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President Nyusi tests positive for Covid-19

President Filipe Nyusi has tested positive for the coronavirus that causes the respiratory disease Covid-19 and has gone into isolation. A statement from President Nyusi's office on 3 January said that after travelling to various parts of the country in the final days of 2021 and meeting with various interest groups, President Nyusi and his wife, First Lady Isaura Nyusi, have tested positive for Covid-19 using a rapid test. Although neither are showing any symptoms, they have gone into isolation while they await the definitive results from a PCR (polymerase chain reaction) test.

The presidential statement concluded by urging all Mozambicans to obey preventive measures against Covid-19. Everyone over the age of 18, President Nyusi added, should ensure that they are vaccinated against the disease.

Meanwhile, the Health Ministry has announced an alarming increase in the positivity rate (the percentage of people tested who are found to be carrying the virus) from 39.2 per cent on 2 January to 45.76 per cent on 3 January.

According to a press release from the Ministry, 918 people tested positive for the virus over the past 24 hours. This brings the total number of Covid-19 cases diagnosed in Mozambique to 193,371. Of the cases identified on 3 January, for the first time the majority of new cases were not from Maputo city and province, but from the central region. There were 196 cases from Manica, and 136 from Sofala. Between them, these two central provinces accounted for 36.2 per cent of the new cases. There were also 108 cases from Nampula, 99 from Gaza, 96 from Maputo city, 93 from Inhambane, 77 from Maputo province, 40 from Zambezia, 36 from Cabo Delgado, 34 from Niassa and three from Tete. The Ministry also reported 12 further deaths from Covid-19.

According to data from the Ministry, the Omicron variant is now the dominant strain in Mozambique. It states that the Beta variant, first detected in Mozambique in July 2020, dominated the Mozambican epidemic between January and May 2021. The Delta variant was detected in April 2021 and became the dominant strain between June and August. But it has now been displaced by the Omicron variant, first detected in November.

"The Beta and Delta variants were detected in Maputo and Tete respectively, and then spread throughout the country", the INS said. Omicron was also first detected in Maputo but is now known to be circulating in the northern province of Nampula, the central province of Zambezia and the southern province of Inhambane.

EDM connects Nhamadzi to national grid

Residents of the administrative post of Nhamadzi, in the central district of Gorongosa, have had their homes linked to the national electricity grid following the inauguration of a new supply system under the government's "Energy for All" project.

At the launch ceremony on 15 December, the governor of Sofala province, Lourenço Bulha, revealed that of the initial capacity of 500 connections 150 were already live. He stressed that this will support development and well-being in the region together with better access to other basic social services such as clean drinking water, sanitation, improved health care, education, and access to communications systems.

As a result of the extension of the electricity supply, only three administrative posts in Sofala are not linked to the grid, namely Devinhe in the district of Machanga, Galinha in Muanza, and Mulima in Chemba. It is planned to have all these posts added to the grid before the end of 2024.

Belmiro Mateus, the regional director of Mozambique's publicly owned electricity company, EDM, stressed that the inauguration of the electricity network in Nhamadzi is part of the government's "Energy for All" project that is accelerating the provision of electricity for the entire population of Mozambique by 2030.

"We expect", he said, "that by the end of the current five year period over 64 per cent of the Mozambican population will have access to electricity through the national grid compared with the present level of 37 per cent".

According to EDM, the expansion of the network required the construction of 30 kilometres of medium voltage transmission line from the town of Gorongosa, four transformers to step down the voltage, and 12 kilometres of low voltage power line. In addition, 150 streetlamps have been installed.

European Commission considers classifying natural gas as “green”

The European Commission has opened consultations on whether natural gas and nuclear power projects should be considered as “green” investments, in a move that could have major implications for the development of Mozambique’s hydrocarbon industry.

The Commission has drawn up a draft text of a “Taxonomy Complementary Delegated Act” covering certain gas and nuclear activities, which, if adopted later this month, will guide and mobilise public and private investment in projects to promote climate neutrality over the next thirty years.

The proposed taxonomy will classify projects as being green if they help Europe to move away from the use of coal and other high carbon-emitting energy sources. According to a statement from the European Commission on 1 January, it considers that there is “a role for natural gas and nuclear as a means to facilitate the transition towards a predominantly renewable-based future”.

Under the proposal, the classification would be under very specific conditions. For example, the gas must come from renewable sources or have low emissions by 2035.

The Commission has asked two expert groups to give their opinion on the draft by 12 January and, if the opinion is favourable, the proposals will be agreed to later this month. After that, the European Parliament and the European Council will have four months to scrutinise and decide whether the proposal will come into force.

The move was criticised by the head of the Green group in the European Parliament, Philippe Lamberts, who argued that by including gas and nuclear power in the draft regulation, “the Commission risks jeopardising the credibility of the EU’s role as a leading marketplace for sustainable finance”.

He added that “by calling gas investments green until 2030, Europe sends the wrong signal to our partners in the world and endangers to lock us in fossils much longer beyond 2030”.

According to figures from the European Commission, in 2019 just under 20 per cent of energy consumed in the European Union was generated from renewable sources. In addition, by their very nature, solar and wind power are not always available and the grid-scale battery storage industry is still in its infancy.

As a result, relying on scaling up renewables is unlikely to fully meet Europe’s energy needs in the short to medium term. In another complication, on 31 December Germany shut down three of its six nuclear power stations with the remaining power plants due to close this year. An additional factor is that over a third of Europe’s natural gas comes from Russia and in 2021 the state-owned Russian company Gazprom refused to supply any gas additional to that contractually required. Tensions between Europe and Russia are likely to continue for the foreseeable future.

Under these conditions, other supplies of natural gas will likely be required and Mozambique could meet much of this. Enormous quantities of natural gas have been found off the coast of the northern province of Cabo Delgado and projects are currently being developed for its use domestically and export.

One project, Coral South, where the Italian company ENI is the operator, is due to begin production of Liquefied Natural Gas (LNG) on its floating platform later this year. The Coral South gas field is estimated to contain about 16 trillion cubic feet (TCFs) of gas and the entire production of 3.4 million metric tonnes of LNG per year has already been secured by British Petroleum (BP).

The other major venture currently underway is the Mozambique LNG Project using gas from Rovuma Basin Offshore Area One. The French oil and gas company, Total, is the operator with its partners coming from Japan, India, Thailand, and Mozambique. When operational, the project will produce 12.88 million tonnes of LNG per year for domestic consumption and export. A third development, the Rovuma LNG Project, will use gas from offshore Area Four to produce 15 million tonnes of LNG a year. However, the operator, ExxonMobil, has not yet taken its final investment decision.

The projects have the gas reserves required to expand the output of LNG at a later date should the market conditions be favourable.

These sources of natural gas could play a vital role in stabilising global prices and securing supplies in Europe and other markets. In addition, they will create the conditions for the development of Mozambique’s economy and enable the country to mitigate the effects of climate change caused by carbon emissions during the 20th and 21st Centuries which took place predominantly outside of Africa.

However, bringing the projects to fruition and later expanding them requires enormous private and public investments and financial institutions require certainty that investments will be recouped. The European Union’s draft Delegated Act is a move in this direction. According to the African Energy Chamber, a South African based group linked to the energy industry, “this new proposal will pave the way for new European investments in natural gas in Africa and will therefore allow Europe to unlock billions of euros in finance and sustainable energy funds to support gas as a transitional energy source”.

It added, “Africa’s call for a just and inclusive energy transition has been answered through the European Union’s landmark proposal to label natural gas as a “green” energy source. Historically, Africa has always fought for sustainable development because we know, first-hand, the ravaging effects that even minute changes in climate can have on the continent and its populations”.

It stressed that “to develop sustainably, Africa must first industrialise itself. It must have the same opportunities as Europe and other western countries”.

Mayor of Quelimane appears before anti-corruption body

The mayor of the central city of Quelimane, Manuel de Araujo, appeared before the Zambezia provincial branch of the Central Office for the Fight against Corruption (GCCC) on 28 December to answer questions about allegedly illegal expenditure incurred by the Quelimane Municipal Council in 2018. An audit for that year found that the Council, under Araujo's leadership, spent much more money on capital goods than allowed for in the 2018 municipal budget. The anti-corruption office wanted to hear the mayor explain this overspending.

Speaking to reporters after the hearing, Araujo admitted that the audit finding was correct, but claimed he had authorised the use of the funds "involuntarily".

The correct procedure would have been for the Quelimane Municipal Assembly to pass an amended municipal budget for the year that would have covered the extra expenditure. Araujo claimed that this was impossible because, between August and December 2018, the Municipal Assembly did not meet, and thus effectively refused to pass an amended budget. As a result, "we made some expenditure that was outside of the legally established criteria", he admitted.

Araujo claimed he had to make a difficult decision, "between obeying the law, and leaving the city dirty because we couldn't pay for fuel or repairs for the garbage trucks to clean the city, and that would have risked outbreaks of cholera or other diseases". So, he opted to break the law. Cited by the independent television station STV, Araujo said, "this was an involuntary act because the Municipal Assembly refused to meet and pass the amended budget".

The reason 2018 was a difficult year for Quelimane was that Araujo decided to change his party. Araujo was first elected mayor of the city in a by-election in 2011. Two years later, he was re-elected in the nationwide municipal elections of 2013. In both of these elections, Araujo was the candidate of the opposition Mozambique Democratic Movement (MDM). But as the 2018 municipal elections approached, Araujo abandoned the MDM and announced he would run for another term as mayor, but as the candidate of the larger opposition party, Renamo. It was this decision that cost Araujo the support of the Municipal Assembly. Previously, he had near-automatic support of the Assembly, which had an MDM majority. But the MDM group in the Assembly reacted to what it regarded as Araujo's betrayal by removing Araujo from his position of mayor at an extraordinary meeting of the Assembly on 22 August. In this vote, the MDM was supported by the Frelimo Party (in power nationally, but in opposition in Quelimane).

Araujo refused to accept the decision and pledged to continue as mayor. But in Maputo, the Council of Ministers (Cabinet) was quick to ratify the Municipal Assembly's decision and confirmed that Araujo was no longer mayor. Araujo appealed against the government decision but in January 2019 the Administrative Tribunal threw out the appeal.

By then, however, Araujo and Renamo had won the October 2018 municipal election in Quelimane, and so in February 2019, Araujo returned to office.

However, it may now prove an uphill struggle for Araujo to persuade the GCCC that his political difficulties of 2018 somehow justify the illicit expenditure discovered by the audit.

Future of SAMIM to be decided in January

President Filipe Nyusi announced on 30 December that the mandate of the SADC Military Mission in Mozambique (SAMIM) could be extended. Speaking in Pemba, capital of the northern province of Cabo Delgado where the Mozambican defence and security forces, in alliance with SAMIM and the Rwandan armed forces, are fighting Islamist terrorists, President Nyusi said the continued presence of SADC forces will be discussed in January, at the next meeting of the SADC Organ on Politics, Defence and Security Cooperation.

He added that clean-up operations are continuing in Cabo Delgado after the terrorists had been driven out of several of their main bases. However, some jihadists have crossed the provincial boundary into Niassa, where they have raided several villages in Mecula district.

President Nyusi was speaking after a meeting with his Botswana counterpart, Mokgweetsi Masisi. He praised Masisi for the support Botswana has given to the fight against terrorism. "Right from the start he showed immediate solidarity and received our young people who are undergoing training in Botswana, particularly in the Air Force", he said.

When SADC took the decision to send a military mission to Mozambique, Masisi was chairing the troika, and President Nyusi credited him with driving the entire process forward. He added that Masisi's visit to Cabo Delgado was a very important gesture to Botswanan soldiers serving in SAMIM and who are unable to spend the current festive season with their families.

Masisi had a simple message for the Botswana SAMIM contingent – they should shoot to kill at any terrorists who refuse to lay down their weapons. "It's clear that you have understood your mission", he said, "because you have lived the situation on the ground. You should leave the country without enemies".

"Kill the enemy", urged Masisi, "but please continue to do your best and continue to shine in Mozambique". He hoped that Mozambicans would have fond memories of all that the soldiers had done in Cabo Delgado.

He assured the troops "you shall never, never cease to enjoy my support".

SAMIM was approved by an extraordinary summit of SADC heads of state and government, held on 23 June, and the mission began its deployment on 15 July.

In addition to Botswana, seven other SADC member states have provided personnel for SAMIM, namely South Africa, Angola, the Democratic Republic of Congo, Lesotho, Malawi, Tanzania, and Zambia, working under the overall coordination of the Mozambican defence forces.

WFP transitioning to recovery activity in northern Mozambique

The United Nations' World Food Programme (WFP) on 23 December announced that it has started to gradually transition from life-saving food assistance to recovery and resilience activities in northern Mozambique.

In its latest country brief, WFP laments that nationally high malnutrition affects almost half of children under 5 years of age and that over 2.9 million people face severe acute food insecurity. It notes the negative economic effect of the Covid-19 pandemic and that nearly half of the population remain below the poverty line.

WFP adds that "Mozambique remains one of the most disaster-prone countries in the world, with drought and pests affecting staple crops in much of the country while the central part has been affected by cyclones every year leading to agricultural losses, destruction of infrastructure, assets and livelihoods as well as internal displacement. Thus, significant challenges remain to achieve food and nutrition security. Mozambicans still cannot afford the cost of a nutritious diet".

The situation is particularly dire in the northern province of Cabo Delgado, which has seen Islamist terrorism wreak murderous havoc with people in many areas forced to flee from their homes and livelihoods. WFP notes that "after two decades of peace and stability, the intensification of violence in Cabo Delgado Province threatens socio-economic progress".

Despite significant progress by the Mozambican defence and security forces, along with their allies from the Southern Africa Development Community Mission in Mozambique (SAMIM) and Rwanda, in dislodging the terrorists and returning security to the affected areas, it will take many months before everyone returns to their homes and restart their lives.

In November, WFP provided life-saving food assistance to 800,000 people in northern Mozambique. However, it points out that it was only able to provide half rations, equivalent to 39 per cent of daily calories, due to a lack of funds, although full rations will be resumed in January during the peak lean season.

In a significant move, WFP states "acknowledging that development projects are fundamental for the long-term stability and peace in northern Mozambique, WFP has started to gradually transition from life-saving food assistance to recovery and resilience activities".

To begin with, five livelihoods projects are being implemented in six districts of Cabo Delgado that will benefit 45,000 people, of whom 80 per cent are internally displaced persons with the remaining coming from host communities. In addition, it is distributing agricultural inputs for the main agricultural campaign.

WFP warns that it needs US\$89.9 million to sustain its work in northern Mozambique until June 2022 and that if it does not receive funds in a timely manner a pipeline break is expected in April. Nationally, it needs US\$157.8 million to continue its work until May 2022.

WFP has been present in Mozambique since 1977, working with the government to provide food, nutrition, and livelihood assistance to vulnerable communities.

Study finds anti-malaria drive promotes "remarkable economic benefits"

An academic study published in the peer-reviewed journal "Economics and Human Biology" has found that a drastic reduction in the incidence of malaria leads to improved outcomes in education.

The article, "The impact of a malaria elimination initiative on school outcomes: Evidence from Southern Mozambique" written by Laia Cirera, Judit Vall Castello, Joe Brew, Francisco Saute, and Elisa Sicuri looked at Mozambique where "despite the significant improvements achieved over the last ten years, primary education attainment in Mozambique is still low".

The authors point out that potential reasons for this include ill health, which is "still largely linked to malaria".

In the study, the authors focus on the district of Magude, in Maputo province, where efforts have been underway since 2015 to eliminate malaria. Although this has not yet been fully successful, the incidence of the disease has dropped dramatically.

The effects on education of this reduction are then compared with the neighbouring district of Manhica which has similar socio-economic and epidemiological characteristics to find out if the positive health shock translated into improved school outcomes.

The study looked at school attendance and grades of 9,848 students from nine primary schools (four in Magude and five in Manhica) and found that the reduction in malaria led to a 28 per cent decrease in school absenteeism and a two per cent increase in students' grades.

This adds to a growing body of evidence that malaria is a huge barrier to development. Previous studies have shown malaria reduces economic growth and has a severe impact on other development indicators such as fertility and child mortality.

The authors of the current Economics and Human Biology study stress that "at the individual level, there are several channels through which malaria affects economic growth and development, one of the most important being the constraint it imposes on skills acquisition throughout life due to reduction in cognitive ability and school attainment".

This leads the authors to conclude that "these findings provide evidence on the negative impact of malaria on primary education attainment and suggest remarkable economic benefits consequent to its elimination".

Recorded deaths from malaria are on the decline in Mozambique. In 2020, the Health Ministry recorded 563 deaths, a 23 per cent reduction on the previous year. This was due to the increased coverage of the health service and campaigns to protect the public from mosquitoes through spraying homes and distributing insecticide-treated bed nets. However, malaria remains a major public health problem - according to government statistics, between January and August 2020 there were 8.36 million cases.

Lions return to Zinave National Park

A lion has been spotted in the Zinave National Park, in the southern province of Inhambane, for the first time in several decades, according to a press release from the South African-based Peace Parks Foundation.

The Foundation revealed that a camera trap has recently captured an image of a male lion, which it states was drawn to the prey-rich habitat of the 18,600-hectare sanctuary that has been established within the park.

For the Foundation, this is evidence of the “remarkable restoration of this once-silent wilderness” with “the establishment of healthy ecosystems that are naturally attracting Africa’s top predator”.

Over the last decade, the park has undergone intensive restoration and rewilding and has seen over 2,300 game animals reintroduced into the sanctuary including 200 elephants. In addition, four spotted hyenas and two leopards were recently relocated to the park.

This relocation programme was accelerated following the signing in 2015 a 20-year co-management agreement between Mozambique’s National Administration of Conservation Areas (ANAC) and the Peace Parks Foundation. The eventual goal is to rewild the entire 408,000-hectare park and to develop eco-tourism to cover the operating costs.

Zinave National Park forms part of the Greater Limpopo Transfrontier Conservation Area, which also includes Banhine and Limpopo national parks in Mozambique, Kruger National Park in South Africa, Gonarezhou National Park in Zimbabwe and various other state and privately-owned conservation areas across the three countries.

According to the chief executive of the Peace Parks Foundation, Werner Myburgh, the appearance of lions in Zinave provides evidence that the goals of setting up the Greater Limpopo Transfrontier Conservation Area are being met. He said, “one of the stated objectives was to enhance eco-system integrity and natural ecological processes and remove artificial barriers impeding the natural movement of wildlife”.

Myburgh added, “with the continued rewilding and steady development of the three national parks in the Mozambique component, it was only a matter of time for wildlife to start moving naturally between these protected areas, but to see this happening now in reality, is a momentous conservation milestone”.

For ANAC’s Maria Cidalia Mahumane, “this is an extremely exciting moment for Zinave and for conservation in Mozambique as a whole. The extensive efforts that ANAC and the Peace Parks Foundation have directed into restoring and managing the park have led to some incredible outcomes, and the presence of lions is another clear indicator of the ecological health of Zinave”.

The Peace Parks Foundation’s project manager Bernard van Lente explained that “destabilisation and lack of prey in an ecosystem are the main reasons for the absence of large carnivores in an area. Since the park started animal reintroductions, and because of successful protection efforts, the game numbers have

grown rapidly and the eco-system has stabilised sufficiently to host apex predators once more”.

He added, “with the abundant prey and safe environment available, the fact that the park is able to sustain large carnivores is very encouraging, and it will not be too surprising if more lions, leopard, wild dog and cheetah start to make sporadic appearances, over and above the carnivores that are set to be reintroduced into the park over the coming years”.

The Peace Parks Foundation pointed out that over the last century lions have disappeared from 95 per cent of their historic range and lamented “over 200,000 lions once roamed across Africa. Now, only an estimated 23,000 to 39,000 remain, due to habitat destruction, human-wildlife conflict, poaching and poisoning”.

Vale announces sale of Mozambique coal assets

The Brazilian mining company Vale has announced that it is selling its Mozambican coal assets and the associated Nacala Logistics Corridor to the Indian company Vulcan for US\$270 million. In addition, the two companies have agreed to a ten-year royalty agreement that is subject to certain mine production and coal price conditions.

Earlier in 2021, Vale announced its decision to sell the assets and to focus on its core businesses and on its ambition to become a leader in low-carbon mining. This followed over a decade of developing the Moatize mine in the western province of Tete and the building of the 912-kilometre long Nacala Logistics Corridor railway line which runs from Moatize, through neighbouring Malawi, to the deep-water port at Nacala-a-Velha.

According to a statement from the company, these investments, along with revamping the general rail cargo operations and passenger transportation “represent a relevant legacy to the countries and are an important driver for local development”.

The chief executive officer of Vale, Eduardo Bartolomeo, stated: “I am pleased to announce this important step for the responsible divestment of Moatize and Nacala Logistics Corridor, in a transaction that benefits the communities and governments where those operations are located and offers a sustainable future for the operations”.

The assets have been sold to Vulcan, which is part of the Indian Jindal Group that already operates its Chirodzi open cast coal mine in Tete with a capacity to mine 5 million tonnes per year. Vale’s Moatize mine has the capacity to produce 15 million tonnes per year.

US\$270 million is about 10 per cent of what Vale and its partners borrowed from banks in the days when coal appeared to have a future. At the turn of the millennium, coal was hailed as a possible saviour of the Mozambican economy. But the hoped-for exports of over 100 million tonnes of coal a year never materialised, and nor did the coal-fired power stations that several companies promised to build at the entrance to their mines.

The sale is subject to approval from the Mozambican government.

Finance secured for Cuamba Solar project

The London-based independent power producer Globeleq (an institution formed by Norwegian and British funds) on 21 December announced that it has reached financial close on the 19-megawatt peak Cuamba Solar photovoltaic project in Mozambique. This will include the country's first grid-scale battery storage system with a capacity to store two megawatts (seven megawatt hours).

The US\$36 million project will be constructed in the town of Cuamba, in the northern province of Niassa and is being developed in partnership with Mozambique's publicly-owned electricity company EDM and the company Source Energia.

Once operational, it will provide enough electricity for EDM to supply 21,800 consumers over a 25 year period. According to a statement from Globeleq, over the life of the project, it is expected to avoid the equivalent of more than 172,000 tonnes of carbon dioxide emissions.

The Emerging Africa Infrastructure Fund (EAIF) will provide US\$19 million in debt funding, with the Private Infrastructure Development Group giving a grant of US\$7 million and CDC (the British state development finance institution) contributing a one million dollar grant towards the battery storage system.

EDM chairperson Marcelino Gildo noted "this project is a demonstration of EDM's commitment to providing sustainable solutions to speed up energy access to Mozambicans. In compliance with the Government's five-year plan to introduce 200 megawatts of renewable energy, EDM is at the forefront of the energy transition in line with the Paris Agreement".

This sentiment was echoed by the chief executive of Globeleq, Mike Scholey, who stated, "We fully support the Mozambican government in their initiatives to support the Paris Agreement and provide its citizens with reliable and clean alternative energy options".

The construction of the power plant began in 2021 and will be the third solar power station in the country. The first was built in Mocuba, in Zambezia province, and has been in operation since 2019, whilst the second, at Metoro, in Cabo Delgado, is still under construction.

The first power from Cuamba is expected to flow in the second half of 2022.

IMF praises Mozambique for prudent policies

The International Monetary Fund (IMF) has praised Mozambique's prudent economic management at a time when the country faces severe challenges.

Following an IMF Staff Visit to Mozambique, which concluded on 16 December, a statement released by the head of mission, Alvaro Piris, noted "the Mozambican economy is recovering from a sharp contraction, following several years of economic shocks".

Piris added that "a modest but broad-based recovery is taking hold in 2021. After real GDP contracted in 2020 - the first contraction in 30 years - growth resumed in early 2021 and is expected to reach 2.2 per cent for the year. Robust growth in agriculture and mining was

complemented by a modest recovery in services as COVID-related restrictions were eased. Seasonal factors, supply-chain constraints, and international food and fuel price increases led inflation to rise to 6.8 per cent year on year in November, remaining within the Bank of Mozambique's target of less than ten per cent".

Mozambique has been hit by the twin crises of the Covid-19 global pandemic and Islamist terrorism in the northern province of Cabo Delgado, and Piris pointed out that "two large waves of Covid infections in the first and third quarters of 2021 prompted strict confinement measures, lowered incomes, and resulted in the loss of schooling for an already vulnerable population", Piris added. "Terrorist attacks have caused thousands of deaths and displaced more than 800,000 people in the northern province of Cabo Delgado, with many in the northern region suffering food insecurity".

He warned that "while the authorities have managed prudently and successfully addressed Covid and security-related challenges, including with international support, concessional financing has now declined, and high public debt and tight financing constraints should be addressed through fiscal measures".

"A tight monetary stance", the statement continued, "has helped keep inflation in check and preserve macro-economic stability, but limits credit growth and scope for the exchange rate to facilitate economic adjustment. Reducing fiscal financing needs through a moderate adjustment that does not impair recovery will help put debt on a firm downward trajectory and allow for a better policy balance".

Looking to the future, Piris noted that "the longer-term outlook is shaped by LNG (Liquefied Natural Gas) production, with downside risks. Growth is expected to rise further in 2022, reflecting a broader recovery of the non-LNG economy. In the longer term, non-LNG growth is projected at 4 per cent".

Piris added that growth will rise sharply as LNG projects begin production, "currently expected in 2023 and 2026". However, "while agricultural performance may be stronger than envisaged in 2022, considering expected favourable meteorological conditions, new waves of Covid infection could prompt confinement measures, while firms' (including state-owned enterprises') balance sheets have been weakened by the crisis, reducing the scope for investment, and potentially weakening banking sector asset quality over time".

Another danger to the economy is the "vulnerability to natural disasters and the effects of climate change". Piris described this as "a recurrent vulnerability, as is renewed deterioration of the security situation that could further delay or stop the LNG projects".

The team leader also revealed that the IMF will soon enter into discussions with the government to support its programme with an Extended Credit Facility, which "could help ease financing pressures as the economic recovery takes hold, support the authorities' agenda in poverty reduction and restoring sustainable and equitable growth, while also helping catalyse additional development financing".

Agreement reached on new port in Gaza

A private logistical company, Mozambique STT, has signed an agreement with the Chinese consortium PowerChina Hubei Engineering to finance the construction of a deepwater port at Chonguene, in the southern province of Gaza, budgeted at US\$324 million.

This is the first instalment of a key component in the Chonguene Development Corridor, which will cost in total more than US\$700 million. This project has been authorised by the Ministry of Transport, through a memorandum signed with Mozambique STT, which has pledged to mobilise finance for the project without any guarantees from the state.

Work on the Chonguene port will begin in January 2022 and should be complete by June 2025. But construction must be preceded by engineering and environmental impact studies.

According to STT the contract for the first phase of building the port, worth US\$324.12 million, was signed in Maputo on 10 December.

Chonguene will essentially be a mineral port, with the capacity to handle 150 million tonnes of cargo a year. Two new railways will be built from Chonguene – one will run for 221 kilometres to Guija district, where it will connect with the line from Maputo to Chicualacuala, on the border with Zimbabwe. The second will be a branch line to Inharrime and Jangamo, in Inhambane province.

The line to Chicualacuala will ensure that other members of the Southern African Development Community (SADC), including Zimbabwe, South Africa, Botswana, Zambia, the Democratic Republic of Congo, and even parts of southern Angola, will have access to the new port.

If the port proves successful, it may generate traffic for the Chonguene airport, inaugurated by President Filipe Nyusi last month.

The main Mozambican cargo for the port is likely to be titanium minerals: projects to mine the heavy mineral sands on the Gaza coast have been on the drawing board for more than two decades.

Momade promises to end pensions delay for former fighters

The leader of Mozambique's main opposition party, Renamo, has promised two thousand former militiamen that their pensions will soon be regularised.

Speaking at a party meeting in Soalpo neighbourhood, in the central province of Manica, Renamo leader Ossufo Momade conceded that there have been delays in finalising the pensions for the first group of Renamo fighters demobilised but said that this problem will be resolved.

Quoted in the Maputo daily "Noticias" on 20 December, he told his audience "I came here to reaffirm that, by next year, the first group of guerrillas will have their pensions regularised. Therefore, we can say that we are fighting a good fight, although there are delays for some elements who have passed into civilian life".

Momade called on the former fighters to work in the spirit of collaboration with the authorities. He thanked them for their commitment, civility, activism, and patience and emphasised that this contributes to the well-being of the people and the guaranteeing of peace and security, especially at a time when the Covid-19 pandemic is plaguing the nation and the world.

Momade urged everyone to actively participate in combatting the terrorism that continues to sow grief, pain, and destruction in the northern province of Cabo Delgado and stressed that "all Mozambicans are called on, from now onwards, to contribute to the fight against terrorism because, by their actions, the terrorists do not discriminate between parties. So, let us all help the joint forces to free us from this evil".

India donates patrol boats to Mozambican defence forces

The Mozambican defence and security forces on 27 December received two maritime patrol boats from India to strengthen their capacity to control the waters in the "Northern Operational Theatre" (essentially Cabo Delgado province, where Islamist terrorists have been operating since October 2017).

The two vessels are a donation by the Indian armed forces, who also donated 500 tonnes of rice for the people displaced by terrorism in Cabo Delgado. The latest figures suggest that the terrorists have displaced over 800,000 people.

India also offered kits to fight against the Covid-19 respiratory disease, which poses a threat to troops in the theatre of operations.

Receiving the boats and the humanitarian aid in Maputo, Defence Minister Cristovao Chume said "these vessels join two others donated by India in 2019 and which are involved right now in logistical support for our forces in the Northern Operational Theatre and in ensuring coastal security".

The latest publicly known operations included the capture by the Mozambican forces and their allies in the SADC Mission in Mozambique (SAMIM) of two terrorist bases in Macomia district. During this offensive, which began on 22 November, SAMIM says at least 23 terrorists were killed.

In Niassa, terrorists escaping from the allied forces in Cabo Delgado attacked villages in Mecula district, near the provincial boundary, leading around 3,000 people to seek refuge in Mecula town.

Coastal security is a major concern for the Mozambican forces and their allies. The Indian patrol boats should help prevent supplies from reaching the terrorists by sea. The boats could also act against drug and people traffickers using the Mozambique Channel.

The Indian High Commissioner to Mozambique, Ankan Banerjee, declared "we hope this kind of support will strengthen the bonds of friendship between our peoples and states. We encourage the government to continue working to eradicate terrorism in Mozambique".

World Bank support for social protection

The World Bank has approved a grant of US\$167.5 million to support the Mozambican government's Social Protection and Economic Resilience Project.

According to a press release from the World Bank, the project addresses the need to build a social protection system focused on the poorest families to effectively improve living conditions and increase resilience to shocks.

Of the project's total amount, US\$41 million is provided by a multi-donor trust fund composed of the United Kingdom, Sweden, and the Netherlands, with the rest coming from the World Bank's International Development Association (IDA).

The World Bank's representative for Mozambique, Idah Pswarayi-Riddihough, stated: "This is a much-needed operation for Mozambique, given the country's vulnerability to conflict, extreme weather events, Covid-19, and other factors".

Further details were given by the World Bank's task team leader, Edmundo Murrugarra, who noted that "Mozambique has made progress in building a social protection system, and it is time to enhance its impact on the poor and vulnerable in the most efficient way. This is why this operation brings together the three largest social protection programs to improve synergies and help create a critical pathway out of extreme poverty".

Co-task team leader Jordi Gallego-Ayala stressed the need for the project to respond to crises, stating that "this operation will allow the sector access to emergency financing to swiftly respond to climate, health, and economic shocks. Social protection as part of an emergency response, known as adaptive social protection, helps mitigate the impacts of shocks, and strengthens households' resilience".

The project falls within the government's National Strategy for Basic Social Security 2016/24 and its Five Year Program for 2020/24.

Established in 1960, IDA helps the world's poorest countries by providing grants and low to zero-interest loans for projects and programs that boost economic growth, reduce poverty, and improve poor people's lives. IDA is one of the largest sources of assistance for the world's 74 poorest countries, 39 of which are in Africa. Since its launch, it has provided US\$458 billion to 114 countries. Annual commitments have averaged about US\$29 billion over the last three years, with about 70 per cent going to Africa.

World Bank grant for human capital development

The World Bank has approved a US\$100 million grant to support the Mozambican government's project to improve access for the most vulnerable people to basic social services in the northern provinces of Cabo Delgado, Nampula, and Niassa, with a particular focus on expanding inclusive access to education and health services.

The current humanitarian crisis in the north of the country was caused by Islamist terrorists in the province of Cabo Delgado chasing people from their homes, farms, and workplaces. The latest figure from the International Organisation of Migration puts the number of internally displaced persons (IDPs) in Cabo Delgado at 744,949.

That figure is from September and since then the Mozambican defence and security forces, along with their allies from the Southern Africa Development Community Mission in Mozambique (SAMIM) and Rwanda have made progress in returning security to the areas affected by terrorist attacks. However, fully restoring basic social services will be a lengthy process and in the meantime displaced people and their host communities need support.

The grant will be issued by the International Development Association (IDA) in support of the "Investing in Inclusive Human Capital Development Project", which will target the 32 districts across the provinces holding more than 93 per cent of displaced people in the north of the country who are at risk of conflict and most exposed to climate shocks.

The World Bank's representative for Mozambique, Idah Pswarayi-Riddihough, stated that "this is an important undertaking by the government, which we are wholeheartedly supporting given the situation of the population in the project's target areas. The overall goal is to educate, empower and enable current and future generations in vulnerable settings to accelerate inclusive growth, reduce extreme poverty, and mitigate the risks of conflict".

According to the World Bank's senior health specialist, Humberto Cossa, "this operation proposes a decentralised multi-sectoral approach with high-impact interventions in education, health, and social protection for local and vulnerable communities. It will strengthen institutions and systems for human capital development that have been damaged or destroyed and support the transition from emergency response to restoration".

A statement from the World Bank points out that in addition to expanding social protection for the displaced and their host communities, "the project will provide cash transfers to vulnerable populations to help mitigate the impact of shocks, build resilience through increased food security, and support diversified livelihoods income generation activities".

World Bank support for rural energy and broadband

The World Bank has approved a grant of US\$300 million that will support the government of Mozambique's projects to increase access to energy and broadband services.

According to a press release from the World Bank, energy access remains low in Mozambique with large differences between rural and urban areas. It notes that only eight per cent of people in rural areas are estimated to have access to electricity compared with 72 per cent in urban areas.

The project will also expand off-grid electricity access and clean cooking solutions with a particular focus on underserved areas of the northern provinces. World Bank documents point out that the main domestic fuel is firewood and charcoal, with an estimated 92 per cent of the population using woody biomass, which leads to deforestation and forest degradation.

The third section of the project will address the lack of access to telecommunications services, with only 30 per cent of the population using the internet.

The World Bank's representative for Mozambique, Idah Pswarayi-Riddihough, points out that "Mozambique's economy can benefit from systematically harnessing the synergies of energy and digital connectivity in rural and fragile areas to enhance economic productivity, promote inclusive growth, and build resilience in a sustainable manner".

She added that "we will focus on energy provision to the poor, to those displaced by conflict, and to critical social services such as schools and hospitals".

The funding will be used to expand the electricity grid in peri-urban and rural areas with over 1.1 million beneficiaries and provide broadband access to at least 580,000 people.

Explaining the link between these two foci, the World Bank's co-task team leader, Casey Torgusson, pointed out that "Energy and information and communications technology (ICT) access increasingly go hand in hand – electricity is needed to power digital devices and networks, while mobile communications and payments can unlock new business models for low-cost solar home system deployment".

He added, "by adopting a coordinated approach in the deployment of energy and ICT, this project holds significant potential to improve access to energy and broadband services in rural areas, creating greater social and economic connection and opportunities in otherwise isolated communities".

The ProEnergia project will also receive US\$38 million from Sweden and Norway through the Mozambique Energy for All Multi-Donor Trust Fund and a further five million dollars from the ESMAP Clean Cooking Fund.

The World Bank grant will come from the International Development Association (IDA).

World Bank grant for water in Zambezia and Nampula

The World Bank on 14 December approved a US\$150 million grant to support the Mozambican government's projects to improve water supply and sanitation in the provinces of Nampula and Zambezia.

According to a press release from the World Bank, these two provinces contain 39 per cent of the country's population but have the lowest access rates to safe water supply and sanitation services.

It adds that "the northern provinces of Mozambique have the highest rates of multi-dimensional poverty and the lowest rate of access to basic services such as water, sanitation, and electricity. These social vulnerabilities

are exacerbated by conflict, frequent climate shocks, and minimal basic service provision".

The World Bank's representative for Mozambique, Idah Pswarayi-Riddihough, points out that "improving water security in small towns and rural areas will boost the country's overall economic growth and has major positive externalities in terms of poverty reduction and human capital development".

She adds that "for rural women and girls, closer water availability means less time spent fetching water. By rehabilitating and upgrading 179 school sanitation facilities, including menstrual hygiene management facilities in schools, this operation will mean less menstrual-induced school absenteeism and dropouts for girls".

The government's "Rural and Small Towns Water Security Project" will improve water and sanitation infrastructure in seven towns in Zambezia and ten in Nampula. In addition, it will supply piped water to 22 rural growth centres through the construction and upgrading of water sources, treatment plants, transmission, distribution, and household connections. The project will also see solar energy replacing diesel generators and grid electricity for powering the new systems.

The project also makes special provisions to improve water supply and sanitation for internally displaced people and host communities in the two provinces. The grant will come from the World Bank's International Development Association (IDA).

Mozambique's government has two crucial initiatives to improve water and sanitation, namely the National Rural Water Supply and Sanitation Programme (PRONASAR) and the Presidential initiative "Water for Life" (PRAVIDA), both of which are working towards the implementation of UN Sustainable Development Goal 6: to ensure access to water and sanitation for all by 2030.

Tender launched to select Mphanda Nkuwa strategic partner

The Mozambican government, through the Office for the Implementation of the Mphanda Nkuwa Hydroelectric Project (GMNK), on 13 December launched an international tender for the selection of a strategic partner for the construction of the Mphanda Nkuwa dam and power generation project in the western province of Tete.

The Mphanda Nkuwa dam is to be built on the Zambezi River, about 60 kilometres downstream from the existing Cahora Bassa dam, and it is envisaged that it will generate 1,300 megawatts of electricity.

The project is budgeted at US\$5 billion with 70 per cent of funds to be raised by international investors, and the rest coming from the Mozambican government. Part of the funds will be spent on building the Mphanda Nkuwa power station with the rest going on the construction of a new 1,500-kilometre transmission line.

The construction of the project is due to begin in 2024 and will last seven years.

A source inside GMNK told the daily newspaper “Noticias” that the investor will be selected based on criteria such as technical capacity, financial strength, and international experience in developing hydroelectric projects.

The launching of the tender follows a virtual conference held in September. This was attended by 155 participants and 35 international companies with experience in electricity generation and transmission along with a dozen commercial banks and bilateral and multilateral financial agencies. Also attending the event were representatives from the Southern African Power Pool which organises regional cooperation on energy matters and runs the regional power grid.

According to GMNK, the conference was an important exercise in ensuring that the process to select a strategic and financial partner will be attractive, competitive, and participatory, which is important given the scale of the investment and the complexity of the legal and financial transactions required.

GMNK was created by the Government in 2019 to coordinate the development and implementation of the project.

Mozambique receives Covid-19 debt service relief from IMF

The International Monetary Fund (IMF) has provided debt service relief for Mozambique to help it cope with the effects of the Covid-19 pandemic, covering repayments of US\$55 million.

The relief came in four tranches: the first between April and October 2020 was for just under US\$15.25 million, followed by three equal amounts of US\$13.23 million.

The funding is part of the IMF’s response to the Covid-19 pandemic, under which debt service relief has been given to 31 countries through the Catastrophe Containment and Relief Trust (CCRT), with a cumulative relief of US\$964 million.

According to a statement from the IMF on 20 December, this “helps free up scarce financial resources for vital health, social, and economic support to mitigate the impact of the Covid-19 pandemic”.

It adds that the IMF’s Directors “appreciated the generous support” from those that funded the relief: the European Union, United Kingdom, Japan, Germany, France, Netherlands, Spain, Switzerland, Norway, Singapore, Greece, China, Mexico, Philippines, Sweden, Bulgaria, Luxembourg, Malta, and Indonesia.

In March 2020, the IMF approved changes to the CCRT to enable it to provide grants for debt service relief to its poorest and most vulnerable members for up to a maximum of two years from April 14 2020, in response to the Covid-19 pandemic.

Mix and match Covid-19 vaccine study to take place in Mozambique

Mozambique’s National Health Institute (INS) will carry out research to investigate the effectiveness of mixing two approved Covid-19 vaccines.

A statement from the International Vaccine Institute (IVI) on 20 December announced that the INS-led Phase II trial will look at the safety and immunogenicity of a two-dose regimen using one dose of Sinopharm’s VeroCell Covid-19 vaccine and one dose of the Johnson & Johnson vaccine administered 28 days apart. This will be compared with the effectiveness of the single source vaccines.

Both vaccines are approved and are part of Mozambique’s COVID-19 vaccine rollout program.

There is evidence from around the world that mixing vaccines can produce a greater immune response. In addition, schedules where the second dose is not necessarily the same as the first allows for more flexibility in the event of vaccine shortages.

According to the deputy director of IVI, Doctor Florian Marks, “demonstrating the safety and efficacy of a mixed schedule of COVID-19 vaccines will have a significant impact on ensuring timely vaccinations and controlling the pandemic, particularly in the regions most affected by vaccine shortages”.

She added, “amid an ongoing global pandemic with inequitable and interrupted access to vaccines, it is vital to make available a good, or potentially even better, alternative to the homologous dose schedules we have relied on so far”.

The Phase II trial is an observer-blind and randomised study. A total of 360 participants will be enrolled in the study with follow-ups until 48 weeks after the second vaccination. It is funded by the Coalition for Epidemic Preparedness Innovations (CEPI) and is part of a US\$12.7 million project for Expanding Access and Delivery of COVID-19 Vaccines in Africa (ECOVA).

Since it was launched in 2017, CEPI has focussed on developing vaccines against the Ebola virus, Lassa virus, Middle East Respiratory Syndrome coronavirus, Nipah virus, Rift Valley Fever virus and Chikungunya virus and has over twenty vaccine candidates against these pathogens in development. The organisation is a partnership between public, private, philanthropic, and civil organisations.

IVI is a non-profit intergovernmental organisation established in 1997 through an initiative launched by the United Nations Development Programme (UNDP).

The INS is the national public health and research institute in Mozambique, an autonomous public entity that functions under the umbrella of the Ministry of Health. Its mission is to improve well-being through the generation of scientific and technological solutions for public health problems in Mozambique.

Floating platform anchored off Cabo Delgado coast

The floating platform to be used in the production of Liquefied Natural Gas (LNG) in the Coral South gas field, within Area Four of the Rovuma Basin, off the coast of the northern province of Cabo Delgado, has reached Mozambican waters from South Korea.

A press release issued on 3 January in Maputo by the National Petroleum Institute (INP) states that a certification process for the helipad is underway which will ensure landing and take-off for the helicopters that will airlift working and support staff.

The certification will be followed by an inspection of the floating platform to assess aspects such as health, safety, and the environment, as well as emergency plans and preparedness.

After that work has been concluded, a second multi-sector team headed by the INP will inspect the platform prior to issuing its licence to operate, in line with the Regulation on the Licensing of Hydrocarbon Infrastructures and Operations.

The arrival of the floating platform is a milestone for the project whose final investment decision was taken in June 2017. Production of LNG is scheduled to begin at the start of the second half of 2022.

The floating platform has the capacity to produce 3.4 million metric tonnes of LNG per year. It is the first of its kind to be operated in Africa. Only four floating LNG platforms have been built, all of them in Korean shipyards.

The platform is 414 metres long, 65 metres wide and 39 metres tall. It is an integrated unit that will extract, liquefy, store, and assure the delivery of its production. It also has a residential complex capable of hosting about 350 employees.

The floating LNG platform was built by Samsung Heavy Industries after the Korean shipbuilder won a US\$2.5 billion tender to build the offshore production platform.

The Italian energy company ENI discovered the Coral South gas field in May 2012, which is estimated to contain about 16 trillion cubic feet (TCFs) of gas. An agreement has already been reached with British Petroleum (BP) under which BP will buy all the LNG produced from the floating platform.

Syrah Resources to supply processed graphite to Tesla

The Australian mining company Syrah Resources on 23 December announced that it has entered into a binding agreement with Tesla under which the electric car and battery manufacturer will buy “Active Anode Material” produced out of graphite from Syrah’s mine in Balama district, in the northern Mozambican province of Cabo Delgado.

The material will be produced at Syrah’s factory in Vidalia, Louisiana, in the United States and sold to Tesla at a fixed price over a four year period. Tesla also has an option to offtake additional Active Anode Material from Vidalia subject to Syrah expanding its capacity beyond 10,000 tonnes per annum.

According to a statement from Syrah, “the agreement provides a compelling foundation to proceed with the initial expansion of Vidalia’s production capacity and Syrah plans to make a final investment decision for construction of this expanded facility in January 2022”.

The Balama mine covers 106 square kilometres and is reported to hold the largest graphite reserves ever discovered. It is an open cast mine and the company estimates the lifespan of the resource at more than fifty years.

In addition to supplying graphite to its factory in Louisiana, Syrah exports graphite from Mozambique to China which has an overwhelming dominance in the production of Active Anode Material.

The production facility at Vidalia is currently in its pilot and qualification phase but Syrah is planning to have the capacity to produce 10,000 tonnes per year of active anode material by 2023 or early 2024, with longer-term plans to produce up to 40,000 tonnes per year.

Active Anode Material is used in lithium-ion batteries for electric cars.
