

# Mozambique News Agency

## AIM Reports

Report no.396, 15<sup>th</sup> February 2010



## National Unity key in battle against poverty – President Guebuza

President Armando Guebuza on 3 February declared that national unity remains a key requirement in the battle the country continues to wage to improve the living conditions of its citizens. President Guebuza was speaking on Mozambican Heroes Day, immediately after laying a wreath in memory of the founder and first president of the Mozambique Liberation Front (FRELIMO), Eduardo Mondlane. Mondlane, regarded as the architect of Mozambican national unity, was assassinated 41 years ago in Dar es Salaam by a parcel bomb sent by the Portuguese secret police, the PIDE.

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President Guebuza declared that Mondlane's ideals are very much alive. "He spoke of the national unity which gave us victory over colonialism", the President said. "Today, 41 years after his death, this national unity is still necessary for the combat we have ahead of us, in which our main task is to continue the struggle against poverty".

Despite the key role of Mondlane in the struggle for Mozambican independence, an alarmingly large number of young Mozambicans, born after independence, know little or nothing about him and about the other anti-colonialist fighters who gave their lives for the country's freedom.

President Guebuza pledged that the government will fight to promote knowledge of the country's heroes – just as it had done last year, when a variety of events were held to commemorate the 40th anniversary of the death of Mondlane, and of several guerrilla commanders who died in 1969 (such as Tomas Nduda, John Issa, and Jose Macamo).

President Guebuza said this effort to honour the country's heroes, and to value places that were historically important in the liberation struggle will continue. "The schools will also continue to teach our history, so that everyone knows the journey we have taken", he added.

Asked what are the qualities required in a national hero, President Guebuza replied, "a hero is someone who, although he is equal to us, does more than we do. We look at him and admire how he managed to surpass himself and us".

Mondlane's oldest son, Eduardo Mondlane Junior, told AIM that his father's dream had always been the birth of an independent, sovereign and Mozambican country. He was sure that the dream has in fact been achieved. "We are living in a democracy; we have democratic elections, the most recent of which were held in 2009. So I can say – yes, this is the Mozambique that Mondlane dreamed of", he said.

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## Government committed to EITI

Deputy Minister of Mineral Resources, Abdul Razak Noormahomed, on 12 February reiterated the government's commitment to the Extractive Industries Transparency Initiative (EITI).

Mozambique was accepted as an EITI candidate country in May 2009, and a Coordinating Committee has been set up to implement the Initiative in Mozambique, consisting of four representatives of the government, four from civil society, and four representatives of mining and oil companies.

The purpose of EITI is to ensure that all revenue received by governments, and all payments made by companies, resulting from mining and hydrocarbon exploitation are made public. Through such transparency, said Razak, "it is intended that the revenues obtained from extractive industries should contribute to the socio-economic development of the country".

EITI is an initiative proposed by former British Prime Minister Tony Blair in 2002. The EITI website describes the initiative as "a coalition of governments, companies, civil society groups, investors and international organisations", which "supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining".

EITI points out that the exploitation of mineral resources should generate large revenues that can be used to reduce poverty, but when governance is weak, those same resources "may result in poverty, corruption, and conflict".

The membership process is long and rigorous, and so far only two countries - Liberia and Azerbaijan - have been declared as "EITI Compliant". To achieve this status, a country must complete an EITI Validation. All EITI candidate countries must complete their validation within two years of being accepted as candidates, or they risk being sent back to square one. Therefore, Mozambique must complete its validation by 2011.

To implement the Initiative, via the Coordinating Committee and its Secretariat, the government is proposing an allocation of 1.5 million meticaís (about \$54,500) from this year's state budget.

Razak stressed that all contracts in the hydrocarbon and mining areas are awarded after public tenders, and must be approved by the Administrative Tribunal.

The laws on taxes paid by mining, oil and gas companies were revised in 2007 to make them uniform and to increase government revenue. Razak pointed out that the royalties paid to the government have increased to six per cent of all gas discovered, and ten per cent of all oil (in addition to the various other taxes that the companies must pay). Negotiations with companies are based on standard contracts that are publicly available on government websites.

All mining and hydrocarbon operations are subject to an obligatory Environmental Impact Study. The reports on environmental impacts are submitted to the Environment Ministry, and only after the Ministry's approval is an environmental licence issued, without which no work can begin.

Razak pointed out that contracts with oil companies contain stringent environmental clauses, requiring the companies to take care of 100 per cent of any environmental problems, such as a spillage, and to pay for all damage caused.

Currently mineral resources account for less than five per cent of Mozambique's GDP (mainly the Inhambane natural gas, and titanium ores exploited by the Irish company Kenmare in the district of Moma). However, the importance of minerals is likely to rise rapidly when the new coal mining projects in Tete province begin production, and the picture will be radically transformed if the current exploration in the Rovuma basin, near the border with Tanzania, discovers oil.

## One dead in cholera riot

One person died and three others injured in a clash on 12 February between police and a crowd of about 300 people who attacked a health post at Macaroja, in Moma district, in the northern province of Nampula.

This is the latest outbreak of violence caused by the rumours that health staff are deliberately spreading cholera. It is thought that this disinformation may have arisen out of a confusion between the Portuguese words for cholera and for chlorine, which can sound vaguely similar. Chlorine is used to disinfect water sources.

Unlike previous attacks on health posts, the latest raid took place at a time when no cholera cases have been reported in Moma.

According to a report on Radio Mozambique, the man who died led the attack on the health centre. He received a bullet in the stomach when he was trying to seize a gun from one of the police officers.

The mob was armed with machetes and clubs. They destroyed the solar panel that provided the electricity for the health centre. They also stole the centre's radio transmitter, and beds, mattresses and sheets.

The raid may well have been politically motivated, since the gang also attacked the local offices of the ruling Frelimo Party. The Frelimo flag was torn down and destroyed. Parts of a local primary school were also vandalised.

The police say they have arrested ten people accused of spreading the cholera rumour.

## Five year licences for private water suppliers

Private water suppliers in Maputo and neighbouring Matola have won their demand for their licences to be awarded for five-year periods. The National Water Board (DNA) announced on 12 February that these licences would indeed be issued. This concession followed the private suppliers' rejection of one-year licences, and their threat to turn off the taps, depriving water to citizens of the two cities not covered by the public network.

According to DNA deputy director Suzana Laforte, "we entered negotiations with the private water suppliers and we came to the conclusion that we must give them five-year licenses as they demand. The government acknowledges their importance to the communities, and thus they must be listened to".

She stressed that this process must not benefit only the private operators or the government, but must preserve the interests of the public. This means that no decision taken during the negotiations should prejudice the interests of the consumers or the quality of the water.

For his part, the chairperson of the private water suppliers, Paulino Cossa, expressed satisfaction with the outcome of the negotiations, saying that "we must work hard to ensure that the water we supply to the consumers is of good quality, and that there is no disparity in prices".

## Dutch funding for export drive

Mozambique is in a good position to export high quality organic produce to the European market, according to the government's Export Promotion Institute (IPEX). According to Jose Jossias, advisor to the IPEX Board of Directors, under a project financed by Holland, Mozambique will export to the European Union cashew nuts, pineapples, mangoes, green beans, chilli peppers, groundnuts and handicrafts over the next three years.

These products were chosen for the project after analysing European demand and potential of Mozambican producers. "We identified constraints concerning quality, the quantity of goods, packing and certification", Jossias said. "What we want in this project is to sell goods that the market wants, and for this we have to respect certain requirements".

Farmers and artisans who can meet the demands of the European market have been selected from Nampula, Cabo Delgado, Sofala, Inhambane, Manica, Gaza and Maputo provinces.

"For the handicrafts we selected Nampula and part of Cabo Delgado", said Jossias. "The cashew nuts and the groundnuts will come from Nampula, the chillies are from Manica, Inhambane and Maputo, the green beans are from Maputo, the mangoes from Manica, and we chose the Chungamoio association in Sofala to produce the pineapples".

To meet the requirements of the European Union market, the Mozambican farmers will receive technical advice from the Centre for Promoting Imports from Development Countries, which is an agency of the Dutch Foreign Ministry. Holland is financing the project with €1.2 million (\$1.6 million).

"The project will last for three years", said Jossias, "but the seven products will only be placed on the market in phases, as they meet the European requirements".

## Chinese buses were "a very bad idea"

The publicly owned Maputo bus company, TPM, has recognised that the import in 2008 of five Chinese manufactured buses running on natural gas was "a very bad deal". Interviewed in "Mediafax" on 12 February, TPM spokesperson Boaventura Lipanga admitted that the buses, of the Yutong mark, were imported without any prior viability study.

The import of buses running on the natural gas produced in Mozambique was supposed to respond to the soaring prices of oil and its derivatives on the international markets. However, none of the Chinese buses lasted more than 18 months.

TPM has concluded, rather late in the day, that the Yutong buses are not appropriate either for the Mozambican climate or for the Maputo roads.

TPM's initial idea was to import 100 buses running on natural gas – but faced with the poor results from the first five vehicles, it suspended the project. "We believed that the use of gas was very favourable", said Lipanga. "But only later did we realize that these buses were not compatible with Mozambican reality".

They could not cope with the poor state of many roads in the greater Maputo area, and there was a lack of qualified staff to maintain gas-operated vehicles.

TPM has now drawn up a plan that will involve launching an international tender to select a company that will be responsible for importing gas-operated buses. It is not clear how many vehicles will be covered, but it

will be less than the 100 initially envisaged. TPM also intends to carry out an intensive training programme so that its maintenance staff will know how to deal with this kind of bus.

A programme to convert petrol or diesel fired vehicles to run on gas is under way, and the company Auto-Gas has invested about \$4 million in installing the conversion system, and in the gas supply network.

## Ten rural filling stations completed

Ten petroleum filling stations planned for rural areas, under the project named "Geographical Incentive", have now been completed, according to Energy Minister Salvador Namburete.

The "Geographical Incentive" is a fund created by the government to support expansion of access to liquid fuels in remote areas and building began in 2009. The project is to build 50 filling stations in various districts across the country.

According to the Minister, filling stations built in the districts of Chigubo and Massangena, in Gaza province, Funhalouro and Mabote, in Inhambane, and Metangula, Marrupa and Mavago, in Niassa, have been completed and approved.

Although 10 further units are not yet completed, the National Energy Fund (FUNAE), the institution that is implementing the project, has already started the second phase to build 21 more such stations.

According to the government's statistics, 43 per cent of the 227 filling stations existing in 2008 were concentrated in Maputo city. Mozambique has 128 districts in its 11 provinces, and the government's target is that all the districts should have at least one filling station by 2012.

## Portugal pledges opening of credit lines

The Portuguese government has pledged that a credit line of €90 million (\$124 million) to support investment in Mozambique will be operational within the next two months. This guarantee was given on 8 February by the Portuguese Secretary of State for Finance, Carlos Costa Pina, who held meetings in Maputo with the Mozambican Ministers of Energy and Finance, Salvador Namburete and Manuel Chang.

The credit line was promised by the Portuguese government in 2007, when the agreement was reached to transfer majority ownership of the Cahora Bassa dam on the Zambezi from Portugal to Mozambique.

According to Pina, this money can be used for "renewable energies, infrastructures or the treatment of waste", and will help secure closer relations between Portuguese and Mozambican private businesses.

The Mozambican government is interested in using the credit line to support the construction of a new bridge over the Zambezi in Tete city, and its access routes.

With Chang, the Portuguese minister discussed the situation with two other lines of credit from Portugal supporting investment in Mozambique (€200 million in concessional credit, and €300 million in commercial credit) for which agreements were signed last September.

At the end of the meeting, Chang said the Mozambican government is satisfied with Portuguese investment in the country, and hoped that other financial agreements can be reached during the visit of Portuguese Prime Minister Jose Socrates to Mozambique in March.

## Renamo crisis deepens

The 16 Renamo parliamentary deputies who took their seats at the first session of the new Mozambican parliament, the Assembly of the Republic, on 12 January, in defiance of orders from Renamo leader Afonso Dhlakama, on 4 February defended their actions and denied that they had "betrayed" their party.

Almost all the 51 Renamo deputies elected last October have now taken their seats. However, the first 16 did so very publicly, while the others have trickled in, almost shamefacedly, one by one, signing their oaths of office away from the gaze of TV cameras.

It is the first 16 who have been vilified and threatened with unspecified disciplinary measures. They include the former head of the Renamo parliamentary group, and current second deputy chairperson of the Assembly, Viana Magalhaes, the head of the Renamo election office, Luis Gouveia, and the former Renamo parliamentary spokesperson, Jose Manteigas.

At a press conference, the 16 did not denounce Dhlakama by name, but he was obviously their target. They pointed out that the decision to boycott the new parliament was not taken by any Renamo body.

When the Renamo Political Commission met in Nampula in November, and discussed the elections, it decided to hold demonstrations across the country against what it regarded as fraudulent election results. However, that meeting did not mention boycotting the Assembly. The 16 say they were surprised to hear threats of disciplinary action against them since, as far as they were concerned, they had not broken any party rules.

Speaking for the entire group, Anselmo Vitor noted that, "against all expectations, and to the surprise of the party's members and sympathizers, the Renamo President and various party spokespersons then transmitted through the media something which had not previously been decided - namely that the members of the Provincial Assemblies and of the Assembly of the Republic elected on the Renamo lists were forbidden from taking their seats".

The man who made the most violent public attacks on the 16 was, Meque Braz, who is currently a member of the Zambezia Provincial Elections Commission. Speaking to the independent television station STV on 24 January, he denounced the 16 as "traitors", and suggested that severe punishment was in store for them.

The 16 warned that they would not be made "scapegoats" for Renamo's crushing defeat in the October elections. They noted that ever since the first multi-party elections in 1994, it had been Renamo's practice to look for scapegoats.

They asked Meque Braz (and thus, indirectly Dhlakama) whether he did not think the time had come "to reflect, discuss and find the true reasons for electoral failures, instead of trying to distract the public".

## Funds available for Nampula-Cuamba road

Funds are now available to start rebuilding the road between the northern cities of Nampula and Cuamba, giving it a tarred surface, according to the Mozambican Ambassador to Japan, Belmiro Malate.

Speaking in Nampula over the weekend, at the end of a visit of a Japanese mission of 50 business people who came to Mozambique to seek investment opportunities, Malate said that the Japanese government has granted \$60 million for the road, and work should start by the second half of this year.

Malate stressed the importance of this 300-kilometre road for the movement of people and goods in the northern region of the country.

## Maize seed for farmers

The Ministry of Agriculture has announced that it has 500 tonnes of maize seed available to support peasant farmers who have lost their crops, in whole or in part, because of poor rainfall in the south and centre of the country. The seed can be used in the second sowings that start in April, and will allow some farmers to recover from the failure of their first sowings. The seed available is sufficient to plant 20,000 hectares of maize.

The harvest outlook was discussed in Maputo on 4 February at a meeting to analyse rainfall in the first half of the rainy season (October to December), and its impact on agriculture, and to update forecasts for the second half of the rainy season (January to March).

Hiten Jantilal, of the Crops and Early Warning Department in the National Directorate of Agricultural Services, said that granting seeds to peasants is an attempt to alleviate the impact of the dry conditions that affected central and southern Mozambique during the first sowing period. The northern provinces did not suffer from the same problem.

Jantilal added that the Ministry is relying on replanting short-cycle maize, rice, sorghum and beans to compensate for losses in the first sowings. The Ministry will also push for intensive use of irrigation to produce vegetables all year round as well as root crops.

According to a document presented at the meeting, 61 districts in the central and southern provinces have been affected by irregular rainfall, putting a million hectares of farmland and 785,000 households at risk of drought.

As for the forecast until March, the National Meteorology Institute (INAM) is predicting normal rainfall in the far north (Cabo Delgado and part of Nampula provinces), but "with a trend to below normal".

For the rest of the country, the INAM forecast is for below normal rains, but "with a trend towards normal".

INAM blames the dry conditions on the El Nino phenomenon. This is a warming of the surface waters of the eastern Pacific Ocean, which is strongly correlated with dry conditions in southern Africa.

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