

# Mozambique News Agency

## AIM Reports

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## CNE announces municipal election results

Mozambique's National Elections Commission (CNE) on 24 October announced the results of the elections held in the country's 53 municipalities on 10 October, giving victory to the ruling Frelimo Party in 44 cities and towns.

The main opposition party Renamo is the dominant force in eight municipalities, while the Mozambique Democratic Movement (MDM) retained control of its stronghold in the central city of Beira.

Renamo won in three major cities – Nampula, Quelimane and Nacala. It has also made inroads into what were previously regarded as Frelimo strongholds in the far north, taking Chiure in Cabo Delgado province and Cuamba in Niassa.

In terms of votes cast, Frelimo won 51.95 per cent – which is its worst result in any election. Renamo took 38.71 per cent of the votes, the MDM 8.5 per cent, and assorted minor parties 0.84 per cent.

The MDM lost heavily. In the 2013 municipal elections, when it was the sole opposition to Frelimo, it controlled four municipalities, and had a strong presence in many of the municipal assemblies. Now it is down to just one city, and its presence in the assemblies has been decimated.

In most of the municipalities, the results were not contested. But Renamo has claimed serious fraud took place in five. However, the CNE, apart from correcting mistakes in arithmetic, it did not change the results it received from the “intermediate count” carried out by the district and city elections commissions.

The CNE approved the results by eight votes to five with three abstentions. One of the 17 CNE members was not present at the vote.

The dispute over the five municipalities where fraud is alleged now goes before the Constitutional Council. Renamo election agent Andre Majibire told reporters he is convinced that the Council will find for Renamo.

### Constitutional Council rejects MDM appeal

The Constitutional Council has rejected the appeal by the MDM against a court decision denying its attempt to overturn the election results in the southern city of Matola.

The MDM was not claiming victory in Matola but alleged that 4,000 votes had been fraudulently switched from the MDM to the ruling Frelimo Party.

The Matola court did not consider the MDM's substantive arguments because the MDM appeal was delivered late, and the Constitutional Council found the court acted correctly.

### Renamo threatens to break off talks

The interim coordinator of Renamo's Political Commission, Ossufo Momade, on 25 October threatened to end Renamo's talks with the government unless “electoral truth” is restored.

This is the second time that Momade has threatened to end the negotiations, which are centred on disarming and demobilising Renamo's militia and integrating its members into the armed forces and the police or back into civilian life.

According to Renamo, the fraudulent results were announced in the southern city of Matola, and in the towns of Marromeu, Moatize, Alto Molocue and Monapo, in Sofala, Tete, Zambezia and Nampula provinces respectively.

Speaking to a Maputo press conference by telephone from his military base in the central district of Gorongosa, Momade made two completely new demands. He called for a commission of inquiry to investigate the alleged frauds and to establish “the electoral truth”, and he demanded the direct involvement of President Filipe Nyusi.

“I want here and now to invite the Head of State to clear up the problem, otherwise we shall leave the negotiations”, he said.

Momade also called on the international contact group, which is mediating the talks between Renamo and the government to contribute “towards restoring electoral truth so as to safeguard the effective peace and wellbeing of the Mozambican people”.

## President Nyusi launches agricultural campaign

President Filipe Nyusi on 25 October pledged that the government will continue concentrating its efforts on increased production and productivity in agriculture and livestock to ensure that no Mozambicans go hungry.

Launching the 2018-2019 agricultural campaign in Balama district, on the northern province of Cabo Delgado, President Nyusi noted considerable success in the fight against hunger, with the number of people in a situation of food insecurity falling from 1.4 million in 2016 to 531,000 in August 2018.

The figures achieved in the 2017-2018 campaign were encouraging. President Nyusi said the country had produced 3.2 million tonnes of grain, compared with 2.5 million tonnes in 2014-2015, an increase of 28 per cent.

In root crops (such as cassava) the growth had been 50 per cent from around 10 million tonnes to 15 million tonnes. The President announced that next year cassava processing to produce bread will begin.

He added that vegetable production had grown from 1.7 to three million tonnes, and the production of pulses had reached 800,000 tonnes, an increase of 25 per cent.

Production could have been better had it not been for insect pests, and floods in some parts of the country drought in others. The President said these problems led to the loss of 274,240 hectares of crops, particularly in Gaza, Sofala and Tete provinces.

As for cash crops, there had been a remarkable growth in the marketing of cashew nuts, rising from 81,000 tonnes in the 2014/15 to 140,000 tonnes in the latest harvest. President Nyusi said there are now 16 cashew processing factories in the country, and Mozambique is once again one of the main producers of cashew kernels in Africa.

Sugar remained one of the most important cash crops, and currently employs about 27,000 people. Sugar production rose from 292,000 tonnes in 2016 to 332,000 tonnes in 2017, and the final figure for this year is expected to be around 350,000 tonnes.

As for the coming campaign, the President noted that the weather forecast is for below normal rainfall in November, but the rains should improve in the second half of the rainy season (January-March 2019).

He urged the Ministry of Agriculture to keep farmers informed about rainfall forecasts, so that they can sow crops at the appropriate time.

“Everything indicates that agricultural production in this campaign will exceed the figures achieved in the campaign that has just ended”, concluded the President.

## Gas and solar power provide comparative advantages

Banking on solar power and on gas-fired power stations will bring Mozambique comparative advantages, according to the Deputy Minister of Mineral Resources and Energy, Augusto Fernando.

Speaking to reporters in the town of Cuamba, after a working visit to the northern provinces of Nampula and Niassa, Fernando pointed out that the low levels of water in the Zambezi River meant that Mozambique could no longer rely on the Cahora Bassa dam to supply the bulk of its electricity needs.

Because there is not enough water in the artificial lake behind the dam to allow Cahora Bassa to operate at full capacity, the dam operating company HCB, has had to reduce the power used in the country from 500 to 200 megawatts, with the rest of HCB’s production tied up in contracts to sell power to South Africa and Zimbabwe.

“We’ve been in this situation since last year”, said Fernando, “and if we didn’t have the gas-fired power stations, right now we would have to impose restrictions on electricity consumption”.

Over the past few years, several gas-fired power stations have come on stream in southern Mozambique, using natural gas from the Pande and Temane gas fields in Inhambane province. Fernando said that these gas-fired stations account for 30 per cent of national power consumption, which he put at 1,000 megawatts.

As for solar power, Fernando stressed the use of solar energy to produce electricity in Mocuba, in the central province of Zambezia, at Cuamba in Niassa, and at Metoro in the neighbouring province of Cabo Delgado. “These are initiatives that could easily generate 80 megawatts”, he said – which would provide over 50 per cent of the 140 megawatts used in the entire northern region.

But hydropower remains a priority, said Fernando, since it produces energy that can be used not only domestically, but can be exported to other SADC (Southern African Development Community) countries.

## Former labour minister accused of corruption

Former Labour Minister Helena Taipo, who is currently Mozambican ambassador to Angola, is the main suspect in a corruption investigation into the illicit removal of 100 million meticais (US\$1.7 million, at current exchange rates) from the National Social Security Institute (INSS), according to a report in the newspaper “Noticias”.

A spokesperson for the Public Prosecutor’s Office, cited by the paper, stated that there are five suspects in the case, with Taipo suspected of benefitting from much of the money taken from the coffers of the INSS in 2014.

The INSS is supervised by the Ministry of Labour, where Taipo was Minister from 2005 to 2015. When President Filipe Nyusi took office, he appointed her as governor of the central province of Sofala. In July, President Nyusi took her out of Sofala and made her ambassador to Luanda.

An investigation by the Public Prosecutor’s Office and the General Inspectorate of Finance (IGF) suggests that Taipo received money illicitly through bank transfers made by companies that signed contracts with the INSS.

The report suggests that much of this was essentially bribes, paid to ensure investments in real estate. The prosecutors argued this was the case with contracts signed in 2014 between the INSS and the companies Calmac Ltd, Arcos Consultants, and Opway Mocambique Ltd.

Two other companies – the printing company Academica Magic of Nampula, and FINAL Financing Investment and Agency Services – received large sums for services to the INSS, and then transferred money to Taipo.

She is also accused of running a fraudulent scheme to duplicate travel expenses according to an IGF audit.

“Noticias” reports that Taipo has been notified to appear before the Central Office for the Fight against Corruption (GCCC) in the near future.

## Bar Association calls for mining companies to be punished

The Mozambican Bar Association (OAM) has demanded that two coal mining companies in the western province of Tete be held responsible for their failure to resettle people affected by their activities.

The companies are the Brazilian mining giant Vale, which operates an open-cast mine in Moatize district, and the Indian company Jindal, which is working in Marara.

According to a statement published on 25 October, the OAM has already requested the Administrative Tribunal to order the Ministry of Land, Environment and Rural Development to collect fines from the two companies for their failure to comply with the approved resettlement plan.

The fines would be enormous, at 10 per cent of the total value of the Vale and Jindal undertakings. The OAM says such a fine is covered by the August 2012 regulations on resettlement arising from economic activities.

The OAM has been monitoring the situation of communities affected by the foreign investment mega-projects, and it found that the resettlement of households affected by Jindal's mining activities has not happened at all. OAM states that these households "are still living within the mining concession area granted to Jindal, in an environment of pollution which endangers their lives".

The Tete Provincial Administrative Tribunal in 2017, and the national Administrative Tribunal, in June this year, both ordered Jindal to resettle the households affected, but to date it has not done so.

Vale did resettle some of the communities affected by its Moatize mine, but that resettlement has always been vigorously contested as shoddy and unjust. The OAM points out that negotiations are continuing with the affected communities to ensure the payment of fair compensation.

The cases of these two companies, the OAM argues, "represent the paradigm of unjust resettlement, marked by illegalities and violations of the fundamental rights of the households affected, particularly the right to land, decent housing, food security and sources of livelihood".

The OAM says such cases are clearly covered by the 2012 regulations on resettlement issued by the government, and it is up to the government to penalise the companies that defy those regulations. But to date the government has declined to use its authority. The OAM accuses the Ministry of Land, Environment and Rural Development of "choosing to nourish the impunity of Vale and Jindal", which perpetuates "the precarious living conditions of the communities affected".

In Moatize, a community that has not been resettled took matters into its own hands and shut down part of the Vale mine, known as "Moatize-2", on 4 October because of the noise and dust pollution it was causing.

People living in the Moatize neighbourhoods of Bagamoyo and Nhandchere invaded the mine to force a stop to the explosions there. The demonstrators succeeded in halting the machines that were working at the time, in one case by hurling a rock through the windscreen.

The protestors want the mine to be closed. Alternatively, the households affected could be resettled far away from the coal dust which threatens them with lung diseases. In addition to the dust, they say that the explosions in the mine cause vibrations which are damaging their homes, causing cracks to appear in the walls.

## Inspectorate of Public Works set up

The Mozambican government on 23 October announced the creation of the General Inspectorate of Public Works (IGOPE), an institution to ensure greater inspection of public works and avoid errors in their construction.

Speaking to reporters after the weekly meeting of the Council of Ministers (Cabinet), the government spokesperson, Deputy Minister of Culture and Tourism Ana Comoana, said the new institution should control all public works, regardless of which sector they belong to.

There has been growing disquiet at shoddy work by contractors, and at the large number of cases where contractors take money from the government but do not complete the jobs. Government statistics show that, over the past decade, 540 of these jobs have been abandoned, paralysed, completed after the contractual deadline, or have begun to deteriorate because of the poor quality of the building work. The losses to the public purse from this situation are estimated at 7.76 billion meticaís (about US\$129 million).

The government blames this on the lack of adequate inspection, as well as the dishonesty of contractors. The problems include defective tenders and bidding procedures, violation of norms and regulations in drawing up building projects, inflated prices and use of low-quality materials. Hence the government has decided to set up an institution to bring order and discipline to the sector.

"The general objective is to ensure greater control of the processes in the entire chain, from the design to the execution of public works", said Comoana.

With the establishment of IGOPE, she added, "we hope that better quality in infrastructures can be achieved, that good practices will be observed in the various spheres of engineering and architecture, and that there will be greater efficiency and speed in following and monitoring building work, as well as the prevention and timely correction of all kinds of mistakes and anomalous situations that may occur".

## Rhino horn smuggler arrested

The Mozambican police on 17 October arrested a Chinese citizen, named as C. Mengli, at Beira international airport, in possession of 1.28 kilos of rhinoceros horn.

The spokesperson for the Sofala provincial police command, Daniel Macuacua, said the Chinese citizen was detained after his luggage passed through an electronic scanner which detected something strange in his bag. The police asked him to open the bag, but he refused – so the police forcibly opened it.

"We searched the bag, and we found pieces made out of rhino horn", said Macuacua. C. Mengli is now in the police cells at Beira airport, while he is charged with illicit trafficking in a protected species.

This follows the arrest on 16 October of a Vietnamese citizen at Maputo International Airport who was attempting to smuggle 11 rhino horns, weighing 11.9 kilos, out of Mozambique. He had planned to fly to Vietnam on Qatar Airways, changing planes in Doha.

In both cases the origins of the horns are unknown, and the police wish to establish whether they came from Mozambican animals or from animals poached in a neighbouring state.

## ENH needs loan of \$2 billion for gas projects

Mozambique's National Hydrocarbon Company (ENH) needs to borrow US\$2 billion to finance its participation in the Liquefied Natural Gas (LNG) projects in the Rovuma Basin, off the coast of the northern province of Cabo Delgado.

ENH has a 10 per cent holding in Offshore Area Four and 15 per cent in Offshore Area One where the operators are the Italian energy company ENI and the US company Anadarko respectively. At some stage ENH will need money to back up the value of these holdings.

The Minister of Economy and Finance, Adriano Maleiane, interviewed by the television station STV, said the government wants to issue a sovereign guarantee for this loan, and has put it into the draft state budget for 2019, which will be debated in the Mozambican parliament, the Assembly of the Republic, in December.

With a government guarantee, ENH will be able to go the international capital markets to seek the loan.

However, the return of Mozambique to the capital markets will not be easy. Ratings agencies classify Mozambique as in "selective default". This is because, in 2013 and 2014 the government issued sovereign guarantees, also for about US\$2 billion, for loans taken out from European banks by three security-related companies - Ematum (Mozambique Tuna Company), Proindicus and MAM (Mozambique Assets Management).

All three companies are effectively bankrupt, and the government has defaulted on the loan repayments, arguing that the creditors must agree to a restructuring of the loans.

## Japanese company signs gas deal

The Japanese company Tohoku Electric said on 15 October that it has signed a sales and purchase agreement to buy up to 280,000 metric tonnes a year of liquefied natural gas (LNG) a year from Mozambique.

The gas will come from the LNG project developed by the consortium headed by the US company Anadarko in the northern province of Cabo Delgado.

Tohoku Electric said it expects to purchase LNG from the Anadarko LNG project on an ex-ship basis for 15 years when it comes onstream in the early 2020s. The company added that the Mozambique LNG supply will not only help diversify its supply sources but also improve its supply stability and economics.

Anadarko said in September that it remains on target for a final investment decision for the Mozambique LNG project, in the first half of 2019. This timeframe was announced after two other sales deals with Centrica of the UK, and Japan's Tokyo Gas.

The project consists of an initial two liquefaction plants (known as "trains") to be built on the Afungi Peninsula in Cabo Delgado's Palma district. Construction is expected to start by the end of 2019, with the first LNG produced by 2023.

The two trains will have a total production capacity of 12.88 million tonnes of LNG a year. The gas will be piped to the Afungi Peninsula from the offshore Golfinho and Atum fields which lie entirely within Area One of the Rovuma Basin, where Anadarko is the operator.

## US donates medical equipment

More than 1,400 Mozambican health units will benefit from medical and surgical equipment for mother and child care donated by the United States government on 11 October.

The equipment is valued at over US\$3.2 million. It consists of 600 gynaecological observation tables, 2,000 hospital beds, 2,500 hospital mattresses, 300 observation lamps, 1,750 childbirth kits, 300 kits for caesarean births, 1,000 kits for neonatal reanimation, and 8,000 sphygmomanometers (which measure blood pressure), among other items.

Health Minister Nazira Abdula, who chaired the reception ceremony, said the donated material will help reduce the levels of neonatal and maternal mortality in Mozambique. "This equipment will strengthen the resources of the National Health Service, thus increasing the capacity of health units to screen women and treat obstetric complications in due time", she added.

Abdula noted that the number of institutional births has been increasing, rising from 54.8 per cent of all Mozambican births in 2011 to 83 per cent in 2017. This growth has been sharpest in rural areas.

"Attending in time to obstetric complications", she said, "means turning the health centres into more skilled units, with adequate human and material resources". She believed that the donated material will strengthen still further the diagnosis of obstetric complications, and the readiness of the reference health units to deal with them.

For his part, US Ambassador Dean Pittman praised the work the government has undertaken to provide good quality care for pregnant women and newborn infants, but lamented that many women, infants and children are still dying from illnesses that can be avoided or treated.

He advised the government to give priority to the health sector in the state budget, so that the health service has sufficient funds to respond to the needs of the public, who are visiting the health units in ever larger numbers.

"Without this joint undertaking, our combined efforts will not be sustainable", Pittman warned. "If we work together to strengthen the Mozambican health systems, we shall continue to speed up progress towards meeting the national goals of reducing the maternal, neonatal and infant mortality rates".

This is a condensed version of the AIM daily news service - for details contact [pfauvet@live.com](mailto:pfauvet@live.com)

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