

# Mozambique News Agency

## AIM Reports

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## President Nyusi inaugurates Coral Sul LNG project

President Filipe Nyusi on 23 November formally inaugurated the Coral Sul Floating Liquefied Natural Gas (FLNG) project, which is anchored off the coast of the northern province of Cabo Delgado. Speaking in the Cabo Delgado provincial capital, Pemba, he said the start of hydrocarbon operations in the Rovuma Basin raises confidence about the evolution of the Mozambican economy in the coming period.

President Nyusi believed that the production and export of LNG from the floating platform will have a positive impact on economic growth and will improve the public accounts and the balance of trade. The contribution from LNG to the economy will increase exponentially in the coming years as on-shore liquefaction units also come onstream, increasing LNG production fivefold.

The President was speaking at the launch ceremony in the presence of all the partners in Area Four of the Rovuma Basin – the project operator, the Italian energy company ENI, the American oil and gas giant ExxonMobil, the Chinese National Petroleum Corporation (CNPC), Kogas of South Korea, Galp of Portugal, and Mozambique's own National Hydrocarbons Company (ENH).

“This undertaking”, President Nyusi said, “has raised the levels of confidence and expectations for the future so that Mozambique can occupy a significant position as an exporter of LNG in the phase of energy transition”.

The start of LNG production, he continued, confirms the good moment the country is going through as the recipient of multi-billion dollar foreign investments, “after a period in which nobody believed in Mozambique”. But President Nyusi urged the Mozambican public not to put all their hopes on gas as the only solution for developing the country. Instead, he stressed the need to increase production and productivity in traditional activities, such as agriculture, fisheries, tourism and electricity generation.

The President stressed that putting Mozambican LNG on the world market is the culmination of intensive activities of research, development, and implementation of the Coral Sul FLNG project which are safeguarding the public interest and maximising the benefits from the country's hydrocarbon resources.

President Nyusi pledged to do all in his power to ensure that the dividends from Coral Sul meet the real needs of the Mozambican people.

The Chief Executive Officer of ENI in Mozambique, Guido Brusco, said the Italian company is proud to celebrate the inauguration and the start of LNG production. The determinant factor “was the support of

the Mozambican government and the common purpose and success shared by all the partners”, he added.

The world's major consumers of LNG, said Brusco, are seeking new sources to support their energy security. This could be an opportunity for Mozambique, bearing in mind the huge proven resources of gas it has. He raised the possibility that ENI could introduce a second floating platform in deep waters.

### Mozambique's annual inflation rate falls

Mozambique's annual inflation rate fell from 12.01 per cent in September to 11.83 per cent in October, according to the latest figures issued by the National Statistics Institute (INE).

October is the first month for which the INE has used the consumer price indices, not only for the three largest cities (Maputo, Nampula and Beira) but also for four other cities (Quelimane, Tete, Chimoió and Xai-Xai) and Inhambane province.

Taking all the data collection centres into account, inflation in October was 0.19 per cent. Inflation in the first ten months of the year was 8.8 per cent, and annual inflation (1 November 2021 to 31 October 2022) was 11.83 per cent.

The most significant price rises in October included maize (8.5 per cent), lemons (27.5 per cent), and bread (0.6 per cent). These were offset to some extent by the fall in prices of some goods – for example, the average price of fresh prawns fell by 2.7 per cent. Other significant price reductions were for tomatoes (1.8 per cent), soap (1.5 per cent), cooking oil (0.8 per cent), and butter beans (0.6 per cent).

Broken down by data collection centres, the highest price rises in the first ten months of the year were in Inhambane (11.97 per cent), Quelimane (10.78 per cent), and Beira (9.64 per cent).

The annual inflation rate may have peaked. It reached 12.1 per cent in August, before falling back to 12.01 per cent in September, and 11.83 per cent in October.

The highest annual inflation rate in recent years was 21.57 per cent reached in March 2017.

## **Africa challenged to develop resilient responses to global health threats**

The African Continent must develop resilient systems of public health to respond to the emerging threats that cause continuous interruption to primary healthcare provision.

This was expressed on 28 November in an exclusive interview granted to AIM by the Professor in the Faculty of Medicine at Maputo's Eduardo Mondlane University, Esperanca Sevene, within the context of Mozambique's participation in the 2nd International Conference on Public Health in Africa (CPHIA 2022), which is organised by the Africa Centres for Disease Control (Africa CDC), to be held next month in Kigali, Rwanda.

According to Sevene, who is also a researcher at the Manhica Health Research Centre, this will require continental autonomy in the area of research and knowledge production to face new pandemics and, in this way, avoid a repetition of the scenario experienced with Covid-19, when Africa was placed in the background in terms of containing the disease, from diagnosis, treatment, and later the administration of vaccines.

"This situation raises several questions at the continental level on how to improve research, health policymaking, and government investments in this sector. At the African Union level, member states already recognise in their "Agenda 2063 – The Africa We Want" that it is necessary to be resilient to face new pandemics", Sevene said.

For Mozambique, says the researcher, the challenges are even more pressing taking into account the constraints faced by the health system, associated with a lack of funds to meet the needs of the sector at a time when – besides the fight against endemic diseases such as malaria, HIV-AIDS, and tuberculosis – the country is experiencing an increase in the burden of non-communicable diseases, including cardiovascular diseases, diabetes, and cancer.

Sevene stated that the steps for resilience necessarily go through the commitment of African governments, as well as the creation of multi-sector partnerships to strengthen the capacity of Public Health Institutes, Research Centres, and Universities to produce evidence on vaccines, and diagnostic and therapeutic tools for the control of major emergencies, based on research.

"We must be prepared for emergencies. Emergencies cannot always appear as a surprise. It is imperative to strengthen professionals and the health care system for emergency response", she stressed.

According to Sevene, it is also urgent to restore at the continental and regional level health programmes and services affected by the health crisis such as vaccination programmes, control of HIV-AIDS, malaria and other diseases, which, due to the special attention given to the Covid-19 pandemic, ended up being neglected.

"Many of the initiatives that were already well established and advancing have been affected. The services that concern us most are the immunisation programmes, malaria and HIV interventions, among

others", she said. Sevene stressed that, despite the limitations, Mozambique has been contributing to major research themes at the continent level, concerning endemic diseases such as malaria, tuberculosis, and HIV-AIDS.

"We produce scientific evidence from universities, in the Manhica Health Research Centre and the National Institute of Health, among other actors in the health field", she added. "For example, Mozambique was involved in the development of the malaria vaccine that today the World Health Organisation is recommending. The country is also contributing with studies to understand the long-term effectiveness and safety of Covid-19 vaccines", she said.

CPHIA 2022 is a platform for African researchers, policymakers, and stakeholders to come together and share public health research perspectives and findings, ensuring scientific collaboration and innovation on the continent.

As central topics on the agenda, the CPHIA 2022 highlights the discussions on preparedness for future pandemics, post-pandemic recovery, lessons learned from Covid-19 for future health threats, and Africa's preparedness for vaccine production for Africa's lethal infectious diseases.

## **New municipalities cost US\$1.6 million**

Minister of State Administration Ana Comoana has revealed that the establishment of 12 new municipalities, as proposed by the government, will have a budgetary impact of over 100 million meticais (US\$1.6 million), an amount to be fully supported by the state budget.

The new municipalities, which are yet to be approved by the country's parliament, the Assembly of the Republic, are the towns of Marracuene (Maputo province), Massingir (Gaza), Homoine (Inhambane), Caia (Sofala), Guro (Manica), Morrumbala, (Zambezia), Mossuril (Nampula), Ibo and Balama (both in Cabo Delgado) and Insaca (Niassa). In addition, the government wants to upgrade the administrative post headquarters of Matola Rio (Maputo province) and Chitima (Tete) to municipal status.

According to the minister, cited in the daily newspaper "Notícias" on 28 November, the draft law to set up the new municipalities as of 2023 has already been deposited with the Assembly. She added that the money required is already available. This budget is essentially intended for the installation phase of the municipalities, with emphasis on the creation of patrimonial, material, and human conditions taking into account that these are new entities.

According to Comoana, the budget will also be used to allocate the necessary means that will enable these municipalities to continue with their mission. "This is the initial budget and it is believed that these decentralised entities, little by little, will be able to gain their autonomy", she said. The state would allocate funds, such as the Municipal Compensation and also the Investment Fund, as per existing municipalities.

## President Nyusi urges greater competitiveness from HCB

President Filipe Nyusi on 27 November challenged the managers of Hidroelectrica de Cahora Bassa (HCB), the company that operates the Cahora Bassa dam in the western province of Tete, to continue to develop as a competitive energy supplier. The President was speaking in Songo near the Zambezi River during a gala marking the 15th anniversary of the Mozambican state taking control of HCB.

According to President Nyusi, the fact that the company is running at a profit should not be a reason for HCB's managers to relax because other companies in the same sector in the southern African region are also investing. It was thus urgent to work so that HCB continues to be more competitive.

The President recommended that HCB should contribute to the acceleration of the government's plan to provide Mozambicans with universal access to energy by the end of 2030. "We want an HCB that grows and positions itself strategically in a national and regional market that is increasingly competitive", the President said. "It should be one of the main actors for the consolidation of the country's intention of becoming a regional energy hub".

He also recommended that the HCB management should not become complacent and think that they have a monopoly and can thus easily sell electricity to all neighbouring countries.

The President demanded strict observance of accounting rules and always utilising independent audits to avoid corruption and other practices contrary to good management. He added that "the benefits of the Mozambican acquisition of HCB for the economy are remarkable. This decision has served as a clear demonstration that it is possible to include Mozambicans in major financial and viable enterprises without looking at certain attributes, such as religion, race, and party affiliation".

In 2017 HCB made available four per cent of its shares which allowed the entry of about 17,000 new shareholders into the company's structure.

Regarding corporate social responsibility, President Nyusi recommended the adoption of rigorous criteria for company sponsorships. "People always think that HCB has a lot of money and everyone wants to ask for sponsorship", he said. "HCB may grant sponsorships, but without prejudicing the robust nature of the company", he stressed.

The Mozambican state took a majority holding in HCB in November 2007. Up until then, Portugal had owned over 80 per cent of the company, and most of the management was Portuguese. Today, however, HCB is completely managed by Mozambicans.

The Chairperson of the HCB board, Boavida Muhambe, told the ceremony that the entire management, operation and maintenance of the dam and its power station "are guaranteed by a workforce of over 700 Mozambicans from all parts of the country. We are

proud of this – it is Mozambicans who make Cahora Bassa work".

Muhambe promised to continue to align HCB's strategy with the country's plans for socio-economic development. "HCB will be able to adjust its strategic orientation to manage its challenges in an appropriate, responsible and sustainable way, and step up its role in the social and economic development of the country", he said.

A source in HCB told AIM that over the past 15 years the company has contributed about 50 billion meticaís (US\$781 million) to Mozambican state coffers.

President Nyusi also urged HCB and the publicly owned electricity distribution company, EDM, to contribute towards implementing the Mphanda Nkuwa hydroelectric project, to be built on the Zambezi River about 60 kilometres downstream from Cahora Bassa. The Mphanda Nkuwa dam will take seven years to build and will be able to generate 1,500 megawatts of power.

## USAID support for water and sanitation

The United States Agency for International Development (USAID) on 28 November announced that it is launching a four-year programme to support market-based approaches to improve access to sanitation and encourage improved hygiene practices in selected small towns in northern Mozambique.

Known as "Small Towns Sanitation (STS)", this project will be implemented in partnership with Mozambican government entities, including the National Directorate of Water and Sanitation (DNAAS) and the Agency for Water and Sanitation Infrastructure (AIAS).

A press release from the US embassy states that STS "will also promote women's leadership roles and business development in the Water, Sanitation, and Hygiene (WASH) sector".

The release notes that in Mozambique, water and sanitation-related diseases contribute to high levels of child stunting, cholera epidemics and chronic diarrhoea outbreaks, and the high child mortality rate where more than 46 new-borns out of every 1,000 do not survive.

"In small towns, especially in Nampula and Zambezia provinces", it continues, "only about 20 per cent of residents have access to water infrastructure, mostly hand pumps and most residents do not have access to plumbing nor access to information on healthy hygiene behaviours".

The STS project will support activities budgeted at US\$14.4 million and be implemented by the global health organisation Population Services International, in coordination with other USAID WASH programmes.

This project, the release adds, is part of USAID's plan to improve Mozambicans' access to WASH services. STS "will help increase availability of WASH infrastructure, national and local actors' technical capacity to ensure sustainable services and cost recovery, as well as financing mechanisms that encourage local entrepreneurs in this sector".

## President inaugurates solar power systems

President Filipe Nyusi on 27 November urged residents of the Chintholo administrative post, in Cahora Bassa district, in the western province of Tete, to actively participate in fighting against theft and vandalism of electrical equipment.

The President was speaking after inaugurating a solar power station at Chintholo, which cost about 72 million meticals (US\$1.13 million), provided from the state budget.

The station can generate up to 100 peak kilowatts (kWp). It can produce annually more than 200 megawatt-hours and can store 460 kWh. Its network extends for 7.5 kilometres and it will be able to increase the supply of power, depending on the demand.

In its initial phase, the power station is supplying electricity to 200 consumers, including the headquarters of the administrative post, the local school and health centre, and several homes and businesses. In addition, a hundred lampposts have been installed for public illumination.

The ceremony, said President Nyusi, “not only marks a new stage for the population of Chintholo but is also a priority achievement for the government”. He stressed that, by 2024, the government intends to electrify all administrative post headquarters. The government, he added, is also building infrastructures that favour industrial activities such as agro-processing, and access to health and education services.

This, said President Nyusi, is irrefutable proof of the government’s commitment to the continual improvement in the quality of life of all Mozambicans, particularly in the rural areas where the majority of the population lives.

Autonomous electricity systems, drawing their power from renewable sources, such as the Chintholo station, should reach 320,000 households in 2022, as part of the government’s drive to ensure universal access to electricity by 2030.

President Nyusi said that, by the end of this year, 52 per cent of the population will have access to electricity in their homes. This compares with 44 per cent in 2021.

He challenged all the beneficiaries of the Chintholo power station to use the electricity productively and maximise its benefits. They should all be aware of the need to conserve the power infrastructures, and to pay for electricity services.

On 25 November, President Nyusi inaugurated a solar power station at Chipera, in Maravia district, in Tete. This can also generate up to 100 peak kilowatts (kWp) and annually produce over 200 megawatt-hours. Its storage capacity is larger, at up to 600 kilowatt-hours. The power station cost 87 million meticals (US\$1.4 million) which also came from the Mozambican state budget.

Currently, the government’s energy fund FUNAE operates 76 photovoltaic systems throughout the country, which are providing electricity for 580 schools, 560 health centres, and 74 offices of administrative posts.

## New cashew processing factory being commissioned

Another cashew processing factory will shortly begin operations in the northern province of Nampula, bringing the total number in the country to 12. Deputy Agriculture Minister Olegario Banze made this announcement on 23 November in Nassaruma, in the Nampula district of Meconta, where he launched the 2022-2023 cashew marketing campaign which is expected to earn cashew producers US\$ 87 million.

The new factory is still undergoing tests “but it should soon be fully operational”, said Banze, adding that “the processing unit can handle 15,000 tonnes of nuts a year, which will be a major impulse for the country’s economy”.

He explained that this is the result of efforts his Ministry has been making to improve the financing capacity of cashew companies to strengthen and expand cashew processing. The government’s agricultural development programme, Sustenta, which aims to empower small rural producers, covers the sub-sector of nut crops and the country has favourable agro-ecological conditions for these crops.

“This programme also covers the value chains of nuts, namely cashew and macadamia nuts”, said Banze. “It will be a lever for the rapid growth of this sub-sector, which has high potential, and in which Mozambique was once a world reference point. The country enjoys favourable conditions so that it can once again occupy a prominent position in the global context of nut crops”.

At the launch ceremony, the representative of the Association of Cashew Industries (AICAJU), Julina Harculete, declared that his association will continue to work so that cashew processing once again becomes robust and competitive.

However, she argued against the government’s policy of setting a reference price for cashew nuts which, she claimed, does not benefit the market. “Since the stipulation of the reference price, the market has fallen again”, Harculete said. This led AICAJU to call for the need “to allow the market to operate since it is the market that will dictate the real reference price”.

She noted that currently 11 cashew processing plants are operating in Mozambique, compared with the 16 that were operating in 2020. The number of workers employed in cashew processing had fallen by over 13 per cent compared with 2021. “Currently we have 4,011 workers, 67 per cent of whom are women”, she said. “As cashew industrialists, we shall continue to work hard to contribute to the socio-economic development of our country, through the provision of more jobs and placing more products on the national and international markets”.

Harculete said that in the 2021/2022 season the industry processed 32,663 tonnes of cashew nuts, compared with 30,664 tonnes the previous year – an increase of 6.5 per cent.

## IMF enthusiastic about Mozambican economy

The Executive Board of the International Monetary Fund (IMF) announced on 21 November that it has completed its first review under the Extended Credit Facility (ECF) arrangement with Mozambique, which will give the country access to 45.44 million Special Drawing Rights (SDRs, equivalent to US\$59.26 million).

According to an IMF press release, this money is available for budget support immediately. It brings total disbursements to Mozambique under the ECF arrangement to US\$150 million.

The ECF is for three years, and is intended “to support the economic recovery, reduce public debt and financing vulnerabilities, and foster higher and more inclusive growth through structural reforms”.

The IMF release says that Mozambique met all the performance criteria and indicative targets laid down in its programme with the Fund. “The monetary policy stance and proactive tightening since early 2021 are deemed appropriate to address higher than expected inflation”, it added.

The IMF forecasts that growth will increase in 2022, “with the strengthening economic recovery despite the worsening international economic environment and rising commodity prices, reflecting a strong vaccination campaign and full lifting of COVID-related restrictions in July 2022”.

It noted that “inflation has risen to double digits, driven by global fuel and food prices and tropical storms that impacted domestic food supply in the second quarter”.

Nonetheless, “fiscal developments in 2022 are broadly aligned with expectations, with strong revenue and contained spending. Large liquefied natural gas (LNG) investments are driving the current account. The first LNG project started production in November 2022”

This enthusiastic release declares that “programme implementation has been strong, despite the challenging environment, with completion of important programme commitments in the areas of fiscal governance and anti-corruption”.

Cited in the release, Bo Li, the IMF’s Deputy Managing Director and Acting Chair, said “the economic recovery is strengthening, supported by a successful COVID vaccination campaign. Programme performance has been strong, with all quantitative targets and the structural benchmark met at end-June. While the outlook remains positive, driven by large liquefied natural gas (LNG) projects, significant risks remain, including from adverse climate events and fragile security situation. Governance weaknesses and debt vulnerabilities also pose challenges. In that context, continued capacity development and donor support remain imperative for Mozambique to achieve its development objectives”.

Bo Li added that “solid revenue performance and spending restraint helped align fiscal outcomes with programme objectives. The authorities’ fiscal policy reforms will contribute to medium-term fiscal

consolidation. A broader VAT (Value Added Tax) base will help secure buoyant and diversified revenues independent of commodity prices. Reforming public sector remuneration will improve efficiency in delivering public services and create space for other spending priorities over time. Revenue administration and public financial management reforms are also essential to achieve fiscal policy objectives”.

## Government approves National Contingency Plan

The Mozambican government on 22 November approved the National Contingency Plan for the 2022-2023 rainy season, which is budgeted at 12.5 billion meticaís (US\$ 195 million).

The Contingency Plan is drawn up every year to respond to the risk of disasters and to mitigate impacts. The Plan also seeks to ensure coordination of humanitarian assistance to victims and rapid and effective recovery.

The plan was published by the Disaster Risk Management Institute (INGD) earlier in the month and was approved by the Council of Ministers (Cabinet) at its weekly meeting.

The plan faces a deficit of 7.4 billion meticaís, which will have to be covered by foreign aid. The government spokesperson, Deputy Justice Minister Filimao Suaze, told reporters that, to implement the plan, the government is counting on its cooperation partners to mobilise funds to bridge the deficit

“Unfortunately, our country deals cyclically with this matter and we already have a consolidated experience of approaching our partners so that annually we update the information in accordance with what we obtain from the meteorological authorities”, said Suaze. “There are various national and foreign bodies which collaborate with the government in mitigating the effects of disasters. There is nothing new about this”.

The Council of Ministers also approved regulations on the handling of ammonium nitrate, a chemical used as fertilizer in agriculture, and as an explosive in mining and quarrying. The regulations, said Suaze, will establish the legal regime applicable to the procedures for handling, storing, transporting and using ammonium nitrate in Mozambique, taking into account the safety risks associated with this chemical. These became dramatically clear in August 2020, when about 2,750 tonnes of ammonium nitrate exploded in the Lebanese port of Beirut, killing over 100 people, injuring more than 5,000 and causing damage valued at over US\$15 billion. Investigations after the explosion suggested that a dormant London-registered company called Savaro Ltd had chartered the shipment in 2013, intending to send it from Georgia to an explosives factory in the Mozambican port of Beira.

But the ship carrying the ammonium nitrate, the “MV Rhosus”, was detained in Beirut over unpaid debts and technical defects. The cargo was effectively abandoned in a warehouse for seven years until the catastrophic explosion of 2020.

## Kenmare hit by electricity supply problems

The Irish mining company Kenmare Resources on 25 November reported that the production of titanium minerals and zircon at its mine at Moma, on the coast of the northern Mozambican province of Nampula, has been affected by electricity outages.

According to the company's managing director, Michael Carvill, "production of ilmenite, our primary product, was strong in October 2022 and we maintained the 1.2 million tonne per annum run rate we achieved in the third quarter. However, a recent issue in the electricity transmission grid has created unplanned power outages".

He added that "Kenmare is actively working with the state electricity provider, Electricidade de Mocambique (EDM), to identify and rectify the problem. But the outages have resulted in lower production, and consequently, we are revising our ilmenite guidance".

Carvill noted that the fourth quarter "is expected to be our strongest quarter of shipments, which will not be impacted by lower production, and Q4 prices remain strong". This is due to favourable weather and unrestricted shipping capacity.

Ilmenite and rutile are used to make white pigments for paints, paper, and plastic. Titanium can be extracted from these ores and used to manufacture metallic parts where light weight and high strength are needed. Zircon is used for abrasive and insulating purposes.

## Specific regulations needed for off-grid energy production

Mozambique's Energy Regulatory Authority (ARENE) has indicated the lack of specific regulations as one of the factors hindering mass investment in producing energy outside the national grid. According to the chairperson of the ARENE board, Paulo da Graca, to fill this gap the government approved a decree last year on access to energy in areas outside the grid. Eight complementary resolutions are now being drafted, which should be concluded by the end of this year.

Graca said approval of these legal instruments will encourage the production of energy to guarantee universal access to electricity by 2030, which will have a positive impact on the socio-economic development of the country.

He was speaking in Maputo on 23 November during the First Regional Conference on the Regulatory Framework for Energy outside the Grid.

The two-day event brings together more than 50 speakers from Africa, Europe, and America, notably members of the Regional Association of Energy Regulators of Southern Africa (RERA), specialists, financing agencies, and various other stakeholders in the sector of access to energy outside the grid.

The conference was co-organised by the Dutch Development Organisation (SNV), with financing from the British and Swedish governments.

## 9.4 million cases of malaria this year

The Mozambican health authorities diagnosed 9.4 million cases of malaria in the first nine months of this year, according to Health Minister Armindo Tiago. This was an increase of 20 per cent on the 7.8 million cases diagnosed in the same period in 2021.

Speaking in Maputo on 23 November at a meeting of the National Malaria Control Programme Tiago said this rise "reflects greater diagnostic capacity and greater reporting of cases through expanded testing services, including in the community through village health workers". But there had also been "a deterioration in environmental conditions, favouring the multiplication of mosquitoes, resulting from climate change", added the Minister.

While the number of malaria cases has increased, the lethality rate from the disease has declined. Tiago said that 15 per cent fewer people died of malaria this year than in 2021. Nonetheless, "malaria remains a serious public health problem", he stressed, "and it interferes in economic and social development, perpetuating the cycle of disease and poverty. It is therefore a priority for the government".

Tiago warned of an eventual increase in the number of malaria cases in the rainy season and called for preventive measures such as the use of insecticide-treated bed nets.

## EDM announces record in new connections

Mozambique's publicly-owned electricity company, EDM, on 25 November announced a new record in connections to the national grid. An EDM release said that over 11 months its teams had made more than 300,000 new connections to the grid, which was 94 per cent of the target for 2022.

"This is the result of the effort EDM is making to expand the national electricity grid, to simplify hiring procedures, and to reduce the waiting time for new connections, under the government's "Electricity for All" initiative, which seeks to achieve universal access to electricity by 2030", said the release.

For the massive expansion of connections in 2022, EDM mobilised US\$343 million. In addition, procurement is underway to hire suppliers, consultants and contractors to implement further expansion of the grid. EDM pledges that, in all procurement, it will "strictly observe the Corporate Governance policy, optimising the good practices of integrity, transparency, and accountability".

Next year, EDM expects to add a further 320,000 new connections. The release adds that EDM is modernising its services to respond to the growth in the number of consumers and guarantee client satisfaction.

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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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## Structuring projects dynamize rapid industrialisation

Prime Minister Adriano Maleiane declared on 25 November that he is convinced that structuring projects, above all in energy and infrastructure, currently underway in Mozambique are a dynamizing factor in the rapid industrialisation of the country and the continent.

Speaking at a press conference in Niamey, at the end of his participation in the Extraordinary Summit of the African Union on Industrialisation and Economic Diversification, Prime Minister Maleiane said that Mozambique possesses specific structural programmes in energy, infrastructure, and tourism.

“Without energy, it does not make much sense to speak about industrialisation, and likewise without infrastructure”, said Maleiane. He explained that during the summit themes such as energy and infrastructures merited attention in the debates, given their structural role in the implementation of industrialisation projects.

As examples, he cited the Special Agro-Industrial Processing Zone (ZEPA), in the Pemba-Lichinga Corridor, in the northern provinces of Cabo Delgado and Niassa, and the “Industrialise Mozambique National Programme” (PRONAI) as initiatives that will speed up the industrialisation of the country.

As for the Agreement on the Continental Free Trade Area, which was the subject of a special session of the heads of state and government, Maleiane argued that the component of infrastructures was crucial for implementing the agreement since they will facilitate trade between African countries. The Prime Minister said that, for example, with the rehabilitation of the entire length of Mozambique’s main north-south highway (EN1), it will be possible to link Tanzania to the north with countries further south which will facilitate the implementation of the agreement.

Maleiane stated that the session on the Free Trade Area was very important because there were still many legal instruments to be adopted to make the agreement fully operational.

The Prime Minister, who was representing President Filipe Nyusi, expressed his conviction that “we have attained the objectives for which Mozambique took part in the event”.

## Government has partner for ZEPA project

The Mozambican government has already identified a partner for the Special Agro-Industrial Processing Zone (ZEPA) along the Pemba – Lichinga corridor in the northern provinces of Cabo Delgado and Niassa.

The information was revealed on 24 November by the Minister of Industry and Trade, Silvino Moreno, who was speaking to journalists on the sidelines of the Extraordinary Summit of the African Union (AU) on Industrialisation and Economic Diversification, which brought together African Heads of State and Governments in Niamey, capital of Niger.

“The ZEPA project is underway. We have created an office for its implementation. We have already

conducted the first studies and identified the partner”, the minister said, without going into details. According to the minister, next year there will already be concrete actions regarding the implementation of this project, which is part of the National Program to Industrialise Mozambique (PRONAI).

Launched by President Nyusi in March, ZEPA aims to improve agricultural productivity and the development of agribusiness in the provinces of Niassa, Cabo Delgado, Nampula and Zambezia. Specifically, it aims to empower small farmers to rise from the cycle of subsistence farming to agro-industrial production. The project is budgeted at US\$43 million, provided by the African Development Bank (ADB).

## UNICEF faces huge funding gap for Mozambique

The United Nations Children’s Fund (UNICEF) has warned that it has only received US\$18.1 million for its life-saving services for women and children in Mozambique affected by conflict, Cyclone Gombe, and Tropical Storm Ana.

In a situation report published on 25 November, UNICEF states that it has used core resources and humanitarian-development nexus funding for response activities totalling US\$11.7 million to meet urgent humanitarian needs. However, with a budget of US\$98.8 million for UNICEF’s 2022 Humanitarian Action for Children Appeal, this leaves a funding gap of 68 per cent of the total budget.

The UN organisation notes that it has received generous contributions from the GAVI Vaccine Alliance, the Central Emergency Response Fund (CERF), the United States Agency for International Development (USAID), the World Bank, the Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO), and the governments of South Korea, United Kingdom, Italy, and Norway.

However, it laments that as a result of the lack of funds, it “is struggling to support children and their caregivers with immediate needs. Prepositioning supplies for the 2022-2023 cyclone season is not possible”.

UNICEF warns that, although October marks the beginning of the rainy season in Mozambique, very little rain was recorded in the north of the country. It notes that “food insecurity is expected to increase during the lean season months of October and November, with a higher number of households facing integrated phase classification crisis-level (level 3) outcomes”. It adds that “many poor households have already exhausted or nearly exhausted their food reserves”.

On a slightly more positive note, UNICEF points out that during October there were no new cases of wild or vaccine-derived poliovirus in Mozambique. So far this year, there have been seven cases of wild poliovirus. In addition, six and eight cases of vaccine-derived poliovirus cVDPV2 and cVDPV1 respectively have been verified.

## **President Nyusi invites Finnish businesses to invest**

President Filipe Nyusi on 17 November invited businesses to invest in Mozambique and take advantage of the enormous opportunities the country has to offer. The Nyusi delivered this invitation during the Mozambique-Finland Business Forum in Helsinki, held as part of his four-day working visit to Finland.

Speaking at the opening of the Forum, President Nyusi listed the advantages for investors, particularly due to the opening granted to foreign investors under the country's current investment policy.

President Nyusi acknowledged that there is strong inflationary pressure arising from the conflict in Ukraine. Nonetheless, he believed that the medium-term prospect for the economy remains positive, driven by the agricultural sector which is expected to grow by six per cent in 2022. He also pointed to growth in fisheries and tourism and estimated that the overall growth rate for 2022 will be four per cent. This includes the impact of the export of liquefied natural gas (LNG), which began earlier in November.

A further favourable aspect to investors, he added, is the series of economic reforms recently approved by the government to stimulate the economy. These measures, said the President, "have immediate effects on removing red tape from the licensing of businesses. This favours greater predictability and clarity for the private sector in its relations with the public sector and is expressed in the efficiency of the services provided.

Following his visit to Finland, President Nyusi went to Portugal for three days at the invitation of his Portuguese counterpart, Marcelo Rebelo de Sousa.

## **Manica to export 400 tonnes of lychees to Europe**

Farmers in the central province of Manica have set a target of over 400 tonnes of lychees to export to the European market. Lychees are produced on a large scale in Barue, Manica, and Sussundenga districts, and part of Macate district.

Speaking on 22 November in Sussundenga, where she launched the lychee marketing campaign, Manica provincial governor Francisca Tomas said it was a challenge for the Provincial Executive Council to empower producers of this fruit, helping them to increase their production and productivity

"Technical assistance to the producers is also our priority to obtain greater quantities of high-quality lychees", said the governor. "Every year, we want to increase the number of producers and the area dedicated to fruit production. We know that with the fruit we can earn money, increase household incomes, and improve the economy of the province and the country".

Tomas challenged all of the agricultural research institutions to introduce new varieties of fruit, and to expand fruit production to other districts where the agro-ecological conditions are favourable. "This involves

research on the soil, climate, and the varieties of each type of fruit. Our challenge is that these institutions regard this as a priority so that we can have an answer in a short period".

"We want Manica to be a champion in fruit production", said Tomas. "We have good quality fruit that can compete with the production of other countries, and it has space on the international market".

## **Archbishop of Canterbury visits Mozambique**

The Archbishop of Canterbury, Justin Welby, who is head of the worldwide Anglican church, on 20 November proclaimed the Province of Angola and Mozambique as the 42nd province of the Anglican church. Mozambican Bishop Carlos Matsinhe was confirmed as the head of the new province.

Welby made the proclamation at a packed Anglican service held at a Maputo sports ground. The service was attended by past and present leaders of the Mozambican government, including former President Armando Guebuza, Minister of State Administration Ana Comoana, and the Secretary of State for Maputo City Vicente Joaquin.

Matsinhe declared that his new post as head of the Anglican church in both Mozambique and Angola is "a divine mission". With the support of his fellow bishops and all the Anglican congregation, "my hope is that I can lead the work in the province in the paths of the Lord".

Welby also inaugurated the new Anglican church of St Mark in the city of Matola, a church that can accommodate 560 believers.

Welby told the Matola service "Jesus did not tell his disciples to love your neighbours because it's a nice thing to say. He said this so that the world may know the love of God. When we hate each other, we are denying the love of God".

## **Government to legalise local militias**

The Mozambican government is to put onto a firm legal footing the local militias who have been playing a key role in the fight against islamist terrorism in the northern province of Cabo Delgado.

What have become known as "local forces" were set up on an ad-hoc basis, often formed by veterans of the war for independence and their descendants. But complaints were soon heard that there was nothing in the law that justified the creation of these forces.

Hence, the government is now sending a bill to the country's parliament, the Assembly of the Republic, to amend the law on National Defence to include the local militias. Under this amendment, the government will approve norms for the establishment, organisation, and functioning of the Local Forces formed by members of the community of a particular territorial area.

Under the amended law, the Local Forces will be subordinate to the General Staff of the Mozambican Armed Forces (FADM), government spokesperson Deputy Justice Minister Filimao Suaze told reporters.

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