

# Mozambique News Agency

## AIM Reports

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## Floods: Prime Minister calls for definitive resettlement

Prime Minister Alberto Vaquina on 13 February insisted that the Gaza provincial government must take firm measures to persuade people affected by floods in the Limpopo Valley to move definitively to higher ground. Vaquina was speaking at a session of the National Operational Emergency Centre (CENOE) held in the Gaza provincial capital, Xai-Xai. The Prime Minister was on a two day visit to the province, assessing the impact of the Limpopo floods, which have affected around 160,000 people in Gaza.

Vaquina called for “definitive resettlement” to avoid repetition of the same drama next time the Limpopo bursts its banks. He admitted that such a resettlement programme would meet resistance from some people who might not understand the importance of the measure. But the provincial government, he said, “should show greater firmness and never vacillate before a situation which in essence seeks to save human lives and property”.

“As a government, it is up to us to show the people the best path to follow, and we must be firm and consistent”, he said. “At the beginning there will obviously be some resistance, but later they will understand that we all win when we are in better conditions of safety”.

Vaquina said the resettlement did not mean that people should stop farming on the Limpopo flood plain. On the contrary, nobody should lose their land near the river. They should grow crops in the fertile low-lying areas, while living under safe conditions on higher ground. Any houses that people built close to their fields should be merely temporary.

“A small house at the site of agricultural production should be used merely to store produce which is later taken to the higher land for family consumption or for sale”, he added.

It was precisely these measures, taken after the floods on the Zambezi in 2007 and 2008, which had reduced the impact of flooding on people living near the river basins in the centre of the country, said Vaquina.

### UNICEF needs \$6.8 million for flood victims

The United Nations Children’s Fund (UNICEF) is seeking \$6.8 million to fund its work among the tens of thousands of children and women hit by flooding in the Limpopo Valley, in the southern province of Gaza.

According to the national relief agency, the National Disasters Management Institute (INGC), heavy rainfall in January led to 173,000 people being displaced to 26

accommodation centres in Gaza province. The worst hit areas were in Chokwe and Guija districts.

Due to the scale of the displacement, funds are urgently needed to meet the needs of those left homeless.

According to UNICEF’s Jesper Morch, “the magnitude of the flooding in the last few weeks has meant that emergency supplies and funding have been depleted. It is clear that we urgently need additional funds if we are to help many children and families recover from their losses and rebuild their lives”.

UNICEF points out that whilst the floodwaters are receding in the Limpopo Valley, a large clean-up operation is needed before these areas are fit for families to return.

Meanwhile, the UN organisation warns that flooding in the centre and north of the country has displaced 45,000 people.

So far, the Mozambican government has provided \$10 million in support, whilst another \$5.3 million has been released by the United Nations Central Emergency Response Fund. Other funding has been donated by various governments, non-governmental organisations and faith based organisations.

However, the Humanitarian Country Team in Mozambique – composed of UN and non-governmental organisations – estimates that it needs a total of \$30.6 million for relief operations, of which \$6.8 million is needed by UNICEF.

Among the priorities are to provide access to clean water, adequate sanitation, shelter, food, health care and protection. The plans also include establishing schools and health care services, as well as initiatives to restore livelihoods as people return, rebuild their homes and restart work and agricultural production.

UNICEF calculates that over 180 primary schools and 54,000 pupils have been affected by the floods. It is working with the Ministry of Education to provide classroom tents and learning materials.

## Flooding interrupts traffic on Sena Line

Rail traffic along the Sena line between the Moatize coal basin in Tete province and the port of Beira, has been interrupted since 11 February because flooding on the Zambezi River has washed away ballast on part of the line.

The ballast has gone from a 15 metre stretch of line between the Messito and Doa rail stations in Tete.

The Portuguese contractor Mota-Engil, involved in the current upgrading of the Sena line, is preparing to erect a small bridge in the critical area to allow traffic to resume.

There are on average 12 trains a day along the line mainly carrying coal from the companies Vale and Rio Tinto.

The interruption of rail traffic is a serious blow to the mining companies, and demonstrates how fragile the mining logistics are. In theory, the Sena line can handle six million tonnes of cargo a year, but the mining companies' forecasts are for exports on a much larger scale.

The upgrading work will bring total capacity of the Sena line to 20 million tonnes a year, but delays in completing this work has led Vale to cut back export forecasts.

Vale hopes to free itself from dependence on the Sena line by building a new railway across southern Malawi that will connect with Mozambique's existing northern line, and carry the coal to the port of Nacala.

Meanwhile at least six villages in Nante, in Maganja da Costa district, Zambezia province were isolated by flooding caused by a breach in a dike in a local irrigation scheme. Boats of the National Civil Protection Unit (UNAPROC) evacuated 132 people from the area.

Traffic resumed on Mozambique's main-south highway in the central province of Zambezia on 15 February after the gap in the road caused by torrential rains was temporarily plugged with metal tubing, earth and stones.

The road was cut at Amoro, in Nicoadala district, on 11 February, and long queues of vehicles formed on either side of the break in the road. Some light vehicles and even minibuses were pushed across the gap by paid local volunteers, but this was not an option for trucks.

## Clashes over cholera precautions

At least two people were injured and two others are reported dead in clashes in Mecufi district in the northern province of Cabo Delgado between police and mobs claiming that health workers are causing rather than curing cholera and other diarrhoeal diseases.

The chain of events began on 23 January when a group of people tried to invade the health post in the Mecufi administrative post of Murrebue. They said they wanted to remove patients from the health post for fear that they were being deliberately infected with cholera by the health workers.

The local police requested reinforcements from the provincial capital, Pemba, and made eight arrests of people who had allegedly spread the disinformation about cholera and led the demonstration.

A few days later, according to a report in the Maputo daily newspaper "Noticias", unidentified individuals beat to death Cesario Abuchir, the secretary of the Mecufi neighbourhood Saulane "B", accusing him of working with the health authorities and government officials to spread cholera. He was held responsible for an outbreak of diarrhoea and vomiting, some of which may be caused by cholera.

There were more disturbances as a mob attempted to assault the Murrebue police post in an attempt to release the

people arrested after the attack on the health post.

A local teacher told reporters that the police were obliged to open fire to restore order. Two people were injured and there are unconfirmed reports that another person may have died. On 14 February all schools, markets and other services in Murrebue were closed, and local leaders had mostly fled.

One person who did not flee, a traditional chief named Malique Quitica, declared "in recent days the situation has been very bad, and we don't know where it's all going to end".

Every time there is an outbreak of cholera in Cabo Delgado, or other northern provinces, there are people who claim that the government and health workers are deliberately trying to poison local people. The results have often been tragic, including deaths, injuries and the destruction of health equipment.

## Mozal aluminium to be used in Mozambican industry

One of the world's largest manufacturers of aluminium cables, Midal of Bahrain, is to set up a factory in Mozambique using aluminium ingots produced at the Mozal smelter at Beluluane, in the outskirts of Maputo, as its raw material.

On 15 February, Mozal Chairperson Danie Murray and Midal Managing Director Hamid Al-Zhayani signed an agreement under which Mozal will supply 50,000 tonnes of aluminium ingots per year to Midal.

Al-Zhayani signed a separate agreement with Nelson Ventura, the Chief Executive Officer of the Beluluane Industrial Park, allocating land to Midal next to the Mozal smelter.

Al-Zhayani said the factory, costing \$16 million, should be built by June 2014. It will initially employ 150 Mozambican workers, rising eventually to 400.

Up until now, all of the 580,000 tonnes of aluminium produced annually by Mozal has been exported. The deal with Midal means that, for the first time, there will be a downstream industry, using some of the Mozal ingots to produce rods and cables.

The Minister of Industry and Trade, Armando Inroga, who witnessed the ceremony noted that, despite the presence of Mozal, Mozambican industries have still had to import all their cables and other finished aluminium products.

Imported aluminium goods were a significant cost for the construction industry, and for the electricity company, EDM. Inroga hoped that the costs of these components would fall when they were being produced by Midal locally. He added that this would have a positive impact on the country's balance of trade.

Inroga noted that one of the main criticisms of mega-projects such as Mozal is that they produce only for export, and so there is little value added. He believed this was now changing, and that other high technology companies could follow Midal's example and set up plants in Mozambique.

He urged Mozal and Midal to work with Mozambican educational institutions in order to train Mozambicans to occupy senior positions in both companies.

Murray said that the agreement was "testimony to Mozal's commitment to developing local industry", and that downstream plants would "create hundreds of new jobs".

Al-Zayani stressed that the agreement might only be the start of Midal's expansion into Mozambique, and that many other Midal subsidiaries, some of them labour intensive, could set up plants in the country.

## Maputo power supply returns to normal after explosion

Mozambique's publicly owned electricity company, EDM, on 13 February said it has completed the bulk of the work required to restore Maputo's power supply to normal after the explosion on 9 February that destroyed distribution control panels at the SONEFE sub-station.

For three and a half days the city suffered lengthy power cuts, but the power supply was stabilised on 12 February.

According to the chairperson of the EDM board, Augusto de Sousa Fernando, work on the alternative connections required to bypass SONEFE has been completed, guaranteeing electricity to downtown Maputo, the part of the city worst hit by the blackouts.

There are two main substations that supply Maputo city with its electricity – one in the neighbouring city of Matola, and one in Infulene (technically also in Matola, but near the boundary between the two cities).

The Matola sub-station normally supplies power to the lower part of Maputo, while the Infulene station supplies the upper part of the city. The two lines were interconnected by SONEFE – so that if one sub-station failed, the other could take up its load.

But the explosion at the SONEFE gas-fired station disrupted this system, and ended the interconnection between Matola and Infulene. EDM's repair has consisted of bypassing SONEFE – but it could not restore the interconnection between the two sub-stations.

Hence if anything goes wrong at Matola, EDM will not be able to switch the consumers that depend on this sub-station over to power from Infulene and vice versa. The redundancy that was previously built into the system has ceased to exist.

But Fernando did not regard this as a major problem. "There is a risk", he said, "but it's difficult to assess, because the source in Matola is reliable and has the great advantage of possessing two transformers and three lines".

There had never been any serious breakdowns at the Matola sub-station. "I can't say the risk is zero", said Fernando. "Like other cities, such as Xai-Xai or Inhambane, which depend on a single source, the lower Maputo now depends on a single source".

Meanwhile technicians from the German company ABB, which supplied the equipment that exploded, are due to investigate the causes of the explosion.

EDM says it cannot yet put a precise figure on the damage caused by the explosion – but a preliminary assessment is that replacing the damaged control panels could cost between \$5 million and \$6 million, and the work could take 12 months.

EDM will have to pay for the new equipment, as the damaged panels, installed in 2007, were only guaranteed for a year. However, Fernando stressed that EDM is insured.

As for compensating EDM clients for losses caused by the blackout, Fernando pointed out that the explosion was "an unforeseeable incident and it was not premeditated".

However, EDM admits the possibility of examining claims from consumers on a case by case basis. Among the losses reported are the cases of shops where fresh produce, such as meat and fish, rotted because there was no power to run the refrigeration.

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*This is a condensed version of the AIM daily news service – for details contact [aim@aim.org.mz](mailto:aim@aim.org.mz)*

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## Clegg promises continued British support

The British Deputy Prime Minister, Nick Clegg, on 14 February praised the "rapid growth" of the Mozambican economy and promised that his government will continue to support Mozambique's development.

Clegg, on the second and final day of a working visit to Mozambique, was speaking to reporters immediately after an audience granted by President Armando Guebuza.

Clegg said they had discussed the immense opportunities and challenges facing Mozambique.

"During our discussion I reiterated the willingness and determination of our government to continue to work in a spirit of friendship and partnership with Mozambique, in its extraordinary transformation heading towards a future of sustainable prosperity", he declared.

Apart from bilateral matters, they also discussed what Britain might do when it takes over the rotating chairmanship of the G8 group of most developed countries. Clegg said that Britain wants to work with the Mozambican government and other governments in the region on the areas of taxes and finance, and transparency in investments, particularly in the extractive industry.

Before setting out on this African tour, Clegg had already stressed the need to crack down on tax evasion by western companies.

Other themes discussed in the meeting between President Guebuza and Clegg included the crises in Mali, Zimbabwe and the Democratic Republic of Congo.

Commenting on the meeting, Mozambique's Deputy Foreign Minister, Henrique Banze, said the questions of British investment in Mozambique was also under discussion. He said it was clear that the development of the country's mineral resources should benefit more Mozambicans, and the companies exploiting Mozambican resources should make a greater contribution in tax.

Banze added that Mozambique does not believe it should depend exclusively on investment in mineral resources. He stressed the need for more investment in agriculture and in infrastructure such as roads,

He added that there is now the possibility of British putting specialist water engineers at Mozambique's disposal, to help in the management of the country's water resources.

## Russian Foreign Minister visits Mozambique

Russian Foreign Minister Sergei Lavrov announced in Maputo on 12 February that Russia will make \$144 million available to be invested in development projects in Mozambique.

Speaking at a joint press conference with his Mozambican counterpart, Oldemiro Baloi, Lavrov said the money "will be used in projects regarded as priorities for economic development in accordance with the Mozambican government's strategic development plan".

One of these priority areas is the training of human resources so that Mozambicans can participate actively in the exploitation of hydrocarbons and other natural resources.

"Russia intends to take part in projects to exploit mineral resources in Mozambique", announced Lavrov. "We have many Russian companies interested in investing in mining, as well as in agriculture, transport and communications".

For his part, Baloi described his talks with the Russian minister as positive. "We spoke of areas of common interest, namely training, defence and mineral resources", he said. "As regards training, Mozambique needs the human capacity to implement the projects that are multiplying in the country".

## Public Ethics Commission begins work

Mozambique's Central Public Ethics Commission, set up under the Law on Public Probity that took effect in mid-November, has begun work and, according to its chairperson, Sinai Nhatitima, it is now open to receiving denunciations on possible conflicts of interests involving public servants.

Nhatitima was speaking on 8 February after a working meeting of the Commission held to draw up a programme of activities to be undertaken in the immediate future.

"The Commission is able to receive information from citizens or from any institutions concerning any aspects in which any person may be in conflict with the law, and on the basis of this the Commission will make its considerations", said Nhatitima. "As from today, the Commission is open to receiving such information".

He added that the commission is aware that people are expecting immediate results, and he asked for understanding, given that only now are the conditions being established for the Commission to operate fully.

Currently the Commission is operating out of the country's parliament, the Assembly of the Republic, and is supported by a secretariat formed by staff members lent by the Assembly

"Our priority at the moment is our own internal organisation, but this does not prevent us from undertaking effective work", said Nhatitima. "We shall not wait for our internal organisation to be completed before we begin to work on the existing cases".

He added that two sub-commissions have been set up, one charged with drawing up a set of internal regulations, and the other with working out a staff table, detailing the support staff the Commission believes it will need.

The Commission has agreed that it will meet every Friday on the Assembly's premises.

Under the law, the nine member Commission is charged with taking appropriate measures to prevent or eliminate conflicts of interest within the public administration, including referring cases to the Public Prosecutor's Office for criminal proceedings.

The Commission has not yet taken any measures concerning the best-known conflicts of interest, which are the cases of parliamentary deputies who also sit on the boards of public companies.

The Law on Public Probity forbids all holders of public office from receiving wages or fees from other public institutions or companies. The law lists the officials covered and they range from the President of the Republic down to village headmen. They include all ministers, deputy ministers, provincial governors, district administrators, mayors and municipal councillors, as well as parliamentary deputies.

Thus holders of public office who are currently being paid by more than one public body must choose. In the case of deputies, they must either resign their parliamentary seats, or give up their other paid positions.

The deputies who must make this choice include the head of the Frelimo parliamentary group, Margarida Talapa, who sits on the board of the publicly owned mobile phone company, M-Cel, the chairperson of the Assembly's Constitutional and Legal Affairs Commission, Teodoro Waty, who is also chairperson of the board of Mozambique Airlines (LAM), and Mateus Katupha, who is the chairperson of the state fuel company, Petromoc, but also a member of the Assembly's Standing Commission.

Two deputies, Luciano de Castro and Agostinho Vuma, have shown a lead by resigning from the positions on the board of directors of the National Road Authority (ANE).

## Standard Bank to support mining development

Standard Bank - Mozambique and the Mozambican Mining Company (EMEM) on 14 February signed an agreement in Maputo on promoting the development of mining through facilitating funding for projects in the sector.

EMEM is a company set up recently by the Mozambican government to ensure that Mozambique obtains the maximum possible benefit from the exploitation of the country's mineral resources. This is the company which manages the Mozambican state's five per cent holding in Vale-Mozambique, the local subsidiary of the Brazilian mining giant Vale, which is operating a gigantic open cast coal mine in Tete province.

Under the agreement, Standard Bank will provide EMEM with consultancy and financial intermediation services, and advice on the development of the infrastructures necessary for maximising the potential of mining projects.

At the signing ceremony EMEM Managing Director Antonio Manhica said the agreement seeks to establish a coordinated and efficient state mining company which will work for the benefit of Mozambique and the mining sector.

"EMEM believes that through strategic partnerships with companies such as Standard Bank it will succeed in building a complete value chain in the mining sector to obtain maximum benefits for all parties involved, and will be able to comply with its mission to create a world class mining sector in Mozambique", he said.

## Assembly delivers electoral law to President Guebuza

The Mozambican parliament, the Assembly of the Republic, on 8 February delivered to President Armando Guebuza, for his promulgation, the five electoral laws, passed by the Assembly in December.

The spokesperson for the parliamentary group of the ruling Frelimo Party, Edmundo Galiza-Matos, confirmed to AIM that the laws had been sent to the President. After he has promulgated them, they will be published in the official gazette, the "Boletim da Republica".

The reason for the delay in sending the laws to President Guebuza is that, before any legislation is sent to the President, it is checked for errors by the Assembly's Legislation Department (consisting of full time Assembly staff), and by the deputies who sit on the Parliamentary Commission on Constitutional and Legal Affairs.

These bodies cannot make any changes of substance in the laws passed by the Assembly plenary, but they should correct any inconsistencies and contradictions (over matters such as dates), check spelling and grammar, and ensure that articles and paragraphs are numbered correctly.

The delay led to conspiracy theories suggesting that President Guebuza was deliberately sitting on the laws, refusing to promulgate them, in order to make it impossible to hold municipal elections this year and general elections in 2014.

But the President could not block legislation that he had not even received. Since the laws are essentially the work of the Frelimo majority in the Assembly, there is no reason to imagine that President Guebuza will not promulgate them as soon as he can.

The five laws are on the National Elections Commission (CNE), on voter registration, on procedures for presidential and parliamentary elections, on municipal elections, and on elections for provincial assemblies. There is a great deal of overlap between the last three laws.

## Vale and CFM sign agreement on Nacala Corridor

The Mozambican port and rail company (CFM) and the Brazilian mining giant Vale on 6 February signed the agreement for the Nacala Logistics Corridor, the route along which Vale will transport its coal from Moatize, in the western province of Tete, to the port of Nacala.

Carrying coal by rail from Moatize to Nacala involves building a new railway across southern Malawi, and Vale has already reached agreement with the Malawian authorities.

Inside Mozambique, the Logistics Corridor involves upgrading the existing line from Malawi to Nacala, and building two new stretches of track, including the final stretch leading to a new coal terminal at Nacala-a-Velha, to be built on the opposite side of the Bay from the current port.

The director of Vale-Mozambique Logistics, Ricardo Saad, said that Vale hopes that the new railway will be complete by the second half of 2014.

“It’s important that we have a clear vision”, he added. “Our target is that the first coal train is on the line by the second half of 2014. We have the responsibility to deliver the railway and begin operations on the line by that date”.

For his part, the chairperson of CFM, Rosario Mualeia, said the agreement will bring solutions to logistical problems. “This is the start of complex work between two brother peoples with different cultures”, he said. “Signing this agreement is a stage, not an end in itself”.

The agreement on the Logistics Corridor also defines the operational model to be used, and the fees schedule. Five concessionary companies are expected to take out leases on parts of the Logistics Corridor.

## Loan agreement with African Development Bank

The Mozambican government and the African Development Bank (ADB) signed in Maputo on 6 February a loan agreement of \$3.2 million under which the ADB will co-finance a project on the sustainable management of land and water resources.

This project seeks to support four districts in the southern province of Gaza (Massangena, Chicualacuala, Mabalane and Guija) which are prone to severe climate variations, and have been regularly hit by drought and by floods. The project is intended to benefit around 20,000 peasant farmers, of whom half are women.

The project covers agricultural activities, the development of infrastructures, the restoration of natural habitats and landscapes, the management of climate change and community development.

Speaking immediately after the signing ceremony, ADB representative Joseph Ribeiro said the project was being set up to minimise the impacts of climate change, which are already being felt in Mozambican communities, notably through increasingly irregular rainfall patterns.

“This project will increase the capacity of communities to

face the connected challenges of the adverse impacts of climate change, rural poverty, food insecurity and land degradation”, he said.

For the government, the Minister of Planning and Development, Aiuba Cuereneia, explained that the project is being financed by the loan of \$3.2 million from the ADB, a grant of \$15.9 million from the Climate Investment Funds, and \$2.2 million from the Mozambican state budget.

In Africa the Climate Investment Funds are managed by the ADB. These funds are to help poor countries in adopting clean technologies, sustainable management of forests, access to renewable energies and climate-resilient development.

“We are signing this project at a moment when Mozambique is being assailed by floods, and all support is needed to relieve the suffering of the families affected by floods in the various parts of the country”, Cuereneia stressed.

The project will be implemented by the Ministry of Agriculture.

## Sasol offers scholarships

The South African petro-chemical giant Sasol, in partnership with the Mozambican Ministry of Mineral Resources, on 13 February offered scholarships to a group of 30 Mozambican students.

The beneficiaries will undertake five year training courses in engineering, sciences and marketing. Twenty of the students will study in Mozambican universities, and the remaining ten in South Africa.

Speaking at the ceremony, the director of Sasol International, Ebbie Haan, said that the scholarship programme is an important step that seeks to guarantee adequate training for Mozambicans who may come to work in the hydrocarbon sector, and to increase the number of Mozambicans trained in the various skills required at Sasol. She hoped that within five years the students would end their courses successfully and would come to work at Sasol.

For her part, the Minister of Mineral Resources, Esperanca Bias, explained that the students will be exposed to vocational programmes and work. At Sasol they would have access to a variety of technical knowledge and to a training environment that would be important for their future professional activity.

Bias believed this would be “the first step in Sasol’s contribution to the training of these young people who are currently not working at Sasol. This means that the companies and the government are concerned about the training of these students from various parts of the country”.

Over the next five years Sasol will disburse \$390,000 per year on scholarships. The 30 beneficiaries were selected from schools where they had completed mid-level education

Sasol’s main activity in Mozambique is the extraction and treatment of natural gas from the Pande and Temane fields in the southern province of Inhambane. It is also exploring for hydrocarbons in other parts of the country.

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