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Parliament approves constitutional amendments

The Mozambican parliament, the Assembly of the Republic, on 24 May passed the second and final reading of a bill to amend the Constitution, allowing the election of provincial governors and district administrators, as well as mayors of cities and towns.

All contentious issues had been dealt with in long discussions between the leadership of the three parliamentary groups (Frelimo, Renamo and the Mozambique Democratic Movement, MDM).

Edson Macuacua, chairperson of the Assembly working commission on legal and constitutional matters presented the final version of the amendments, and the 223 deputies present in the chamber approved them unanimously.

Up until now, the President of the Republic has appointed and dismissed provincial governors, and the Minister of State Administration has appointed all district administrators. But, as from 2019 for governors, and from 2024 for administrators, these posts will be elected.

Provincial assemblies already exist, but their powers are very limited. As from 2019, however, whoever heads the winning list in the election of a provincial assembly will become the governor. Thus, the voters will know that they are electing both the assembly and the governor on the same ballot paper.

The provincial government is renamed the Provincial Executive Council, chaired by the Governor, and will be responsible for implementing the programme of governance approved by the provincial assembly.

The same structure is replicated in the 154 districts. For the first time, there will be elected district assemblies in 2024, and whoever heads the list that takes a majority of votes will become the district administrator and will head the District Executive Council.

The issue that almost derailed the constitutional amendments was: who will appoint district administrators between 2019 and 2024. Frelimo argued that the current system, whereby the Minister of State Administration appoints district administrators, should remain in force until 2024. But Renamo insisted that the provincial governors who will be elected next year should have the power to appoint the administrators.

A compromise was reached whereby, up until 2024, the district administrators will be appointed by the Minister of State Administration, but after “consultations” with the provincial governor. The nature of these “consultations” has been postponed to future legislation.

The amendments also eliminate the direct election of mayors in municipalities. Instead, the procedure will be analogous to the provincial and district elections. Citizens will elect the municipal assembly and whoever is head of the winning slate becomes mayor.

Once in office, the governors, administrators and mayors cannot be removed by their political parties – only the relevant assembly - provincial, district or municipal - can sack them. The grounds on which they can be sacked are not stipulated in the constitution, but are another issue postponed to future legislation.

The decentralised municipal, provincial and district bodies will enjoy administrative and financial autonomy, but they must respect “the unitary state, national unity, the sovereignty and indivisibility of the state, and be guided by the principles of the prevalence of the national interest, subsidiarity and gradualism”.

The central state will retain full authority in matters of defence and security, public order, foreign policy, the issuing of currency, and creating and altering taxes. The state will also have exclusive responsibility over energy, minerals and other natural resources. To exercise these functions the central state will have its representatives in the provinces, districts and municipalities. The most powerful of these will be the Provincial Secretary of State, who will be appointed by the President of the Republic.

The amendments contain the bare bones of a decentralised structure. All the details will come in a series of laws to be passed at an extraordinary sitting of the Assembly. No date has yet been fixed for this sitting, but it will probably be in July.

The most urgent matter is to alter the law governing municipal elections, so that the local elections scheduled for 10 October this year can be held in the new constitutional framework. Two ballot papers (for the assembly and for the mayor) must be merged into one.

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

Frelimo insists peace must involve disarming Renamo

The head of the parliamentary group of Mozambique's ruling party Frelimo, Margarida Talapa, stressed on 25 May that definitive peace must involve the demilitarisation and disarmament of the opposition party Renamo and "the economic and social reintegration" of members of its militia.

The negotiations between the government and Renamo since December 2016 have concerned decentralisation, and the demobilisation of what are politely referred to as Renamo's "residual forces".

But while Renamo has succeeded in its demand to change the constitution so that in future provincial governors and district administrators will be elected, it has yet to make concessions on military issues.

Speaking at the formal close of a sitting of parliament, the Assembly of the Republic, Talapa said demilitarisation of Renamo is necessary so that Mozambicans "can, without fear, and in a climate of peace and tranquillity, continue to produce wealth; so that children can continue to attend school; so that investments can be attracted and can generate more jobs".

Much of the negotiation had been handled personally by President Filipe Nyusi and by Renamo leader Afonso Dhlakama, who died on 3 May. Talapa said she hoped that the new Renamo leadership "will rise to the commitment and efforts of President Nyusi, seeking a speedy conclusion of the dialogue around military issues".

She urged Renamo leaders "to adopt a serene patriotism and to place the national interests above any others so that Mozambicans may soon enjoy definitive peace".

The speech by Talapa's opposite number in Renamo took a different tone. Ivone Soares made no mention of disarming the Renamo militia, and stressed the need to include the militia members in the Mozambican defence and security forces.

Renamo figures already hold high rank in the Mozambican Armed Forces (FADM) - ever since it was set up in 1994, the second most important figure in the military hierarchy, the Deputy Chief of Staff, has been from Renamo.

Soares was optimistic that constitutional amendments on decentralisation would improve the political situation. "Everything is possible with the decentralisation of the public administration", she claimed.

Lutero Simango, head of the parliamentary group of the second opposition party, the Mozambique Democratic Movement (MDM), criticised the dialogue between President Nyusi and Afonso Dhlakama, because it had excluded other forces. "A promising future and social stability lie in a multiparty system and not a two-party system", he said. He warned that the imposition of a two-party system "will lead our State into dictatorship and to a silence of complicity that will destroy the pillars of the rule of law". Amending the Constitution was not enough to ensure effective peace "without solving the causes of post-electoral conflicts".

The National Elections Commission (CNE), Simango said, should become "independent and professional, with administrative and financial autonomy", while its executive body, the Electoral Administration Technical Secretariat (STAE) "must cease to be controlled by the central government".

This is very different from the position taken by the MDM the last time the electoral laws were revised, in February 2014. Then the MDM, Renamo and Frelimo all voted for completely politicised electoral bodies, dominated by appointees of the political parties.

Ten villagers decapitated by Islamic fundamentalists

The Mozambican police have confirmed that unidentified criminals, believed to be Islamic fundamentalists, decapitated ten people on 27 May during attacks against two villages in Palma district, in the northern province of Cabo Delgado.

According to the spokesperson for the General Command of the police, Inacio Dina, the attackers used machetes to behead their victims, two of whom were teenage boys aged 15 and 16. The bodies of the teenagers and three other victims were found in the 25th June village, while five others were murdered in Monjane village. Both villages are in the Olumbi administrative post.

Dina stated that the attackers now operate in small groups because the insurgents have been "fragmented" by the operations of the defence and security forces. "This is a group that has been greatly weakened", Dina claimed. "What we are witnessing is the total despair of this group, which is trying to grab some prominence by committing crimes such as this heinous case".

"Actions for the complete stabilisation of the two villages and of the entire area are underway", he continued. "We are relying on the collaboration of these communities to describe this group and its characteristics. We believe we shall detain them and hold them responsible for their acts".

This is the first time beheadings by Islamists have been reported in Mozambique. Local people call the group "Al-Shabaab". This does not mean they are necessarily linked with the Somali terrorist group of that name, since it is an Arabic term which just means "the youth".

CDN surpasses target for goods transport

About 100,000 tonnes of cargo were transported in the first quarter of this year by the Northern Development Corridor (CDN), which operates the port of Nacala, and the railway which runs from Nacala across Nampula and Niassa provinces to the Malawian border.

This figure is around 25 per cent more than CDM's target for goods transport in the January to March period, which was only 79,955 tonnes.

According to CDM, the increase is due to the quality of services provided by CDN, the good condition of the line, and the increase in the transport of goods along the branch line that runs to Lichinga, capital of Niassa province.

Landlocked members of the Southern African Development Community (SADC), such as Malawi and Zambia, use the Nacala Corridor as a route to the sea. In addition, businesses in Niassa have taken to using the railway to take goods from Nacala to Lichinga, following a substantial reduction in the rates charged by CDN. The cost to take a tonne of goods by rail from Nacala to Lichinga fell in February from 2,900 to 2,150 meticais (from US\$48 to US\$39), a fall of 26 per cent.

According to Dário Viegas, the official in charge of CDN's commercial area, "during the first quarter, we moved large amounts of clinker and fertilizer to Zambia and we also registered a major flow of cargo to Lichinga. So these factors contributed to surpassing our targets".

In the second quarter of the current year, the company seeks to make the necessary improvements to meet demand.

As for CDN's passenger services, the release said CDN trains carried 119,470 people from January to March, compared with 84,544 in the same period of 2017, an increase of almost 40 per cent.

Over US\$77 billion in taxes expected from LNG

The Mozambican government expects to gain about US\$77.5 billion in taxes over the lifespan of the two liquefied natural gas (LNG) projects planned so far for the Rovuma Basin, off the coast of the northern province of Cabo Delgado.

Speaking in a two-day question and answer session in the Assembly of the Republic, the Minister of Mineral Resources and Energy, Max Tonela, said the first project to come on-stream would be the floating LNG facility planned by the consortium headed by the Italian energy company ENI in the deep waters of Area Four of the Rovuma Basin.

ENI and its partners took the Final Investment Decision on this project in June 2017, and the first steel parts for the floating LNG unit were manufactured in Singapore in March this year. The unit should be completed by the end of 2021, Tonela said, and arrive in Mozambican waters at the end of the first quarter of 2022, where it will be stationed above the Coral South gas field.

He expected the production of natural gas in Area Four to begin in the final quarter of 2022. The floating unit will have the capacity to produce 3.4 million tonnes of LNG a year.

Total investment, Tonela told the Assembly, is estimated at eight billion dollars. The various taxes that the ENI-led consortium should pay will generate revenue of US\$24.5 billion for the Mozambican state over the lifespan of the project.

The second LNG project, developed by the US company Anadarko and its partners in Area One of the Rovuma Basin, is much larger. Anadarko's Development Plan, approved by the government in February this year, envisages the construction of two LNG factories (known as "trains") onshore, in the Afungi Peninsula, in Palma district. Each train will have a nominal production capacity of six million tonnes of LNG a year.

Tonela said that the Anadarko consortium has finalised long-term contracts for the sale and purchase of five million tonnes of LNG a year. When the figure of guaranteed sales reaches nine million tonnes a year, the consortium will take its Final Investment Decision, expected in the first quarter of 2019. A start will be made on building the LNG trains in late 2020. Anadarko and its partners are planning to invest around US\$30 billion. Tonela said the onshore LNG plants will generate around US\$53 billion in revenue for the Mozambican state.

The Minister added that the two LNG projects will create about 5,000 jobs in the construction phase, and about 1,000 jobs in the operational phase. He believed that 18 per cent of the goods and services needed by the projects could be provided by Mozambican companies, and 23 per cent by "companies associated with Mozambicans".

Tonela added that the Rovuma Basin gas will make "a significant contribution to the industrialisation of the country, by making viable other projects that will use the gas".

The first three of these projects have already been approved, using 400 million cubic feet of gas to produce fertiliser, electricity, and liquid fuels (diesel, naphtha and kerosene).

With the entry of the American oil and gas giant ExxonMobil as a partner in Area Four of the Basin, prospects were opened for further LNG projects. "The presence of companies the size of ExxonMobil has confirmed that Mozambique remains a preferred destination for investment, thanks to the attractive legal framework", said Tonela. "We are working with ExxonMobil, and hope to start discussing its development plan later this year, leading to an investment decision on the third LNG project in 2019".

Judge receives jail sentence

A court in the central city of Chimoio has sentenced a senior judge, Efigenio Baptista, to a prison term for allegedly beating up a citizen. The court found him guilty of assault and sentenced him to three months imprisonment. He must also pay 15,000 meticaís (US\$247) to the man he allegedly attacked, Ricardo Sinaleua.

Baptista is currently the presiding judge of the Tete city court, but he previously worked in Manica province, and during his time in Manica he is accused of assaulting Sinaleua on the public highway.

Baptista told the television station STV that he is appealing against the verdict and sentence, since it made no sense to accuse him of committing grievous bodily harm, when the court found that Sinaleua had suffered no injuries.

Sinaleua told STV that he is appealing because he believes compensation of 15,000 meticaís is far too low. Instead he is demanding payment from Baptista of 4.5 million meticaís.

No journalist was allowed to hear the prosecution and the defence make their cases or the judge deliver his verdict. This was a violation of Article 65 of the Mozambican constitution, which states that trials are public.

The only exceptions are to "safeguard personal, family, social or moral intimacy" (as in rape cases, where the intention is to protect the victim) or when "powerful reasons of security or public order" advise restrictions on reporting.

Severe drought affects electricity generation

The severe drought that has affected parts of Mozambique and the Southern Africa region over the last two years has contributed to reducing electricity generation at the Cahora Bassa dam (HCB) on the Zambezi River in the western province of Tete.

Nelson Beete, executive director of Hidroelectrica de Cahora Bassa (HCB), the company that operates the dam, on 23 May told a meeting in Maputo of dam operators and water resource managers from the Zambezi basin, that "In 2015, we had an annual production of 15,000 gigawatt hours but last year we suffered a reduction to 13,000 gigawatt hours".

Nelson Beete noted that the Intergovernmental Panel on Climate Change (IPCC) has classified the Zambezi basin as having the worst potential effects from climate change among the 11 largest basins in Africa due to the effect of rising temperatures and reduced rainfall. He told the meeting that there is good cooperation, exchange of information and coordination between Mozambique, Zambia and Zimbabwe aimed at the equitable use of water for the generation of energy, but stressed the importance of better weather forecasting in order to make more accurate predictions as to how the Zambezi basin will behave.

Beete said the 2015-16 hydrological year was the driest in the last 35 years in Southern Africa, which has led to a reduction in water storage capacity at the Kariba dam on the Zambia/Zimbabwe border, Kafue in Zambia and Cahora Bassa in Mozambique. The reduction in capacity of the reservoirs behind the three dams was 12.7 per cent, 42 per cent and 15 per cent respectively.

Zimbabwe and Zambia both rely heavily on the Kariba dam for electricity, and falling water levels at the dam raise the threat of deeper power cuts in the two countries. Mozambique relies on Cahora Bassa for the bulk of its electricity. Any reduction in Cahora Bassa's generating capacity would force the country to rely increasingly on more expensive sources of power.

Thai investors seek 100,000 hectares of land

The Thai government is seeking to obtain 100,000 hectares of land in Mozambique for a Thai company to produce wood for a future paper processing factory.

The permanent secretary in the Thai Ministry of Trade, Muntawan Sakuntanaga, mentioned this plan in a meeting on 22 May between prospective Thai investors and representatives of the Confederation of Mozambican Business Associations (CTA). He did not name the company, but said it is one of the world's largest pulp and paper producers.

Sakuntanaga said the Thai investors have applied for authorisation to log in 100,000 hectares – but did not say where this tract of land is located. Such an enormous concession needs authorisation from the full Council of Ministers (Cabinet), and there is no indication that it has yet discussed such a request, which is likely to meet strong opposition from environmental groups.

He also told the CTA that Thailand is interested in buying natural gas from Mozambique. “Last year we invested US\$220 million in Mozambique”, he said, “and this sum can become much greater in the next five years since Thailand is interested in the area of hydrocarbons”.

The Thai group PTT is involved in Mozambican natural gas with an 8.5 per cent stake in Rovuma Basin Offshore Area One, where the American company Anadarko is the operator.

CTA official Joao das Neves told reporters that the Thai delegation had also expressed an interest in investing in other sectors, such as the building materials industry, agriculture and mineral resources, “including precious and semi-precious stones”. He said the CTA and their Thai visitors “discussed the willingness of the Mozambican private sector to present partners capable of facilitating implementation of projects, robustly and with local knowledge”.

China to build polytechnic in Gorongosa

The Mozambican government is negotiating with China to fund a mid-level polytechnic institute in Gorongosa town, in the central province of Sofala. According to a press release from the Ministry of Science, Technology and Higher and Technical Education, this would be a professional and technical training institute with the capacity to accommodate 400 students. It would be set up on an area of 310 hectares – 10 hectares for school buildings, and 300 hectares for agriculture and livestock facilities.

Minister of Science and Technology, Jorge Nhambiu, received a Chinese delegation in Maputo, with whom he discussed the design of the Gorongosa institute, which will cost an estimated US\$18 million. The eight-member Chinese team included designers and engineers as well as the manager in charge of overall coordination.

The Institute will include classrooms, libraries, laboratories, workshops, dormitories, a kitchen and a canteen that can accommodate 210 people. There will also be houses for the teachers, a gymnasium and sports facilities. It will teach courses linked with agriculture, livestock, agricultural processing, renewable energies, and information and communication technologies.

Nhambiu told the visiting delegation he wants the Gorongosa delegation to become a “centre of excellence”, as a step towards Mozambique becoming a reference point for excellence in Technical and Professional Education within the SADC (Southern African Development Community) region.

Once the executive project of the institute is ready and approved, construction should take 24 months.

Assembly elects ombudsman

The Mozambican parliament, the Assembly of the Republic, on 24 May elected Justice Minister Isaque Chande to become the new ombudsman, replacing Jose Abudo, whose term of office expired in May 2017.

Chande is a lawyer by profession and holds a law degree from Maputo's Eduardo Mondlane University. President Filipe Nyusi appointed him Minister of Justice in March 2016. Chande, however, had made it clear that he would prefer the post of ombudsman to that of Minister.

Since the post of ombudsman is incompatible with holding a ministerial position, President Nyusi must appoint another justice minister.

President inaugurates gas terminal

President Filipe Nyusi on 21 May inaugurated an oceanic terminal for domestic gas (butane or LPG) in the central port of Beira. The terminal has the capacity to fill 5,000 bottles of gas and 12 trucks a day. It will supply cooking gas to the central and northern provinces of Mozambique and to neighbouring countries.

The terminal is the initiative of the publicly-owned fuel company Petromoc, and cost US\$38 million. US\$31 million was financed by the Export-Import Bank of India, while the rest came from Petromoc's own funds.

According to the chairperson of Petromoc, Fernando Uache, the terminal contains three reservoirs, each of which can hold 1,000 tonnes of gas. The operational costs of importing and distributing gas will now be greatly reduced, he said.

Speaking at the inauguration ceremony, President Nyusi said the consumption of domestic gas rose to 34,000 tonnes in 2017. He stressed the importance of gas in replacing firewood and charcoal as a domestic fuel, and thus reducing the pressure on Mozambique's forests. “In the context of the fight against deforestation, the government is encouraging the Mozambican private sector to expand the distribution chain for domestic gas, so as to facilitate the massive use of this fuel”, he stressed. “This terminal will reduce the cost of the logistics involved in placing gas in the cities and towns of central and northern Mozambique”.

President Nyusi added that one of the challenges facing the government is to install a refinery that will serve, not only Mozambique, but the southern African region, and will improve efficiency in importing, storing and consuming petroleum products. This, he said, would require the collaboration of the Mozambican business class, which he regarded as a “privileged partner” in sustainable development.

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