Development Community.

## Oilmoz secures funding for refinery

The Mozambican oil company Oilmoz on 13 November announced that it has secured funding from a sovereign trust in the United States to build a refinery capable of producing 350,000 barrels a day.

Construction is expected to begin next year and could be completed by 2018. The project will integrate a refinery, petrochemical plant, storage tanks, a gas fired power station, pipelines, desalination and water treatment plant, a waste disposal plant and an industrial park.

Currently Mozambique is totally dependent on imported refined fuels, which costs the country about \$700 million a year. According to the Chief Executive of Oilmoz, Fausto Cruz, the refinery would cut imports and reduce these costs substantially.

Cruz told AIM that the country currently consumes about 20,000 barrels per day. Thus the Oilmoz refinery would be able to supply not only Mozambique, but also neighbouring countries with refined fuels.

The Oilmoz refinery was originally to be at Matutuine in Maputo province in southern Mozambique. However, Fausto Cruz told AIM that "Oilmoz is studying another location which will be better suited environmentally".

He said that funding of up to \$17 billion has been guaranteed under the agreement.

## Syrah finds graphite and vanadium deposits

The Australian based mining company Syrah Resources announced on 13 November that a survey of its Balama project, in the northern province of Cabo Delgado has confirmed that it contains multiple zones of high to very high grade graphite.

The concession, covering an area of 106 square kilometres, also contains deposits of vanadium.

According to Syrah, there were "very wide zones of high grade vanadium recorded which are comparable in tenor to the largest operating vanadium deposits in the world".

The company added that the graphite flakes were mainly medium to coarse. In general, the larger the flakes the higher the market price.

## HCB power to S Africa fully restored

The normal export of electricity from the Cahora Bassa dam on the Zambezi to South Africa has been re-established, according to the dam operating company Hidroelectrica de Cahora Bassa (HCB).

HCB had run into severe problems with the breakdown of smoothing reactors. In direct current systems, a smoothing reactor is used to "smoothen" the direct current wave shape to reduce power losses and improve system performance. In October 2010, one of the smoothing reactors at the converter station in the dam town of Songo suffered a major breakdown.

A spare reactor was on site, but it too broke down on 24 July this year. HCB already had a plan to refurbish the converter station, but this will only begin in April 2013. Without the reactor, HCB's capacity to send power southwards to its main client, the South African electricity company Eskom, was severely curtailed.

Eskom itself had a spare smoothing reactor, and HCB negotiated for this to be sent by road to Cahora Bassa. The reactor weighs 150 tonnes, and thus special vehicles were used to transport it slowly through Zimbabwe, and then across Mozambique's Tete province to reach Songo.

## WWF welcomes new marine protected area

The World Wide Fund for Nature has welcomed the Mozambican government's decision to declare the Primeira and Segundas Islands, off the coasts of Zambezia and Nampula provinces, a marine protected area.

A WWF statement notes that the two archipelagos, consisting of a total of ten islands, are now Africa's largest coastal marine reserve, covering over 1,040,926 hectares,

"WWF has worked for eight years to secure this marine reserve, threatened by overfishing and unauthorised tourism", says the statement.

"This is a great response to the appeal by local communities to help them protect their resources," said Florencio Marerua, the WWF Mozambique Country Director. "This is a very important step in our effort to achieve the conservation and sustainable management of Mozambique's marine and coastal resources, as this adds a globally significant area to the network of marine protected areas along the country's coast. It is particularly exciting that both the government authorities and local communities recognise the benefits of conserving these resources."

These islands contain what WWF describes as "the most robust and diverse coral community in Mozambique".

"Due to cold nutrient-rich upwellings, the Archipelago is spared coral bleaching, a common problem in other coral-rich areas, making these some of the most globally productive and important reefs on the planet", it adds.

"This declaration by the Government shows they understand and care about the need for conservation of marine resources to support sustainable use by their communities", said John Tanzer, Director of WWF's Global Marine Program.

"Protecting the rich natural resources of this magnificent area will make a major contribution to the long term food security and livelihoods of the people of the region. It is also a significant contribution by Mozambique to safeguarding the future of the world's marine environment more generally and deserves recognition and congratulations to all concerned who worked together to make it possible."

## Government concerned at MCC delays

The Minister of Planning and Development, Aiuba Cuereneia, interviewed by AIM, has admitted that the government is concerned at the delays in many of the projects financed by the United States' Millennium Challenge Corporation (MCC).

"All the projects should be concluded and delivered by April 2013", said Cuereneia, "but due to the delays the deadline has been extended to 30 June, and there can be no further extension. The agreement with the financing agency ends on 23 September 2013".

The MCC signed a "compact" with Mozambique in 2007 for a sum of \$506.9 million. The five year implementation period began in September 2008 with money, channelled through the Millennium Challenge Account (MCA), was to be spent on projects in the northern and central provinces.

The delays in several of the projects put at risk Mozambique's chances of qualifying for a second compact.

Cuereneia told AIM that, in the final three months of the compact, July to September 2013, the Mozambican branch of the MCA will be wound up, its Mozambican staff will return to their previous jobs, audits will be concluded, and all the remaining equipment will be redistributed.

"As from June, there will be no further disbursement of funds for the building works, and any remaining money will be returned to the American treasury", said the minister. "A country such as Mozambique, with so many needs, cannot allow itself the luxury of returning money that has been donated".

The worst delays are in the rehabilitation of a 75 kilometre stretch of the main north-south highway, between Mecutuchi and the Lurio River in Nampula province, which was in the hands of a Portuguese consortium, and the construction of a new water supply system for the port city of Nacala, where the tender was won by an Indian contractor.

In the case of the Mecutuchi-Lurio road, the Portuguese companies Monte Adriano and Casais are said to be facing severe financial difficulties and so have been unable to mobilise all the equipment necessary for the job. Cuereneia ruled out the possibility of hiring a new contractor – there is simply not enough time to hold another tender.

"The consortium will have to solve the problem, and one of the possible solutions is to sub-contract other companies, or to acquire equipment within Mozambique or in the region in order to complete the job", he said.

As for the Nacala water supply system, Cuereneia believed it was possible to finish the work by May, despite the delays.

The minister dismissed the arguments presented by the companies to justify their delays as groundless. Those arguments include delays in mobilising equipment, lack of skilled Mozambican staff to handle equipment, a high turnover of labour and the Mozambican rains.

Cuereneia pointed out that, when they drew up their programmes, the companies knew perfectly well when the rainy season occurs in Mozambique. As for labour shortages, the companies showed no signs of looking for Mozambican technical staff. They had not, for instance, advertised in the Mozambican press.

Cuereneia added that, in terms of the general social and economic indicators demanded by the MCC, Mozambique is eligible for a second compact. These indicators include investment in human capital, through such measures as increased access to primary education, keeping girls at school longer, and reducing the infant mortality rate.

"Mozambique has greatly improved these indicators in recent years", he said. "We are optimistic, but we are faced with the constraint of the building work which must finish on time".

One MCC area where progress has been made, said Cuereneia, is support for farmers affected by Lethal Yellowing Disease, which has been decimating coconut palms in Zambezia province.

So far, dead palms have been cleared from 6,750 hectares. Alternative crops have been sown on 5,694 hectares, while on the rest of the land 453,709 new palms have been planted. Peasant farmers are receiving financial support to allow them to undertake other income generating activities, while they wait for the restoration of their palm orchards.

MCA funds have also supported a land tenure programme, whereby land is demarcated and registered, and the farmers receive land titles. Cuereneia said this had been well received by communities in the areas covered, since they had begun to understand the importance of having a document that proves their right to land. He thought this was an activity that should be replicated throughout the country.

"Many people live for years in particular spaces, and they farm particular tracts of land without any land titles, and they imagine that the land belongs to them", said Cuereneia. "With this project we shall avoid the problem of the same plot of land being allocated to two or more people".

An MCC rural water project envisaged the construction of 600 water sources with hand pumps in Nampula and Cabo Delgado province. However, contracts had been signed to drill only 440 boreholes, and by August 387 had been concluded.

"Many of the districts produced negative results, and it was necessary to drill other boreholes", said Cuereneia. "This forced a reduction in the number of boreholes to be opened, because there was no more money".

## Dutch support for Zambezi Valley

Minister of Planning and Development, Aiuba Cuereneia, said on 15 November that the government's approach to the Zambezi Valley is to guarantee speedy and sustainable development to guarantee food security and growth in household incomes.

The minister was speaking in Maputo at the signing of an agreement with the Dutch government, under which the Netherlands will provide a grant of €13.8 million (\$17.5 million) for institutional capacity building and technical assistance for Mozambique's Zambezi Valley Development Agency.

Dutch ambassador Frederique de Man said her government is enthusiastic about the development opportunities presented by the Zambezi Valley. "The diversified context (both governmental and private) in which the Development Agency can operate, and the conditions established by the Mozambican government so that the Agency can be financially self-sustaining, have convinced us to enter this innovative and relevant programme", she said.

"We have our gaze fixed on the valley", she added, "and we hope to see soon, in addition to the trains carrying coal, other trains carrying grain, vegetables and other riches of the land to supply the country and for export".

The Zambezi Valley Development Agency covers the entire Zambezi basin within Mozambique, with an area of about 228,000 square kilometres, and five million inhabitants.

## Long prison sentences for thieving officials

The Sofala Provincial Court has sentenced two senior officials in Cheringoma district to 21 and 17 years imprisonment for the theft of state funds.

The administrator of the Cheringoma District Education, Youth and Technology Services, Inacio Meque, received 21 years, whilst the Director of the services, Providencia Zandamela, was sentenced to 17 years.

The court found that the two officials had stolen two million meticais (\$690,000) from the state in the period between January 2006 and March 2011.

The two accused were also ordered to repay to the State all the money they had stolen.

## Lower Limpopo transformed

President Armando Guebuza on 11 November witnessed the transformation of idle land into rice fields in the Lower Limpopo Irrigation Scheme in Gaza province, under the Wambao Project implemented by Chinese farmers.

During his visit to the irrigation scheme, which covers 70,000 hectares, President Guebuza spent ten hours touring areas where, since 2007, the Chinese farmers have been undertaking tests which last year resulted in the take-off of rice production on 180 hectares.

The objective of the 20,000 hectare Wambao project is to produce rice, maize and wheat and to process it. The project has four components – irrigation infrastructure; agricultural production; processing and marketing; and institutional support and project management. The investment involved is \$250 million.

President Guebuza's first stop on his tour was the Umbapi pumping station where he saw how water is pumped from the Limpopo River for irrigation.

The President then visited a technology transfer station which will benefit 25 Mozambican peasant families, and where 82 hectares are reserved for testing the adaptability of new grain varieties.

He also visited the Chimbonhanine agro-processing unit, which contains machinery able to process 300 tonnes of grain a day and a warehouse to store 60,000 tonnes of grain.

At the project's machine park, President Guebuza saw 150 assorted machines, including tractors, combine harvesters, bulldozers, steamrollers and backhoe loaders. The project owns 56 tractors, some of which will prepare land for Mozambican producers.

A drainage and irrigation network has been built with a total extent of 240 kilometres, and a total area of 3,600 hectares has been prepared.

President Guebuza also visited the production area of IGO-Samatities, an Italian NGO which is working on 1,000 hectares. It is using 500 hectares to grow maize, 200 hectares for rice, and 100 hectares for experimental fields.

At the end of his visit, President Guebuza said he was pleased at the transformation of the irrigation scheme. The advances here, he believed, are signs that the country can indeed end poverty.

## ADB loan agreement for Lower Limpopo

The Mozambican government and the African Development Bank (ADB) signed a loan agreement in Maputo on 8 November, under which the bank will finance the rehabilitation of the Lower Limpopo Irrigation Scheme.

The rehabilitation is budgeted at \$44 million. Of this sum, \$41.7 million will be provided by the ADB, while the Mozambican government pays the remaining \$2.3 million.

The agreement was signed by the Minister of Planning and Development, Aiuba Cuereneia, and by ADB representative Joseph Ribeiro.

The project, scheduled to last five years, covers 3,050 hectares of the Lower Limpopo irrigated perimeter, Cuereneia explained, and should benefit about 8,200 "emerging farmers" and peasant households.

The work consists of rehabilitating the hydraulic infrastructures in an area of 2,000 hectares in the drainage zone, and building new irrigation and drainage infrastructures in an area of 1,050 hectares. Agro-processing facilities will be built to conserve fresh produce in Nhacutse and Nhocuene, both in Xai-Xai district.

This is the second ADB loan for the Lower Limpopo. The first was for \$22 million, for an area of 3,500 hectares, and disbursed between 2002 and 2006.

## Penitentiary Service Bill passed

The Mozambican parliament, the Assembly of the Republic, on 14 November passed a bill setting up a National Penitentiary Service (SERNAP), which replaces the current prison service, SNAPRI.

The bill states that SERNAP must not only manage the country's prisons, but also "implement and coordinate a national system for carrying out alternative penalties, together with the court authorities who have ordered them".

SERNAP must guarantee respect for the human rights of prisoners, and should "promote the development of economic activities appropriate for generating income to improve living conditions in the prisons".

SERNAP must also ensure that citizens are only sent to prison by a court order, either to serve a sentence or for preventive detention prior to a trial. It must also ensure that prisoners are not detained for longer than their sentences or the legal period of preventive detention.

The bill passed with the 177 votes from the ruling Frelimo Party and the Mozambique Democratic Movement.

The main opposition party Renamo abstained. Renamo deputy Fernando Matsoanga claimed the bill contains "ambiguous aspects which could be used for purposes foreign to the interests of the Mozambican people".

He was referring to an article which said that in the event of a state of war, state of siege, or state of emergency, prison guards "may be placed by the Commander-in-Chief (the President) under the orders of the armed forces".

Matsoanga also objected to a provision that would allow SERNAP members to carry firearms, even when off-duty, claiming that this might lead to an increase in crime.

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