

# Mozambique News Agency

## AIM Reports

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## President Guebuza warns of danger of deforestation

Conserving tree cover is a determinant factor in maintaining the regular cycle of rainfall, warned President Armando Guebuza on 18 June. Addressing a rally in the Zambue administrative post, in Zumbo district, in the western province of Tete, President Guebuza stressed the interdependence between forests, rainfall, and agriculture. Like most of Mozambique, Zumbo is almost exclusively dependent on rainfall for its agriculture.

The land in Zambue is fertile, and the annual harvest normally produces a grain surplus. However, the surplus is sold across the border in Zambia, because Zambue is 600 kilometres west of Tete city on very poor roads.

President Guebuza warned that deforestation alters the rainfall regime, with a serious impact on agriculture. “Recently we don’t know when it’s going to rain”, he said. “We’re no longer certain about it”.

Forests also played a key role in purifying the air – but despite this people are continuing to cut down trees indiscriminately. “Men are cutting trees down for wood to make furniture, or to obtain charcoal or firewood”, said President Guebuza. Worse still, forests were burnt down to make it easier to hunt animals, such as the bush rats regarded as a delicacy in parts of the country.

He blamed deforestation for the irregular rainfall of recent years, and urged Mozambicans to reverse this trend. The initiative he had launched for each schoolchild to plant at least one tree every year, was a step forward in reforestation and a way of looking towards the future.

This was the first time that any Mozambican President had visited Zambue, one of the most remote parts of the country. People attending the rally urged the government to tar the 160 kilometre long road between Zambue and the Zumbo district capital. They also urged the government to ensure storage facilities for maize in Zambue so that the farmers’ production does not all go over the border into Zambia

Other speakers at the rally called for the establishment of a health centre at Compo, on the border, to end the “humiliations” they suffer when they seek health care inside Zambia. They said that many Zambue children are dying for lack of health care.

Other requests included improving the water supply and electricity network, and providing a pre-university secondary school in the district, so that children do not have to travel all the way to Tete city to study 11th and 12 grades.

Guebuza promised no instant solutions to the problems raised. Instead he thanked his audience for helping identify

them, but said they would only be solved gradually, as Mozambicans advance in the fight against poverty.

### President Guebuza visits jatropha processing factory

President Armando Guebuza on 5 June visited a small jatropha processing plant in Bilibiza, in Quissanga district, in the northern province of Cabo Delgado.

The oil from the seeds of the jatropha shrub can be transformed into high quality bio-diesel, and certain vehicle manufacturers, such as Daimler-Chrysler, have been experimenting with biodiesel from jatropha as an alternative to fossil fuels. Jatropha also has the great advantage that it does not necessarily compete with food crops, since it can be grown on marginal land.

The Bilibiza plant cost about 900,000 meticais (\$30,000), made available by the FACT (Fuel from Agriculture in Communal Technology) Foundation. It employs seven workers, and supplies local communities with jatropha oil that is used as a substitute for kerosene in illumination. It is also used to make soap, and to drive away elephants that invade the fields of Bilibiza farmers (the fields are fenced with jatropha, which keeps the animals away).

The programme coordinator, Bachir Afonso, explained that jatropha production began in 2007, with the creation of farmers’ clubs in the Cabo Delgado districts of Macomia, Quissanga, Ancuabe, Pemba-Metuge, and Meluco, in response to a call by President Guebuza to mobilise communities to produce jatropha.

Afonso said that each Club has a food production block covering between 100 and 150 hectares, fenced with jatropha. More than 600,000 jatropha saplings have been distributed to 1,800 peasant farmers.

He added that the project also trains communities in handling conflicts with wildlife, in business management, and in dealing with bush fires. 24 dikes have been built to drain water, and community leaders have been trained in adapting engines so that they can run on jatropha oil.

## **\$50 million needed to conclude Beira sanitation works**

The Mozambican government needs a further \$50 million to complete the new sanitation system for the city of Beira.

On 16 June the 60 per cent of the system so far concluded was handed over to the Beira Autonomous Sanitation Services, which will be responsible for operating the system.

61 kilometres of sewage pipes have been built or renovated, plus 11 pumping stations, four elevation stations and six outlets to the sea. But a further 50 kilometres of piping remains to be completed.

The cost of the first phase of the sanitation project was €62.65 million (about \$88.3 million), of which €59.95 million came from the European Union's European Development Fund (EDF).

The EU is also interested in financing the second phase, but first wants to discuss the matter with other possible partners, such as the World Bank. EU representative Alexandre Serres said "there has not yet been a final decision, because there are other donors interested".

Improved sanitation in Beira, he said, would contribute to reducing the spread of water-borne diseases, and the risks of flooding during the rainy season.

National Director of Water Jaime Matsinhe, who represented the government at the ceremony, said that, although the work done so far was a victory for Beira, more effort had to be undertaken and funds mobilized to rehabilitate the remaining 50 kilometres of piping.

The mayor of Beira, Daviz Simango, called on Beira residents to collaborate in maintaining the new system. "This work cost a lot of money and sacrifice", he said. "This work will save lives, because it will reduce the spread of disease. Let's ensure we conserve this undertaking".

## **Water supply increases in rural Zambezia**

More than a thousand new sources of drinking water, including standpipes and wells, are under construction in rural areas in the central province of Zambezia.

Zambezia has more than four million inhabitants, but just over one and a half million people in the province have access to clean drinking water.

The Maputo daily "Noticias" reported on 17 June that the provision of clean drinking water is being advanced by the provincial government under its Economic and Social Plan and within the National Programme for Rural Water Supply and Sanitation (PRONASAR).

According to the governor of Zambezia, Francisco Itai Meque, constructing new water sources is being pushed to improve the levels of coverage, particularly in the rural areas.

A major problem standing in the way of increasing the coverage rate is that the Zambezia provincial government does not have the financial resources to fund rehabilitation work on the small water supply systems in several of the district capitals. These small systems have been broken for over thirty years or are obsolete, and it is not likely that in the short term these will be rehabilitated with public funds.

According to "Noticias", cooperation partners are not interested in financing the rehabilitation of these systems in small towns because they are allegedly more interested in working in the rural interior.

The non-functioning systems affect thousands of people living in the district capitals of Alto Molocue, Gile, Maganja da Costa, Pebane, Namacurra, Morrumbala, Mopeia, Ile, Milange and Namarroi. In total Zambezia has sixteen districts.

## **Government abandons plans for food basket**

The Mozambican government is stepping back from its plans to switch from generalised food subsidies to subsidies that only target the urban poor.

In late March, the Minister of Planning and Development, Aiuba Cuereneia, announced that the government intended to abolish the subsidy on wheat flour (and hence on bread) and on imported third grade rice. The wheat subsidy has allowed all urban Mozambicans to eat bread at cheap prices.

Cuereneia said that the general food subsidies would be replaced with a basic food basket aimed at the poorest strata in Mozambican cities. This basket (consisting of such goods as grains, bread, vegetable oil, beans and second grade fish) would be sold at subsidised prices to anyone with an income equal to or lower than 2,500 meticaís (about \$85) a month.

He said the government envisaged 1.8 million people living in Maputo and the ten provincial capitals being eligible for the food basket. The major task was to register all these people, licence the shops where they will obtain the food basket, and put in place a system for subsidizing these shops.

The food basket system was supposed to come into operation this month – but there is no sign of it, and on 15 June, speaking in the northern city of Nampula, Prime Minister Aires Ali, cited in the daily newspaper "O Pais", said that the country is stable and does not need the food basket.

"If the price of fuel takes off tomorrow, then we shall take other measures", said Ali. "We never said that the introduction of the basic food basic was certain".

In May, the government brought an amended budget for 2011 to the country's parliament, the Assembly of the Republic, which contained 335.6 million meticaís to cover the food basket subsidy.

## **Mozambique and EU sign fisheries agreement**

Mozambique and the European Union on 14 June signed a three year extension to the current fisheries partnership agreement that is due to expire at the end of this year.

Under the agreement 75 European boats will be allowed to fish off the coast of Mozambique. The main fish sought by the boats is tuna.

The agreement sets a quota for catches by boats from the European Union, which will drop to 8,000 tonnes (down from 10,000 tonnes). This is due to the fall in the number of boats fishing the waters because of the increased risk of piracy.

The European Union pays the Mozambican government for the right to fish in its territorial waters. Because of the drop in quota, the amount paid will fall under this agreement from €650,000 (\$917,000) a year to €520,000 per year.

However, the European Union points out that this drop will be more than offset by increased financial support for the fisheries sector. Over the new period support for the sector will rise from €250,000 to €460,000 per year.

According to the European Union, this will take financial contributions for the fisheries sector to €980,000 per year and "demonstrates the good partnership relations between the EU and Mozambique".

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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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## Italy to finance construction of dam

The Italian government is to finance the construction of a hydroelectric dam on the Pungue River at Nhancangale, in the district of Barue, in the central province of Manica.

The construction cost is budgeted at €39 million (about \$55 million). The dam will generate electricity, irrigate fields and increase the capacity to supply water to the cities of Beira and Dondo in Sofala province.

The dam will be 30 metres high and 1,200 metres long. It will have the capacity to hold 190 million cubic metres of water in its reservoir and will provide water for irrigating 3,500 hectares of land in Inhazonia and Mafambisse.

According to the project director, Francisco Massangai, the dam's reservoir will also be used in dry weather to supply water to Beira and Dondo.

Preparations are underway to begin construction, with the setting up of offices, recruitment of personnel and acquisition of materials.

Tenders have already begun to be launched as has the environmental impact assessment, which will determine if the enterprise is viable.

The funding of the project is part of the Italian government's €60 million aid for improved sanitation in Mozambique, which includes drainage work in Maputo city.

## Regional parliament should be established gradually

Mozambique is in favour of transforming the SADC (Southern African Development Community) parliamentary forum into a regional parliament, but warns that this can only be done gradually.

Speaking on 10 June during the 29th Assembly of the SADC Parliamentary Forum, held in the Angolan city of Lubango, the chairperson of the Mozambican parliament, the Assembly of the Republic, Veronica Macamo said "in relation to the institutionalisation of a regional parliament, we are in favour of gradual change, which presupposes phased steps with the establishment of deadlines".

During her speech to the Forum, Macamo stressed the need to consolidate its existing consultative functions and to strengthen its capacity to make recommendations to other SADC organs, as part of preparing the Forum for more complex functions.

According to Macamo, the regional parliament should be independent and autonomous, and will need to cooperate and collaborate with the other SADC bodies and with the Pan-African parliament.

As for the members of the regional parliament, Macamo said that these should be drawn from the national parliaments because this system guarantees the most legitimacy and an effective link with the citizens of the member states.

In relation to quotas for representation, Mozambique wants to maintain, for the sake of unity, the current setup of the Forum, whereby each country provides an equal number of members, irrespective of the size of the national population.

Macamo also tackled the question of the regional parliament's competency and mandate. She said that to begin with, parliament should focus on issues affecting the region as a whole, such as human rights, migration, industrialisation, agriculture, education, and AIDS.

She argued that the regional parliament should pronounce about these matters before each Summit of Heads of State and Government.

## Maputo Special Reserve expanded

The Mozambican government on 14 June approved a decree expanding the borders of the Maputo Special Reserve, in the south of the country, to strengthen the preservation and conservation of forests and fauna in the region.

The new borders, according to government spokesperson, Deputy Justice Minister Alberto Nkutumula, integrate the Futi River into the Special Reserve.

The Maputo Reserve for Elephant Protection was created in 1932, and in 1969 it changed its name to the Maputo Special Reserve to reflect the desire to make it a centre of biological diversity.

Speaking to the press after the Council of Ministers (Cabinet) meeting, Nkutumula explained that conflict between man and wild animals (notably elephants invading peasant fields), along with poaching, had led to the need to extend the reserve.

The extension of the reserve by 24,000 hectares will also create a five kilometre buffer zone along the north and east of the park.

"In this buffer zone economic activities and ecotourism will be allowed for the benefit of local communities" said Nkutumula.

## Economy growing at over 8 per cent

The Mozambican economy grew in the first quarter of 2011 at an annual rate of 8.4 per cent, according to the latest statistics released by the Bank of Mozambique.

This is slightly lower than the growth rate recorded in the same period of 2010, which was 8.7 per cent, but it is easily in line with the government's target, which is for economic growth of 7.4 per cent for the entire year of 2011.

The tertiary sector showed the best performance in the first quarter, with a growth rate of 10.7 per cent. Within the sector, the best performers were transport and communications, financial services, and hotels and restaurants.

The primary sector grew by 8.9 per cent. Within this sector, agriculture, livestock and forestry grew by 9.3 per cent and fisheries by 6.8 per cent.

The secondary sector only grew by 1.3 per cent. Here the best performance was in electricity and water, which grew by four per cent.

Inflation in May, as measured by the Maputo Consumer Price Index, was only 0.46 per cent. This compares with an inflation rate of 1.98 per cent in May 2010. Annual inflation declined from 13.04 per cent in April to 11.36 per cent in May.

The Mozambican currency, the metical, has continued its recovery against all major currencies.

In May the metical appreciated by 3.55 per cent against the US dollar.

This was the ninth consecutive month that the metical gained against the dollar.

The average exchange rate practiced by the commercial banks at the end of April was 30.71 meticaïs to the dollar, and by the end of May it had risen to 29.62 meticaïs to the dollar.

So far this year the metical has appreciated by 9.09 per cent against the dollar, which compares with a depreciation of 26.03 per cent in the first five months of 2010.

## ANE considers terminating road contracts

Twelve companies involved in the rehabilitation and maintenance of roads in Zambezia province could see their contracts cut by the National Road Administration (ANE).

The ANE is taking action due to alleged weak performance, failure to meet deadlines and poor quality work.

The head of the ANE in Zambezia, Andre Chachine, told the daily newspaper "Noticias" that Dalton Constructions has already had its contract to carry out maintenance on the road between Mopeia and Posto Campo terminated.

Chachine said that other companies have been notified that ANE is considering rescinding their contracts. These companies include Concreto, Tumbine Empreendimentos, Conse, Construcoes Rosyli and Padil Construcoes.

He also stated that supervision of roadworks on behalf of the state by the company Consultec had not been effective, resulting in missed deadlines and work of a poor quality.

Currently, there are 40 companies involved in road maintenance and rehabilitation in Zambezia province. This year 4,454 kilometres of roads in the province will be worked on at a cost of 188 million meticaes (about \$6.4 million).

## LAM passes IATA safety audit

Mozambique Airlines (LAM) has obtained "highly satisfactory" results from the latest IATA (International Air Transport Association) Operational Safety Audit (IOSA), according to a LAM press release.

The audit was held from 6-10 June. According the press release, "the assessment held shows clearly that LAM is a company which in its operations complies with the technical and operational requirements established in the civil aviation industry. It is thus a safe company that its clients can trust".

IOSA is the internationally accepted and recognised audit system for civil aviation. 370 air companies, accounting for 93 per cent of world air traffic have IOSA certification.

The audit looks at an airline's business organisation and management system, flight operations, operational control, aircraft engineering and maintenance, cabin operations, ground assistance, cargo operations and operational safety.

This is LAM's third consecutive IOSA certificate. It was first certified in 2008, then again in 2009, and now in 2011.

Despite this result, LAM is still not allowed to operate within the airspace of the European Union. The European Commission paid no attention to the IOSA certification, or to LAM's impressive safety record, when it decided in April to ban all Mozambican air companies from flying to Europe.

In a press statement, the Commission announced that "all air carriers certified in Mozambique have been banned from flying into the EU ... because of significant safety deficiencies requiring decisive action".

But these "safety deficiencies" were at the level, not of the air companies, but of the regulator, the Mozambican Civil Aviation Institute (IACM).

Despite the ban, LAM continues to fly to Europe, because its flights from Maputo to Lisbon are operated under a "wet lease" agreement with EuroAtlantic Airways.

## India willing to assist fight against piracy

India is willing to assist Mozambique in the fight against piracy. This guarantee was given in Maputo on 20 June by the new military attache at the Indian embassy, Prashant Chowdhry. He said the question of piracy in the Indian Ocean is also a matter of concern for the Indian government.

"We share Mozambique's concern about piracy, because piracy is a threat", said Chowdhry, speaking to reporters after he had delivered his letters of accreditation to Defence Minister Filipe Nyussi. "We are willing to make available patrol boats, warships and aircraft for maritime inspection".

"We are open to supporting Mozambique, if the government tells us what are the specific area it would like us to work in", he added.

It was the Indian navy which in March rescued 12 Mozambicans who had been kidnapped by Somali pirates. The pirates seized the Mozambican fishing ship, the "Vega 5", on 27 December, took it into Somali waters, and turned it into a pirate mother ship from which pirate skiffs attacked merchant shipping in the Arabian Sea.

Two Indian warships engaged the "Vega 5" in a gun battle on 12 March, during which a fire broke out on board the Mozambican ship, and pirates and crew members alike jumped overboard. The Indian ships picked up 74 people from the "Vega 5" – 61 pirates and 13 members of the original crew, 12 Mozambicans and one Indonesian. A further seven Mozambicans and two Indonesians are missing.

Manuel Mazuze, assistant national director for defence policy in the Defence Ministry, said that Mozambique and India can cooperate in protecting shipping in the Indian Ocean, and in military training.

Chowdhry is the first military attache that the Indian authorities have posted to Mozambique. Mazuze said his appointment was a sign of the high level of cooperation in the defence area between India and Mozambique.

He was one of four attaches accredited by Nyussi – the others are from South Africa, Botswana and Brazil.

## Mixed fuels compulsory by 2012

As from 2012 Mozambican fuel suppliers must mix biofuels with the diesel and petrol that they sell to motorists.

The initial regulations for the mixed fuels, approved by the Council of Ministers (Cabinet), sets targets for a mixture of 10 per cent ethanol and 90 per cent petrol, and three per cent biodiesel with 97 per cent conventional diesel.

According to Energy Minister Salvador Namburete, these figures were established by taking into account Mozambique's installed capacity for producing biofuels.

The targets may look modest – but the government expects this measure to knock \$22 million off the annual fuel import bill. Currently imported fossil fuels are costing the country around \$500 million a year.

The mixed fuels will also be beneficial for the environment since they have lower emissions than unmixed petrol or diesel. It is also claimed that they will be better for vehicle engines, and will lengthen their lives.

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