

# Mozambique News Agency

## AIM Reports

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## Dhlakama wants constitution amended by end of February

Afonso Dhlakama, the leader of the opposition party Renamo, has issued a deadline of February next year for the constitutional amendment and ancillary legislation necessary for the election of provincial governors to be passed by the country's parliament, the Assembly of the Republic.

Interviewed by television station STV, Dhlakama said that in his meeting with President Filipe Nyusi on 6 August, the two had agreed that the proposals on decentralisation should enter the Assembly this year, and be approved, if not this year, then by February at the latest.

This would allow President Nyusi to announce the date for the 2019 general elections, including the election of provincial governors, within the legal timetable (at least 18 months in advance).

The Constitution currently stipulates that the President appoints the provincial governors. When the Assembly approved the Constitution, in 2004, Renamo voted in favour.

It has now changed its mind, and wants the governors to be elected, which will require a constitutional amendment.

Dhlakama told STV "what is most important is that the documents enter the Assembly this year, so that by the end of February we have the Constitution amended and a law on the election of provincial governors approved".

One method of electing the governors would be to allow the provincial assemblies to elect them. Thus, the voters would elect the provincial assembly, and the assembly would choose one of their members to become governor. This method is favoured by the second opposition party, the Mozambique Democratic Movement (MDM).

However, Dhlakama explained, "I think a governor should not be elected through a provincial assembly, in the same way that the President of the Republic is not elected by the Assembly of the Republic, but by direct popular vote".

He stated, however, that this is up for negotiation. One serious practical difficulty is that general elections already involve three ballot papers (for the President, parliament, and the provincial assembly). Dhlakama is proposing a fourth ballot paper, for the provincial governor, which would add to the burden of the polling station staff.

Two working groups set up between the government and Renamo have been working on the decentralisation documents and on military matters for many months. They have kept their proceedings away from the media, but there is no indication that they have yet reached consensus.

The next parliamentary sitting begins on 23 October and will end in mid-December. This is a very short time for dealing with complex matters.

During the interview, Dhlakama also demanded that senior positions in the armed forces and the police be given to members of his militia. According to Dhlakama, "this is a practical matter of numbers – how many commandos,

generals, second lieutenants, lieutenants, brigadiers and colonels will have to be included, balanced with those who came from the government's side".

"We don't want two armies", he said. "Dhlakama never wanted to keep a second army, as if he were in another independent country. Gorongosa (the central district where Dhlakama's military base is located) is not independent – it's part of the Mozambican state".

Any Renamo fighter who wanted to join the army could have done so in 1994, when the FADM was formed. The peace agreement signed in Rome on 4 October 1992 by Dhlakama and the then President, Joaquim Chissano, envisaged a FADM consisting of 30,000 men, half from the existing government army, the FAM/FPLM, and half from Renamo. But they all had to be volunteers, and few fighters on either side wished to remain in the military.

When 30,000 volunteers could not be found, attempts were made to pressgang people into the FADM – this merely led to violence, as both armies disintegrated in a wave of mutinies that spread across the assembly areas where both government and Renamo troops were waiting for demobilisation.

As a result both sides had to accept that the FADM would be formed out of whoever volunteered. The FADM thus came into existence in mid-1994 consisting of less than 12,000 troops – about two-thirds from the FAM/FPLM and one-third from Renamo. All other fighters should have been demobilised, receiving 18 months demobilisation pay. In violation of the agreement, Dhlakama kept back a few hundred men (the exact figure has never been revealed) on the grounds that these were his bodyguards. This was the origin of the current Renamo militia.

Asked when he intends to leave the Gorongosa bush, Dhlakama said that would depend on his security. "I would like to leave today, if everything was in place and guaranteed. I would like to be with my family, and with the children, on the beach in Maputo. But I can't. I would like the government at least to guarantee that nobody will again send the Mozambican army to shoot against Dhlakama".

So one of the conditions for his departure from Gorongosa was "the inclusion of our commandos in senior positions in the FADM, so that in future people from Frelimo in the FADM cannot plan secret operations without those from Renamo being aware of them".

He expected that this could all be solved after the Frelimo Congress in late September. "I think a lot of things will go much faster after the Congress", Dhlakama said.

## LNG glut smaller than predicted

Research by the news organisation Bloomberg has found that oversupply of liquefied natural gas (LNG) on the world market will be a third less than predicted.

Bloomberg found that demand is growing at the fastest pace since 2011, which has shrunk the predicted oversupply of LNG. Indeed, according to Bloomberg, “the market is now expected to tip into deficit by 2025, if no new export projects are developed”.

This leads it to state “the global energy giants that have delayed investment in new LNG projects may need to soon embark on a new slate of multibillion-dollar plants, even as they finish constructing the current wave of developments”.

Although Bloomberg does not mention Mozambique in particular, it is clear that its analysis is highly relevant to the country’s nascent LNG sector. In the Rovuma Basin, off the coast of the northern province of Cabo Delgado, two LNG megaprojects are awaiting the go-ahead from the operators of Area Four (the Italian hydrocarbon company ENI) and Area One (Houston based Anadarko).

ENI has already made its Final Investment Decision for a Floating LNG unit that will be installed in Area Four. This will produce 3.4 million tonnes of LNG per year. Yet this is relatively small compared with the plans for the onshore LNG facilities that will eventually be opened on the Afungi Peninsula in Palma district.

There have been long delays in launching these megaprojects, mainly due to the low price of LNG caused by the glut in supply as new projects have come on line. Initial hopes were that LNG would begin to be exported from Mozambique in 2019. It is now expected that ENI will begin operations in 2022.

Anadarko has not yet made its Final Investment Decision on its LNG project, which will produce 12 million tonnes of LNG per year. In April, one of its partners, Mitsui, announced that it expects to make the Final Investment Decision in mid-2018.

ENI is also planning its own onshore LNG facility as well as a joint project to monetise the gas from a field that straddles Areas One and Four.

These projects would make Mozambique the world’s third largest exporter of LNG, after Qatar and Australia.

## INGC urges farmers to use drought-resistant crops

The relief agency, the National Disasters Management Institute (INGC), has launched an initiative in the central province of Manica, to raise awareness of the need to grow drought-resistant crops.

So far, at least 1,500 people have benefitted from this campaign, which also seeks to improve methods of conserving food in areas prone to drought. Manica is one of the provinces that was severely hit in 2016 by the drought linked to the El Nino weather phenomenon.

The INGC hopes to pass on knowledge of how to produce crops in arid zones, and how to make the best use of low lying areas that conserve humidity.

In Manica, eight communities in the districts of Machaze, Tambara and Guro have been covered by this programme.

In addition to Manica, this INGC programme is also being implemented in the neighbouring provinces of Tete and Sofala, and in the three southern provinces of Inhambane, Gaza and Maputo, covering communities who have been severely affected by drought.

## Mozambique and Malawi to boost Nacala Corridor

The Mozambican and Malawian governments on 15 September signed an addendum to the Agreement on the Nacala Development Corridor, which will pave the way for a further investment of US\$2.5 billion.

The corridor runs from Nacala Bay, on the northern Mozambican coast, to the Malawian border, and then through southern Malawi to reach the Moatize coal basin in the western Mozambican province of Tete. Nacala Bay, regarded as the best deep water harbour in East Africa, now contains two ports – the long established Nacala commercial port, and the recently constructed mineral port at Nacala-a-Velha.

Addressing the signing ceremony, Foreign Minister Oldemiro Baloi said the addendum brings the agreement between Mozambique and Malawi, signed in September 2000, into line with “the current challenges in the transport and logistics sectors, emerging from the recent growth in the economies of both countries”.

He believed that the addendum would make viable the funding of \$2.5 billion “to expand the geographical coverage and to modernise the Nacala Development Corridor”.

Partners in this, Baloi added, are Japan, Brazil and the Brazilian mining giant Vale (which financed the railway from Moatize, across Malawi, to Nacala).

Transport Minister Carlos Mesquita said that the central objectives of the addendum “are the regulation and coordination of cross-border aspects. The railway crosses Malawi, and so practical matters of a legal nature, concerning customs, for example, must be taken into account”.

As for the economics of the corridor, Mesquita believed it should not be limited to coal exports (which he estimated at nine million tonnes this year). The line should carry traffic in both directions, he said, including Malawian trade.

## Plan to reduce literacy to 41 per cent

The National Directorate of Literacy and Adult Education is determined to reduce the illiteracy rate to 41 per cent by 2019. Speaking to AIM on 8 September, which is International Literacy Day, the National Director of Literacy, Laurindo Nhacune, recalled that at independence, in 1975, the Mozambican illiteracy rate was estimated at 93 per cent. But the mass expansion of education after independence, and the literacy campaigns, have driven the illiteracy rate down to 44.9 per cent of adults.

“This growth shows the evolution of the literacy services since independence, and now our perspective is to reduce the illiteracy rate to 41 per cent, by the end of this government’s term of office”, said Nhacune.

He said that currently there are 571,000 people attending the literacy centres across the country, who are being taught to read and write by 15,000 volunteers.

The province with the highest illiteracy rate, Nhacune said, remains Cabo Delgado in the far north where 60.7 per cent of the population cannot read or write. The lowest rate is 9.5 per cent, in Maputo City.

According to the United Nations Educational, Scientific and Cultural Organisation (UNESCO), there are 750 million adults in the world who lack even the most basic literacy skills.

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This is a condensed version of the AIM daily news service – for details contact pfauvet@live.com

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## Unanimous support for President Nyusi

The Political Commission of the ruling Frelimo Party on 13 September decided, unanimously and by acclamation, to propose Filipe Nyusi for a second term as President of the party. The vote will be held at the Frelimo 11th Congress, due to start on 26 September in the southern city of Matola.

The Political Commission justified its decision on the grounds that Frelimo “must remain a strong, dynamic party, which promotes national unity, peace, dialogue and structural and institutional changes”. This concern “imposes continuity in the leadership of society and of the Mozambican state”.

The resolution from the Commission praised President Nyusi for his role in the “positive results” that can be seen in Mozambique’s economic recovery and in the search for effective peace.

The Commission also lauded President Nyusi’s visits around the country which were promoting “the spirit of self-esteem and of work, seeking to increase production and productivity, which is indispensable for overcoming poverty”.

The Political Commission said it was “proud to have Comrade Filipe Nyusi as helmsman of this historic, experienced, vanguard and popular party”, and so would present President Nyusi to the Congress as its candidate to lead the party for the next five years.

This does not necessarily mean that he will be unopposed. Other delegates to the Congress could propose alternative candidates, but with the entire top Frelimo leadership backing President Nyusi that seems rather unlikely.

President Nyusi’s rise to prominence has been meteoric. He was not elected to the Frelimo Central Committee until 2012. Two years later he was the Frelimo candidate for the 2014 presidential election, even though his only previous government experience was as defence minister, from 2008.

President Nyusi’s re-election as President of Frelimo will make it almost inevitable that he will be the Frelimo candidate in the Presidential election of 2019. That decision, however, will be taken not by the Congress, but a Central Committee meeting nearer the date of the election.

## Mozambique and US launch HIV plan

The Mozambican and United States governments on 13 September signed a memorandum of understanding in the central city of Quelimane which launched the “Plan to Accelerate the Response to HIV in Zambezia Province”.

Signing the document were Health Minister Nazira Abdula, US ambassador Dean Pittman, and the governor of Zambezia, Abdul Razak.

The plan envisages an investment of US\$15 million in strengthening health facilities in Zambezia. This includes three new warehouses for medicines and medical equipment, and about 90 pre-fabricated buildings that will house pharmacies, laboratories and consultation rooms.

Zambezia has been singled out for special attention because it is the province which, in absolute terms, has the largest number of HIV-positive people, but the lowest coverage of people receiving the life-prolonging anti-retroviral treatment (ARVT).

Health ministry data indicate that, out of every ten people living with HIV in the province, only four are receiving ARVT. The target under the new plan is to raise this figure to at least seven within the next two years.

The money comes from the annual joint plan between Mozambique and the United States against HIV/AIDS which has a budget of about \$400 million for 2018.

Pittman also visited the laboratory of the Quelimane General Hospital, where he delivered equipment to monitor HIV viral load.

The Quelimane hospital is one of ten laboratories supported by the US government for testing HIV-positive people for their viral load. The other laboratories are in Nampula, Sofala, Gaza and Maputo provinces and Maputo City.

The viral load test measures the amount of virus in the body of an HIV-positive person. It is a method recommended by the World Health Organisation (WHO) for monitoring patients on ARVT, since it can determine precisely how effective the treatment is in lowering the concentration of the virus.

If the viral load falls to low or undetectable levels, it means not only that the health of the infected person has improved, but that he or she is less likely to be able to transmit the virus to others.

“Monitoring the viral load is essential for us to achieve control of the HIV epidemic across the globe”, said Pittman. “That’s why the US government has been supporting the countries affected by the epidemic, such as Mozambique, to expand their logistical and technical capacity to carry out these tests”.

Currently, Mozambique has the capacity to hold 367,000 viral load tests a year. With expected investments of \$15 million to acquire equipment and reagents, it is expected, within a year, to raise this capacity to 800,000 tests a year.

## AgDevCo to invest \$1.5 million in banana plantation

The British social investment company AgDevCo is to invest US\$1.5 million in the plantation Citrinos do Umbeluzi (Citrum), in the district of Boane in Maputo province.

AgDevCo is teaming up with Nika, a group of Mozambican investors, to rehabilitate the plantation and increase its hectareage and yields. The bananas will be sold on the local market and exported to neighbouring South Africa.

Currently, Citrum produces various citrus fruits. But once the rehabilitation is complete the main focus of the farm will be on banana production. It is expected that 140 workers will be employed in the plantation. According to a press release from AgDevCo, Citrum is “committed to promoting real gender equality at work with key positions being occupied by women, including that of general manager”.

AgDevCo will finance capital expenditure such as irrigation, and operational costs related to the development plan.

According to Citrum’s general manager, Carmen Ramos, “I am very proud of working with this strong and experienced group of investors and with Citrum which has a long history in Mozambique. The farms have a good potential for agriculture and its fruits enjoy good market access and customer success in Maputo”.

AgDevCo’s representative, Rui Santana Afonso, commented that he was confident that Citrum “will become a flagship project and encourage more local investors into the commercial agriculture sector”.

The British government provides funding to AgDevCo for investment in agricultural companies and new agribusiness ventures in Africa. So far, AgDevCo has invested just under \$100 million in 49 investments across the continent.

The company was set up in 2009, and its first loans were to six start-up agricultural businesses in the Beira Agricultural Growth Corridor. In total, it has committed investments of \$23 million in 17 projects in Mozambique.

## Quarrying in Umbeluzi Valley banned

The Minister of Mineral Resources and Energy, Leticia Klemens, has banned all quarrying and sandpit operations along the Umbeluzi valley, in Maputo province.

Klemens visited sandpits and quarries along the river banks on 8 and 9 September and was angered by what she found. One quarry operator, in Namaacha district, had even diverted the river from its normal course.

Klemens warned that, from now on, inspectors will guarantee that operators do not damage the environment. "The inspection will be very tough", she said. "There was a time when we went soft in order to give an opportunity to Mozambican businesses. But that phase is now over. Now Mozambicans must prove that they are good business people and that they have the potential to operate in this area".

The increase in civil construction projects in Maputo has led to a growing demand for sand and stone for building purposes. To fulfil this demand quarry and sandpit operators have been putting great pressure on the environment in the Umbeluzi Valley.

Klemens gave her warning at a meeting with mining associations and operators after her tour of the area. She urged business to think not merely of their own interests but of those of future generations.

She said those who affected by the ban would be given new areas for the operations, where they would not affect river beds or banks.

During the meeting operators complained they had suffered extortion from some officials. Klemens urged them to denounce any attempts at corruption so that the offenders can be identified and held responsible for their acts.

They also complained that the "surface tax" all extractive companies should pay is "very high". Klemens said the government is reviewing this tax, and will soon announce its decision.

## Domestic air routes opened to competition

For the first time ever, foreign airlines have been authorised to operate domestic routes within Mozambique.

The routes were put out to tender earlier this year and, announcing the results at a Maputo press conference on 5 September, the chairperson of the Mozambique Civil Aviation Institute (IACM), Joao Abreu, said that Ethiopian Airlines and Malawi Airlines successfully applied for authorisation to fly the domestic routes.

Five Mozambican companies have also been authorised – namely Mozambique Airlines (LAM), its subsidiary Mocambique Expresso (MEX), the air transport division of Mozambique Railways, CFM Transportes Aereo, the long-established light aircraft company TTA, and Solenta Aviation Mozambique. Solenta is the Mozambican subsidiary of a South African company which, up until now, has specialised in charter flights.

Ethiopian Airlines, LAM and MEX have applied for all the domestic routes, while other companies are only interested in some of them. Since Ethiopian Airlines is widely regarded as the most professional of the African airlines, the tender means that LAM will now face serious competition.

The seven companies whose bids were successful now have 180 days to put the routes into operation. Ethiopian Airlines and Malawi Airlines must first register as Mozambican companies, and obtain the requisite licence in accordance with Mozambican legislation.

Abreu said that the priority must be the needs of the passengers. "We have to look at the market in an overall fashion. What we want is for the users to have more choice".

As for international routes, the successful bids only came from Mozambican companies – LAM, MEX, TTA and CFM. Malawi Airlines also put in a bid but was not selected.

Abreu said there was a disappointing response to the tender for regional and international routes, and so, within 60 days, a second tender will be launched for routes from Mozambique to Tanzania, Brazil, Singapore, Turkey, Ethiopia, Malawi, Kenya, Mauritius, Vietnam and Qatar.

Some of these routes are, in fact, already operated – Maputo-Dar es Salaam by LAM, Maputo-Istanbul by Turkish airlines, Maputo-Addis Ababa by Ethiopian; Maputo-Nairobi by Kenyan Airlines, and Maputo-Doha by Qatar Airways. There has never been any regular flights between Mozambique and Brazil, Singapore or Vietnam.

## Unsold pigeon peas at risk of rotting

Over 300 tonnes of pigeon peas harvested this year in the districts of Ancuabe, Montepuez, Chiure and Balama, in the northern province of Cabo Delgado, are at risk of rotting in the hands of peasant farmers for lack of a market.

The farmers had been assured of a guaranteed export market for pigeon peas. The crop would all be exported to India under a bilateral deal between the Mozambican and Indian governments. But India has unexpectedly reneged on the deal.

In August, the Indian authorities imposed quotas on pigeon pea imports, moving this crop from the "free" to the "restricted" category of imports. The new rules state that only 200,000 tonnes of pigeon peas can be imported in any one fiscal year. In the 2016/2017 fiscal year, which ended on 31 March, India imported 703,540 tonnes of pigeon peas, from many countries.

These imports came on top of a bumper pigeon pea crop in India, and were blamed for depressing the prices paid to Indian producers.

However, the government said the restrictions would not apply in cases where India has bilateral agreements on pigeon peas and the first secretary at the Indian Embassy, Hansaj Singh Verma, told reporters that the measure would not, in the initial phase, affect Mozambique.

Exports of pigeon peas (known in India as dal) fall under a memorandum of understanding signed in 2016 during the visit to Mozambique of Indian Prime Minister Narendra Modi. This memorandum is valid for five years and Verma said it will be fully honoured.

But the experience of farmers in Cabo Delgado suggests this is not the case. They blame the Indian ban for the collapse in the producer price of pigeon peas. Before the ban, the price paid to farmers was 60 meticaís (about one US dollar), a kilo, but the price has now fallen to 15 or even 10 meticaís a kilo.

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