

Mozambique News Agency

AIM Reports

Report no.508, 4th June 2015



International observer mission cost US\$15.7 million

The Mozambican government announced on 18 May that it is still pondering the future of the international observer mission set up to monitor the agreement on cessation of hostilities between the government and the country's largest opposition party Renamo signed in September 2014.

The international military observer mission, known by the acronym EMOCHM, which was supposed to monitor implementation of last September's agreement on a cessation of hostilities between the Mozambican government and the country's largest opposition party Renamo, cost the government 540.2 million meticaís (US\$15.7 million).

This figure comes from a report on EMOCHM's activities discussed by the Council of Ministers (Cabinet) at its weekly meeting on 2 June. The report covers the entire period from the installation of EMOCHM on 1 October 2014 until the mission was formally wound up on 1 June, at the 107th round of the dialogue between the government and Renamo.

Government spokesperson, Deputy Health Minister Mouzinho Saide, told reporters that 324 million meticaís was spent on EMOCHM's running costs, and 216 million meticaís was capital expenditure. Under the September agreement all the costs were paid by the government.

"With this money accommodation, meals, allowances, vehicles, fuel, communication equipment, training and consumables were paid for", said Saide. 59 vehicles were purchased for EMOCHM, and 74.8 million meticaís was paid in allowances to foreign and Mozambican military observers.

Equipment to the value of 63.3 million meticaís was purchased to accommodate members of the Renamo militia (referred to as "residual forces"), who were to be disarmed, demobilized and then integrated into the armed forces (FADM), the police or back into civilian life. This equipment included beds and bedclothes, lockers, generators, water tanks, stoves, refrigerators and kitchen and canteen material.

Not a single Renamo gunman was demobilized or disarmed. In addition, throughout the EMOCHM exercise Renamo refused to submit the list of names of the people it wished to see recruited into the army or the police.

Renamo had not provided any list of its residual forces, which Saide estimated at 1,000 men (a rather higher figure than previous estimates).

The initial mandate of EMOCHM was for 135 days, but throughout that period there was no disarming, no demobilization and no integration of Renamo forces for the observers to observe. Renamo demanded an extension of a further 120 days, and the government agreed to 60 days.

That second phase of EMOCHM expired with no progress. Renamo wanted a further extension, but the government saw no sense in paying millions of meticaís for a mission that was unable to do its work, and opted to disband EMOCHM.

Initially there were to be 23 foreign observers from nine countries – Botswana (which commanded the mission), South Africa, Zimbabwe, Cape Verde, Kenya, Portugal, Italy, Britain and the United States.

But the two American officers never arrived, and the European countries recalled their officers after the first phase. Only the observers from the African countries remained to the bitter end.

No common market without peace and stability

President Filipe Nyusi argued on 26 May that the creation of an African Common Market must start in each African country, and is dependent on the consolidation of peace and stability and the establishment of the infrastructures that allow the free circulation of people and goods.

He was speaking in Abidjan, as a member of a panel discussing the theme "A Common Market for Africa in our Generation". The panel discussion took place shortly after the opening of the 50th annual meeting of the African Development Bank (ADB) group.

"Each country must do a lot so that it can deserve linkages with other countries, with the region and with the world", stressed President Nyusi.

"Internal stability, peace, and the creation of infrastructures, or even the removal of barriers, are extremely important", he said. Without these pre-conditions there would be no way to create an African common market.

President Nyusi explained that, in Mozambique's case, legal reforms are under way, particularly to improve the business environment. "We have also been removing some barriers with regard to entry visas, to facilitate circulation of people", he added.

He stressed the importance of Mozambique's transport corridors, based on the ports of Maputo, Beira and Nacala, which ensure routes to the Indian Ocean for landlocked countries such as Zambia, Zimbabwe, Malawi and Swaziland.

There was no disagreement on the panel about the need for peace and stability. This was also the tone of speeches by the presidents of Liberia and Gabon, and by the Prime Minister of the Democratic Republic of Congo.

Police involvement in theft of rhino horns confirmed

The General Command of the Mozambican police has confirmed that senior police officers were indeed involved in last month's theft of 12 rhino horns.

The 12 horns were part of the country's largest ever seizure of illicit wildlife products. On 12 May police raided a house in the southern city of Matola and seized 340 elephant tusks and 65 rhino horns. Two Chinese citizens were arrested, suspected of attempting to smuggle these goods out of the country.

But less than a fortnight later 12 of the horns had vanished, replaced by replicas made out of cattle horns. Six people were arrested in connection with the theft, but initially, the Maputo provincial command refused to confirm or deny whether any of them were police officers.

However, on 2 June the spokesperson for the General Command, Pedro Cossa, gave the names and ranks of four police officers involved. One was Calisto (surname not given), who is an inspector and head of the local brigade of the Criminal Investigation Police (PIC). The others are chief inspector Faustino Artur, sub-inspector Victor Luis Arrone, and sergeant Tadeu Gaspar.

Also under arrest are Elias Matusse, of the Maputo Provincial Directorate of Land, Environment and Rural Development, and the two makers of the replica horns, Zefanias Aurelio and John Chauque. This brings the number of detentions to seven.

Cossa said there could be no justification for the involvement of police officers in such a crime. "The police force cannot be stained with this kind of action", he exclaimed. "They have dirtied the entire force".

Cossa guaranteed that security on the warehouse where the rest of the horns and the ivory are stored has been stepped up.

Environmental activists have been calling for the incineration of the horns and the ivory, precisely to prevent them from falling into the wrong hands. The police, however, say they do not have any authorization to destroy the material.

Police arrest Chinese poachers

The Mozambican police have detained five Chinese citizens in possession of two large calibre firearms, of the type used to kill large mammals such as rhinoceros or elephants.

According to a report the daily "O Pais" on 1 June, the five were arrested in the Sabie administrative post, in the southern district of Moamba. In addition to the high-powered rifles, they were carrying a pistol and the bodies of three small animals (an antelope, a rabbit and a wildcat) that they had just killed.

The pistol had a licence – but it was forged. The document authorizing one of the group to carry the gun was dated 6 June 2015, a date that is still in the future. The police also seized the vehicle used by the Chinese poachers and two walkie-talkie radios.

"We became aware of the poachers through denunciations by local people and wardens in the area, and we immediately sent a team there", the spokesperson for the Maputo Provincial Police Command, Emidio Mabunda, told reporters.

Sabie is not far from the South African border, and Mabunda suspected that the poachers were heading for South Africa with the intention of hunting prey larger than rabbits or antelopes.

Elephant population almost halved

Mozambique's elephant population has fallen by almost half in the last five years, due to massive poaching.

An elephant census was undertaken in 2014, as part of Mozambique's commitments as a signatory to CITES (the Convention on International Trade in Endangered Species), and a report on the census was delivered on 26 May to the weekly meeting of the Council of Ministers (Cabinet).

Speaking to reporters after the meeting, the Minister of Land, Environment and Rural Development, Celso Correia, said that, in the five years since the previous census, the number of elephants in the country has fallen by 48 per cent.

Correia pledged that the government will do all in its power to reverse the situation over the next two years, while the conservation areas also play their key role of promoting the development of local communities.

He added that, under a joint initiative between his ministry and the Mozambican police (PRM), a special force has been set up to police the conservation areas.

The Minister gave few details, but promised that the census report will soon be made public. The Wildlife Conservation Society (WCS), which collaborated in the census, was less reticent. It said the number of elephants in Mozambique has declined from just over 20,000 in 2009 to around 10,300 in 2014.

"Organised criminal gangs are decimating Mozambique's biodiversity and undermining governance in remote border areas", says a WCS report. "This is destroying one of the key development options for local communities and regional government in these remote, wild areas where wildlife thrive".

Ninety-five percent of the total loss occurred in northern Mozambique where the elephant population declined from an estimated 15,400 to an estimated 6,100. Niassa National Reserve was hardest hit. Here the number of elephants fell from around 12,000 to an estimated 4,440. In the census, 43 per cent of all elephants seen in the Niassa Reserve were carcasses.

In the Quirimbas National Park, in Cabo Delgado, the elephant population is small, at just over 600 animals, but the WCS reports "significant poaching, with 45 per cent of all elephants seen on the survey dead".

The decline in the western province of Tete and in the Limpopo National Park in the south is less severe. Nonetheless, over the past five years 20 per cent of the animals have gone, leaving 1,600 elephants in Tete and 1,100 in the Limpopo Park and other southern areas.

The one bright spot is that in Sofala province elephant populations are slowly increasing – to 535 in the Gorongosa National Park and 600 in the Marromeu Special Reserve.

Most of the poachers decimating elephant populations in the north come from Tanzania. The government therefore hopes to work with the Tanzanian authorities to staunch the poaching.

On 25 May Correia and the Tanzanian Minister of Natural Resources and Tourism, Lazaro Nyalandu, signed an agreement in Maputo on protecting the vast cross-border conservation area that covers the Niassa Reserve and Tanzania's Selous Reserve, and area of around 15,000 square kilometres.

This is a condensed version of the AIM daily news service – for details contact pfauvet@live.com

President Nyusi inaugurates aluminium factory

President Filipe Nyusi on 3 June inaugurated a new aluminium factory owned by the Bahrain-based group Midal Cables International.

The Midal factory is in the Beluluane Industrial Park, on the outskirts of Maputo, near the Mozal aluminium smelter, which is supplying Midal with the raw material it needs to make aluminium rods, wires and overhead line conductors.

The factory has been producing since December 2014. It has the capacity to produce over 50,000 tonnes of rods and other aluminium items a year, and has already begun exporting them to six African countries (South Africa, Namibia, Zimbabwe, Tanzania, Kenya and Nigeria).

Mozal has been producing aluminium ingots since 2000, but this is the first time its aluminium has been used inside Mozambique. Prior to the start of Midal's operations, all of Mozal's production was exported, mostly to Europe.

According to a statement from Midal, the group's total investment in Beluluane is US\$65 million. The factory employs 250 workers, 83 per cent of whom are Mozambican. Most of the Mozambican workers were trained in Bahrain. Midal states that, through contracted services, it supplies a further 1,000 jobs indirectly.

President Nyusi told the ceremony that the government will continue to concentrate efforts to attract and facilitate new investments similar to Midal, with the potential to induce economic growth and development. He believed that the export of aluminium products made in Mozambique will help place the country's name on the industrial map abroad.

The Chairperson of the Midal board, Hamid Al-Zayani, said "this decision is strategic since the African continent is a priority market for our group. We opted for Mozambique because of the conditions offered for us to set up her, and also because it is an excellent point from which to serve the main markets of Africa".

Midal will use about 10 per cent of the aluminium produced by Mozal, while the rest will continue to be exported.

Because Beluluane is an Industrial Free Zone, Midal enjoys significant fiscal benefits. For the first ten years of its activity it will not pay any corporation tax (normally levied at 32 per cent of a company's profits). Companies in industrial free zones are also exempt from customs duties and value added tax (VAT) on imported goods.

The main shareholders in Midal are the Saudi Cable Company and Al-Zayani Investments.

Kuwaiti group to invest in sugar plantation

The Kuwaiti group, the Al-Badel International Development Company, has promised that, within the next three months, it will launch a gigantic project to grow sugar cane in Massingir district, in the southern Mozambican province of Gaza.

The sugar cane grown in Massingir is intended essentially for the production of bio-ethanol, a supposedly clean source of energy. The project is valued at US\$1.5 billion.

This pledge was given by the chairperson of Al-Badel, Ali Mahmoud, at the end of an audience granted on 26 May by Prime Minister Carlos Agostinho do Rosario. During their meeting the two men discussed opportunities for further development projects in agriculture and industry.

Mahmoud stated that Al-Badel intends to invest US\$26 billion in Mozambique. Half of this, US\$13 billion, is earmarked for an industrial unit in the western province of

Tete that will convert coal residues into diesel.

"This is a project of great importance as it will reduce Mozambique's imports of diesel", said Mahmoud. "The agreements on this project will be concluded within the next six months, and then the phase of the viability study will take off".

The Al-Badel sugar project is not the first time investors have planned to produce bio-ethanol in Massingir. A contract was signed in 2007 with the company Procana to produce ethanol from a 30,000 hectare sugar plantation in Massingir.

This company, in which the major investor was London-based Central Mining and Exploration Company (CAMEC), promised to invest US\$510 million in Massingir. But Mozambique saw almost none of this investment: two years after the contract was signed, all Procana had done was clear 800 hectares of land. The government then cancelled the contract and began looking for other investors for Massingir.

One major challenge facing the project will be accessing adequate supplies of water. The sugar cane plantation will have little choice but to use water from the Massingir dam on the Elephants River, a tributary of the Limpopo.

After the Procana contract was signed, farmers working further down the river expressed concerns that too much water will be diverted to the sugar cane plantation, leaving their rice and maize fields short. The government responded at the time by promising there would be sufficient water for all parties and that the biofuel project would be developed responsibly.

Rivers in Manica dangerously polluted by mining

Stretches of several rivers in Manica district, in the central province of the same name, are now devoid of life because of the pollution caused by artisanal gold mining.

Among the substances used by the miners is mercury, which can have lethal effects when it enters the food chain.

Manica district administrator Carlos Mutar told the newspaper Noticias that downstream of the mining areas fish and other aquatic species cannot survive.

Rivers such as the Pungue, the Revue, the Messica, the Nfirire and the Nhancarara are vulnerable. The pollution is killing not only the species in the water but also vegetation on the river banks.

The disappearance of fish from the rivers has a serious impact on the local population for whom fish is part of their diet, said Mutar.

Some of the rivers flow into the reservoir of the Chicamba dam. If the reservoir is poisoned, that will be a disaster not only for local fishermen, but for the residents of major urban areas, such as the provincial capital, Chimoi, Manica town, Gondola and Messica, which draw their supplies of drinking water from Chicamba.

Not all the artisanal mining is illegal. Indeed about 7,000 miners are registered, and attempts are now under way to train them in the use of techniques that will not devastate the environment, and will minimize the danger to the rivers.

Mutar warned that the pollution also affects aquaculture in the district. He believes that Manica possesses excellent conditions for fish farming, and indeed the district currently supplies fish not only to the local market, but also to neighbouring countries such as Zimbabwe, Zambia and Malawi.

But the water used for aquaculture is drawn from the rivers. If the rivers are poisoned, then Manica aquaculture could collapse.

US\$57.9 million grant for primary education

The Global Partnership for Education (GPE) has approved a grant of US\$57.9 million to support primary education in Mozambique.

The grant was approved at the World Education Forum which ended on 23 May in Seoul. It is part of a package of US\$235 million that will also support improvements to primary education in Bangladesh, Nepal and Rwanda.

According to Education Minister Jorge Ferrao, efforts must be concentrated at the base of the educational structure to ensure that children learn how to read and write.

Ferrao stressed his commitment to improving the quality of the country's schools. He pledged that the Ministry would work to make the schools function more effectively. "This is not an easy task because there are many challenges and our human and financial capacity is limited", he said.

Mozambique joined the GPE in 2003, and has received two allocations of GPE funds, totalling US\$169 million.

The GPE consists of 60 developing countries, donor governments, international organizations, and a variety of NGOs and business groups.

The latest figures from the Education Ministry show significant improvements in primary education over the last five years. Thus the percentage of six year old children entering the first grade of primary education has risen from 67 per cent in 2009 to 82 per cent in 2014. Over the same period the number of pupils per teacher fell from 69 to 62.5. Mozambique is moving closer to gender parity in primary education – 47 per cent of the pupils are girls

However the high dropout rate and poor levels of achievement in basic literacy and numeracy skills remain enormous challenges.

US\$7 million from ADB for job programmes

The African Development Bank (ADB) has made US\$7 million available to the Mozambican government to finance a project to promote employment and entrepreneurial activities.

The bank will work with the Ministry of Labour, Employment and Social Security to implement the project through professional training in various spheres. Staff from the two institutions will work to identify areas that will benefit from ADB support.

Deputy Labour Minister Oswaldo Petersburgo received a team from the ADB on 1 June. He stressed that the Ministry is working with the private sector and with the country's cooperation partners in order to implement viable job creation programmes. The government's Five Year Programme for the 2015-2019 period, approved by parliament in April, sets the target of creating 1.5 million new jobs over that period.

The ADB support will be beneficial, added Petersburgo, since the Ministry is restructuring the areas which deal with employment and professional training in order to bring them into line with the demands of the labour market.

He said that the recently established Labour Market

Observatory is one of the areas that merits ADB support, particularly in installing a labour market information system.

The Observatory is the institution that gathers, processes and publicises information on the labour market, which will allow investors and other stakeholders to obtain relevant data which they need in order to take decisions.

Other priority areas in the Ministry's partnership with the ADB include modernization of job centres and expanding the professional training mobile units, so as to allow more citizens to gain access to the courses they offer.

British minister pledges US\$100 million

The British government on 20 May guaranteed aid equivalent to US\$100 million to be applied to projects linked to good governance and the structuring of the state.

Britain's Minister for Africa, James Duddridge, announced the aid shortly after a meeting in Maputo with Foreign Minister Oldemiro Baloi.

Duddridge was on a two day visit to Mozambique. This was the first foreign trip for the Minister since he was reappointed following the Conservative Party victory in the 7 May general election.

The focus of his visit was to highlight the UK/Mozambique High Level Prosperity Partnership, which aims to strengthen economic cooperation based on shared priorities in specific sectors.

His first stop was a trip to the brewery of Cervejas de Mocambique (CDM) which produces the country's most popular beers. It is owned by SAB Miller, which is listed on the London Stock Exchange. Duddridge also held meetings with other British business figures operating in Mozambique.

According to the British Foreign Office, the Minister used his visit to express the UK Government's commitment to "help the country create a more open and freer business environment, growth and jobs" and to reiterate Britain's "continued support to Mozambique in its agenda of promoting peace and reconciliation, especially as the country marks its 40 years of independence".

Duddridge said that, during his meeting with Baloi, he "emphasised the importance of political stability and inclusiveness to Mozambique's continued growth and development".

At the end of his visit Duddridge said "I was delighted to make Mozambique my first overseas visit since my reappointment as Minister for Africa. This is a young and vibrant country with an incredibly bright future. Mozambique's dynamism and potential is the reason it was chosen as one of the UK's five High Level Prosperity Partners in Africa".

He added, "I'm keen to encourage more British businesses to invest in Mozambique and we will be working closely with the Government of Mozambique to create the free and open business environment to make that possible. I'm proud that the UK and Mozambique have such an enduring relationship and look forward to it going from strength to strength in the future".

Mozambique News Agency, c/o 26 Withdean Crescent, Brighton BN1 6WH, UK. Tel: +44 (0) 7941890630 - mozambique-news@geo2.poptel.org.uk

Subscription Rates (20 issues)	Individuals	Institutions
UK	£15.00	£25.00
Europe	£25.00	£40.00
Rest of the World	£30.00	£50.00

Overseas subscribers are requested to pay in sterling. If payment is made in another currency, add the equivalent of £6.00 to cover bank charges.