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President Guebuza attends World Economic Forum on Africa

Speaking at the World Economic Forum on Africa, held in Dar es Salaam, President Armando Guebuza told reporters on 7 May that the meeting had proved a useful opportunity to showcase Mozambique and to hold informal discussions with potential investors. President Guebuza stressed that this was not an event at which contracts are signed or agreements reached. Instead, the informal nature of the discussions over a wide range of topics allowed political and business leaders to face the questions that most concerned them. For President Guebuza this was not only an opportunity to raise awareness among investors, but also to debate the difficulties that companies might face.

The President said that during discussions some investors who had apparently dropped projects in Mozambique expressed an interest in resuming them. The only one he mentioned specifically was a cement factory in Beluluane, on the outskirts of Maputo. With more cement produced in the country, President Guebuza expected the price of cement for local building companies would drop. "But we can do more", he stressed. "We have the raw materials for a ceramics industry, for example, which could produce sanitary ware".

Asked about the tax breaks given to certain mega-projects, President Guebuza said these occurred before Mozambique was on the investment map. The government had felt it necessary to give generous terms to the first couple of mega-projects – the MOZAL aluminium smelter in Beluluane, and the natural gas processing plant and pipeline operated by the South African petro-chemical giant, SASOL.

Those tax breaks had been key in attracting those two investments – but now that Mozambique was established as a safe, viable destination for foreign investment, those terms were no longer on offer to future investors.

The Forum meeting also provided an opportunity for leaders of the SADC (Southern African Development Community) region to discuss the situation in Zimbabwe. President Guebuza, who currently chairs the SADC body on political, defence and security cooperation, said he had received a report from South African President Jacob Zuma on his attempts to mediate between Zimbabwe's ruling

ZANU-PF and the two factions of the Movement for Democratic Change (MDC).

All three key Zimbabwean leaders were present in Dar es Salaam – President Robert Mugabe, Prime Minister Morgan Tsvangirai and Deputy Prime Minister Arthur Mutambara, and all three were sending out highly positive signals about the current "inclusive" government. They all addressed a Forum session on "Zimbabwe: Risk or Opportunity?", and all seemed agreed on the need to bring foreign investors back to Zimbabwe.

Journalists were surprised to find Tsvangirai and Mutambara so optimistic about their coalition with Mugabe. "I'm optimistic too", declared President Guebuza. "The General Political Agreement in Zimbabwe brought together parties who had never previously worked on a common programme. When you have people who have never worked together before, you would expect some problems".

He recalled that Tsvangirai had briefly suspended his participation in the coalition, "but he went back to the government, and now they are dealing with things around the same table".

President Guebuza thought it significant that the three Zimbabwean leaders "are all using the same language before an international audience".

All agreed on the ending of western sanctions (which mainly take the form of travel bans) against Mugabe and other prominent ZANU-PF members. Removing those sanctions "would help create a better atmosphere", said President Guebuza.

Low cost technology to boost agriculture

The Mozambican government is promoting the massive use of low cost technology such as animal traction to boost food production, Agriculture Minister Soares Nhaca told the country's parliament, the Assembly of the Republic, on 29 April.

Nhaca was speaking in a debate arising from a request by the parliamentary group of the ruling Frelimo Party for information on the recent floods and drought in parts of the country and their impact on food security.

Animal traction, said the Minister, could not only increase the area under cultivation, but it could also help move peasant produce to market and meet other transport needs in the countryside.

This year, the government planned to acquire 6,100 oxen to be distributed to farmers. At the same time, the government intends to expand its agricultural extension programme "to disseminate appropriate technologies for increasing agricultural income".

In 2007 there were 590 extensionists employed in the public extension network, rising to 701 in 2009, who assisted 378,000 peasant households. This year the government planned to recruit a further 249 extensionists bringing the total number to 950.

In addition, his ministry was encouraging local governments to hire more extensionists based on the budget allocated to each district, "in order to strengthen the local technical capacity to assist producers".

Nhaca said the government is committed to rehabilitating existing irrigation schemes and building new ones. This year 3,150 hectares of irrigation schemes will be rehabilitated. Of this amount, 2,276 hectares are at Chokwe, in the Limpopo valley. Chokwe is home to the largest irrigated perimeter in the country, but it suffered massive damage in the Limpopo floods of February 2000.

The government, Nhaca said, is advancing with the second phase of the rehabilitation of the Chokwe scheme, involving the recovery of the secondary and tertiary channels.

Resettlement strategy "a success"

The success of the Mozambican government's resettlement strategy to remove people from flood prone areas meant that this year only a few thousand people were evacuated when major flooding hit the central river valleys, the Minister of State Administration, Carmelita Namashalua, told the Assembly.

Namashalua said that, up until 22 April, storms and floods this year had resulted in six deaths and 51 injuries. The damage caused included the destruction of 2,382 homes, 55 classrooms, 11 places of worship and four health posts.

Serious flooding on the Zambezi, Buzi and Pungoe rivers led to the declaration of a red alert and to the evacuation of people still living in dangerous areas. 6,257 people were evacuated from these river valleys and taken to resettlement areas.

Namashalua pointed out that in the floods of early 2007, the authorities had rescued 163,000 people from dangerous areas. Floods struck again in 2008, and 103,000 people were evacuated.

The sharp difference between these figures and this year's operations, she argued, "is linked to the success of the Resettlement Plan which began in 2007".

This had involved allocating plots of land to the resettled families, and providing them with materials to build their own houses. Schools, health posts and sources of clean drinking water were installed in the resettlement areas throughout the Zambezi Valley, and in some of them small-scale food processing industries had sprung up.

The government's early warning system, the Minister said, also contributed to people leaving flood prone areas in good time, as did the activities of the Local Disaster Risk Management Committees, formed of 15 to 18 people selected in the local communities. There are now 515 such committees in the country, which work to minimise the impact of natural disasters on communities.

Although floods are spectacular events, it is the drought hitting much of southern and central Mozambique that is likely to have more serious consequences. The failure of the rains, Namashalua said, caused the loss of 647,901 hectares of crops in 55 districts in seven provinces.

That would reduce this year's grain production by about 353,000 tonnes, or 11 per cent of the total grain production initially forecast.

There are now 456,290 people living in a situation of "extreme food insecurity", said Namashalua. In December, the figure had only been 281,300.

The government's strategy relies heavily on boosting production and productivity from the second sowings to recover some of what was lost in the first season. Short cycle seed varieties of maize, wheat, bean and sorghum were distributed to peasant farmers.

For the second agricultural season, launched in early April, the government distributed 797 tonnes of maize seed, 1,412 tonnes of wheat seed, 107 tonnes of bean seed and 2,125 tonnes of seed potatoes. The government is optimistic that with these measures it can recover 115,000 tonnes of grain lost in the first season.

MDM sets up parliamentary group

The opposition Mozambique Democratic Movement (MDM) on 7 May officially established its parliamentary group, following a favourable opinion from the Legal and Constitutional Affairs Commission of the country's parliament, the Assembly of the Republic.

Although the MDM only has eight deputies in the Assembly, it was able to create an officially recognised parliamentary group due to an amendment to the Assembly's Standing Orders moved by the ruling Frelimo Party and passed in April.

Previously the Standing Orders stated that a parliamentary group must have at least 11 members. Only with this minimum number could a party appoint members to parliamentary commissions, or demand information and ask questions of the government.

The MDM and Frelimo argued that this restriction was unconstitutional. The amendment therefore removed completely the numerical restriction.

The MDM elected as head of its parliamentary group Lutero Simango, the brother of the party's leader, Daviz Simango, mayor of Beira.

The MDM secretary-general, Ismael Mussa, was elected deputy head of the MDM group, while Jose de Sousa doubles up as both rapporteur and spokesperson. The other five MDM deputies were all elected to various of the Assembly's working commissions.

New cooperation agreements signed with Portugal

President Armando Guebuza's two-day state visit to Portugal ended on 30 April with the signing of ten cooperation agreements between the two countries in various fields. The agreements were signed shortly after a meeting between President Guebuza and Portuguese Prime Minister Jose Socrates. The two leaders told reporters that the documents reflect the fact that Mozambique and Portugal are more determined than ever to work together in the development of the two nations for the common welfare of their peoples.

Six of the agreements were signed by the two governments, and four by public and private companies.

Among the agreements are a convention on social security, an agreement on air services between the two countries, a protocol concerning road construction in the central Mozambican province of Zambezia. There are also protocols on the construction of hotels and resorts, and on the building of a bio-technology centre.

The business agreements cover renewable energy, and the construction of roads, schools and hospitals.

President Guebuza told reporters he was "very pleased because, only a short time after we decided to work together for the mutual development of our countries, we are now seeing how to put this desire into practice".

Socrates declared that the Portuguese government wants President Guebuza's visit "to consolidate still further our relations of cooperation and our commercial relations". He added that, when the Cahora Bassa dam passed into majority Mozambican ownership in 2007, the two countries "removed the last stone in our shoes that was hindering the march that will take us to a higher level of cooperation".

Good relations with Mozambique are a matter of political consensus in Portugal. Pedro Passos Coelho, the new leader of the Social Democratic Party (PSD), the main opposition to the Socialist Party government, agrees with Socrates that relations of friendship and cooperation with Mozambique are also in Portugal's best interests.

Passos Coelho (the man most likely to succeed Socrates should the current minority government fall) met on with President Guebuza, and afterwards told journalists that he fully supports the government's drive to maximize cooperation with Mozambique.

Towards the end of his visit, President Guebuza met with the Mozambican community resident in Portugal, and spoke at the end of a well-attended business seminar, attended by the 76 Mozambican business people whom President Guebuza invited on this trip.

President Guebuza took the opportunity of the seminar to urge Portuguese businesses to invest heavily in Mozambique. He was backed by the Portuguese President, Anibal Cavaco Silva, who also attended the closing session of the seminar, and urged Portuguese companies not to miss the opportunities created by the excellent relations between the two countries.

This is a condensed version of the AIM daily news service – for details contact aim@aim.org.mz

Japanese aid for forest preservation

The Japanese government has pledged to disburse 700 million yen (about \$7.4 million) in support of the programme to preserve forests in Mozambique. To this end, Mozambican Agriculture Minister Soares Nhaca and the Japanese Ambassador to Mozambique, Susumu Segawa, signed an agreement in Maputo on 28 May.

Speaking shortly after the signing ceremony, Nhaca stressed the importance of this programme for Mozambique, saying that it is part of the efforts by the two governments to mitigate the effects of climate changes and promote environment friendly technologies.

This support is part of the pledge by the Japanese government to double its assistance to Africa, a decision taken during an international conference on the development of Africa, which took place in Tokyo, in December 2009.

The aid is also part of the Hayotama initiative under which the Japanese government will, up until 2021, provide about \$17.5 billion to developing countries to help them cope with climate change.

Heavy costs of illegal fishing

The Ministry of Fisheries estimates that the country is losing \$35 million a year as a result of illegal fishing in Mozambican waters. Fisheries Minister Victor Borges, speaking on 28 April at the opening of the fourth annual meeting of his ministry with the cooperation partners in the fisheries sector, said that measures to reverse the current scenario include setting up, in the near future, an inter-ministerial commission to monitor the fisheries.

The commission, Borges said, would design overall mechanisms for patrolling Mozambican waters, in order to prevent invasion by unauthorised vessels.

The new commission will be formed by all relevant government bodies concerned with maritime issues. Borges admitted that fisheries inspection is expensive, but insisted that it will remain necessary in order to preserve the country's marine resources.

Currently inspection is guaranteed by just one sizeable vessel hired to patrol Mozambican waters, two small launches and fisheries inspectors spread throughout the country but largely based on land.

In 2008, fisheries contributed four per cent of Mozambique's GDP, but this fell to three per cent in 2009.

Prison management suspended

Justice Minister Benvinda Levi on 30 April suspended the management of the Maximum Security Prison, (commonly known as the "B.O") due to alleged cases of ill-treatment and torture of inmates between March 31 and April 7. Together with the general manager, Renato Jaime, and commander of the prison guards, Antonio Cossa, the Minister also suspended a group of seven prison guards on duty at the time of the attacks.

The suspension of both Jaime and Cossa, who will now face disciplinary proceedings and criminal charges, follows the completion of the first phase of an investigation conducted by the Ministry of Justice.

President Guebuza inaugurates microcredit bank

President Armando Guebuza on 8 May inaugurated a branch of a rural microcredit bank, the "The First Microbank Mozambique" (FMB-M) in Pemba, capital of Cabo Delgado province.

FMB-M was set up in 2003 as a microcredit programme and grew to become a rural microcredit bank. It is part of the Aga Khan Microfinance Agency, an international institution aimed at helping create sustainable economic growth.

President Guebuza expressed confidence that this institution will help people, particularly in the rural areas, to deposit their savings in financial institutions rather than keeping the money at home, with all the risks of loss or theft that this implies.

"The practice of saving is one of development, public spirit and patriotism", he said. "Somebody who starts thinking of saving will seek to reduce unnecessary spending, and will avoid waste", he said.

President Guebuza also expressed confidence that this institution will complement other available sources of finance in the district, such as the District Development Fund, and result in speeding up the fight against poverty.

The Aga Khan Development Network (AKDN) includes a number of agencies operating in more than 30 countries, particularly in Africa and Asia. In Mozambique, this network has been operating since February 2001, offering social projects and programmes to more than 120,000 beneficiaries.

Village for All Africa Games to be built in Zimpeto

A village with 106 four-story buildings and 1088 three-bedroom flats is to be built in the Maputo outer suburb of Zimpeto to accommodate athletes participating in the All Africa Games in 2011.

President Armando Guebuza visited the site of construction on 3 May, along with Sports and Youth Minister Pedrito Caetano. The games are to take place between 3 and 18 September 2011.

On the site, near the National Stadium, the work will consist of building an Olympic Village and a number of other infrastructures, including a multipurpose pavilion, an Olympic swimming pool, tennis courts, a soccer pitch and a training track.

Customs director murdered

Unknown assassins murdered the director of Auditing, Investigation and Information of the Mozambican Customs Service, Orlando Jose, outside his home in the outer Maputo suburb of Zimpeto on 26 April.

The attack occurred at about 19:00 hours, a few hours after Jose had denounced to the media that some luxury vehicles had entered the country without the owners paying any customs duties.

Jose visited the railway cargo terminal at about 16:00 hours to witness the unloading of these contraband vehicles, which included a Range Rover, a BMW, and a Mercedes-Benz, apparently imported via Swaziland.

But it is also suspected that the assassination might be connected with a suspected money-laundering network that Jose denounced last week. This followed the arrest of a member of this network, a 22 year old Lebanese man, found in possession of \$400,000.

The money was wrapped and hidden in one of the doors of the vehicle that the man was driving towards Machipanda, on the Mozambique-Zimbabwe border.

Funds for rural water and sanitation

International cooperation partners of Mozambique have pledged to grant \$10 million this year to support the programme of National Rural Water Supply and Sanitation (PRONASAR).

PRONASAR aims to improve the quality of water supply and sanitation in the rural areas over the period 2010-2015, and has a budget of \$300 million. It will increase the coverage of water supply from 54 per cent to 70 per cent, and expand sanitation services from the current 39 per cent to 50 per cent.

The programme is to build 120 new water supply systems and 12,000 new water sources, to benefit an additional 4.5 million people, bringing to 13 million the number of people with access to clean drinking water. It is to build 400,000 latrines benefitting two million people.

The programme covers southern Maputo, Gaza, and the Zambezia provinces.

For an in depth analysis of events, read MozambiqueFile. Subscription rates are individuals \$40 institutions US\$50. Send International Money Order to AIM, CP 896, Maputo, Mozambique.

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