

Press reports linked to

MOZAMBIQUE 160

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from Joseph Hanlon (j.hanlon@open.ac.uk)

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106310E MALARIA REMAINS THE MAIN CAUSE OF DEATH

Maputo, 24 Mar (AIM) – Malaria remains the main cause of death in Mozambique, but HIV/AIDS is catching up.

According to the National Survey on the Causes of Mortality in Mozambique (INCAM), published on Wednesday in Maputo by the National Statistics Institute (INE), 29 per cent of all deaths are caused by malaria, and 27 per cent by HIV/AIDS.

Peri-natal illnesses account of seven per cent of deaths, diarrhoeal diseases four per cent, pneumonia four per cent, accidents and other “external causes” four per cent, tuberculosis three per cent, and diseases of the circulatory system three per cent.

The researchers note that in cases where the victim suffered from both AIDS and tuberculosis, HIV/AIDS is given as the underlying cause of death. About a third of those who died from HIV/AIDS were also infected with tuberculosis

The dominance of malaria as the main killer is even clearer among children under five years of age. 42 per cent of all deaths in this group are caused by malaria, 13 per cent by HIV/AIDS, six per cent by pneumonia, six per cent by diarrhoeal diseases, and two per cent by malnutrition.

If the under fives are omitted, HIV/AIDS becomes the main cause of death among Mozambicans. Among all those older than five, 37 per cent of deaths are caused by HIV/AIDS and 19 per cent by malaria.

But there is a sharp geographical divide. HIV/AIDS is the main cause of death south of the Zambezi, and malaria the main cause north of the Zambezi.

Gaza is the province worst hit by the AIDS epidemic. 40.7 per cent of all deaths in Gaza were caused by HIV/AIDS, followed by Maputo province with 38.9 per cent, and Maputo city with 33 per cent. In all these provinces malaria accounts for less than 20 per cent of deaths (18.8 per cent in Gaza, 11.4 per cent in Maputo province, and 13.1 per cent in Maputo city).

In the north, the situation is reversed. In Nampula province 36.1 per cent of deaths are from malaria, and 18.5 per cent from HIV/AIDS. In Cabo Delgado, the figures are 30.6 per cent and 20.7 per cent, and in Niassa 32.9 per cent and 24.9 per cent.

Urban people are more likely to die of AIDS and rural people more likely to die of malaria. 31.6 per cent of deaths in urban areas were caused by HIV/AIDS and 23.7 per cent by malaria. But in the countryside, 30.9 per cent of deaths were from malaria, and 24.9 per cent from HIV/AIDS.

The survey used a sample of 10,080 households, and standardized questionnaires on cause of death developed by the World Health Organisation (WHO), known as “verbal autopsies”. In these households, 11,937 people had died in the reference year (1 August 2006 to 31 July 2007).

Each verbal autopsy was analysed independently by two doctors, who drew their conclusions as to cause of death. If they disagreed, the statisticians would call the two doctors together to establish a consensus.

(AIM)
Pf/ (507)

51209E HIV PREVALENCE RATE NOW 15 PER CENT

Maputo, 2 Dec (AIM) – The HIV prevalence rate in Mozambique has dropped from 16 to 15 per cent of people aged between 15 and 49, according to the Health Ministry.

The epidemiological surveillance round of 2007 produced the figure of 16 per cent. Since this was rounded to the nearest whole number it was not statistically different from the 16.2 per cent figure announced in 2004.

The latest figure was given by Health Minister Ivo Garrido at a Maputo ceremony on Tuesday marking World AIDS day. Given the margin of error, the true prevalence rate is somewhere between 14 and 17 per cent. It therefore looks as if the epidemic has stabilized, but at an alarmingly high level.

The south of the country is most affected by the epidemic, with an HIV prevalence rate of 21 per cent, followed by the central region with 18 per cent. The northern three provinces (Nampula, Niassa and Cabo Delgado) have a prevalence rate of nine per cent.

“Since the method used in all the epidemiological surveillance rounds was the same, we can speak of a slight reduction in prevalence”, said Garrido. “But the most important message is that the stabilization plateau has been reached”.

The method used to estimate the prevalence rate is testing the blood of pregnant women for HIV antibodies at 36 sentinel sites located in all 11 provinces, giving a reasonable picture of both the rural and the urban population. The statistical methodology to extrapolate from pregnant women to the general population is one approved by the World Health Organisation (WHO).

These figures indicate that about 1.6 million Mozambicans are infected with HIV, and that over 120,000 new infections occur in a year.

Addressing the ceremony, President Armando Guebuza expressed concern that the messages about the threat posed by this disease are not getting through, and there are still many Mozambicans who know nothing about HIV/AIDS, about how it is transmitted or how it can be prevented.

The government’s major stress in fighting AIDS remained on prevention, he said, calling for messages that would be understood by Mozambicans.

Guebuza also insisted on the need for citizens to take the HIV test. Many of the 1.6 million infected Mozambicans have no idea that they are carrying the virus, and only find out when they fall ill, and are already in a serious condition.

He also urged people who are HIV-positive to go to the health units and seek treatment. The life-prolonging anti-retroviral drugs are now available in every district in the country, and currently about 160,000 Mozambicans are taking anti-retrovirals.

Although condoms are known to prevent the spread of HIV, religious voices at the Tuesday event denounced this simple and life-saving technology.

“We do not agree that condoms are the only form of prevention”, said Moslem cleric Aminuddin Mohammed (although nobody in the government has ever said that they are)

“The safe sex campaign could be a licence for promiscuity”, he claimed. “We religious believers have more effective means. which are morality and ethics”.

“Sexual potency”, denounced this cleric, “kills more people than nuclear weapons”.

(AIM)

Pf/ (524)

112310E DISTRICTS TO BE CLASSIFIED AS “FREE OF MINES”

Maputo, 25 Mar (AIM) – The Mozambican government’s National Demining Institute (IND) intends to start classifying districts as “free of land mines” as from this year, as part of the strategy of demining district by district, under the 2008-2014 National Mine Action Plan.

According to IND director Julio Braga, speaking in Maputo on Thursday at the opening of the 11th Annual Meeting with the government’s demining partners, the declaration of whole districts as “free of mines” seeks to confer “greater visibility and transparency on the demining operations under way”.

He added that currently 63 of the country’s 128 districts could be declared “free of mines”. Work is under way in those districts, inquiring from communities as to whether there are still any areas suspected of containing mines.

“Since this work is extremely complex”, said Braga, “the IND appeals for commitment and responsibility from provincial and district government bodies in accompanying this process”.

Success, he added, would depend on involving the community authorities and other pertinent district bodies in the assessment and validation of mine clearance operations.

Braga said that in 2009, the demining teams cleared 117 mine-affected areas covering a total area of 3.7 million square metres.

However, the latest research indicates that there are still 322 mined areas in the country, covering 9.4 million square metres of land. As long as the land mine threat is present, that land cannot be used for agriculture or any other economic activities.

Research along the Mozambique-Zimbabwe border, Braga added, indicated the presence of minefields covering 2.9 million square metres, “with a direct impact on the security of the border communities of the two countries”

Land mines are still killing and maiming in Mozambique over 17 years after the end of the war of destabilisation. According to Braga, mine explosions killed 15 people and injured a further four in 2009.

He stressed that the IND will continue to run mine awareness programmes in all communities at risk, in order to reduce the number of such accidents.

For demining operations in 2010, said Braga, 7.3 million dollars had been guaranteed from the Mozambican state budget and from those donors who contribute to the Mine Action Programme.

The IND's target for 2010 is to work on 172 areas suspected of being mined, covering 5.1 million square metres.

Under the Ottawa Convention outlawing anti-personnel land mines, which has now been signed by 156 countries, Mozambique had until 2009 to complete demining. However, this proved quite impossible, and Mozambique was granted a five year extension, to 2014.

(AIM)

Le/pf (428)

91210E THREE MILLION DOLLARS A YEAR FOR PROVINCIAL ASSEMBLIES

Maputo, 24 Feb (AIM) - The 10 Provincial Assemblies elected last October will cost the Mozambican state about 100 million meticaïs (3.6 million US dollars) a year.

According to the official government spokesperson, Deputy Justice Minister Alberto Nkutumula, most of this money will be absorbed by the allowances and privileges paid to the Assembly members.

He told reporters that the Cabinet approved, during its meeting on Tuesday, remuneration criteria and other rights and privileges for the 807 members of the provincial assemblies. These criteria are included in a bill to be submitted to the Mozambican Parliament, the Assembly of the Republic.

The bill proposes that each of the ten chairpersons of the Assemblies will receive a monthly allowance of 17,000 meticaïs, while the deputy chair will receive 14,500 meticaïs, and the other members 9,000 meticaïs.

Under the law on provincial assemblies, the elected members do not receive wages. But the "allowances", since they are paid monthly, rather than just to cover the days that the Assemblies are sitting, have become wages with another name. The yearly "allowance" bill comes to almost 89 million meticaïs – equivalent to 3.2 million dollars.

This is a far cry from the initial Finance Ministry estimates. When the law on the Assemblies was passed in November 2006, parliament was told that the Finance Ministry estimated the remuneration for provincial assembly members at 407,000 dollars a year.

The "allowances" are much higher than any of the statutory minimum wages. The highest minimum wage is that for financial services, which is 2,745 meticaïs a month. Provincial Assembly members receive 3.3 times that sum.

Membership of a provincial assembly is a part time occupation. The law states that the provincial assemblies meet twice a year for no more than ten days per session. The assemblies have very limited powers. They have no legislative role but merely approve (or reject) the programme of the provincial government and monitor compliance with that programme, as well as with constitutional and legal norms.

In addition, each chairperson and deputy chairperson of an assembly will receive a house allocated by the state, or a housing allowance equivalent to 25 per cent

The chairperson and deputy chairperson will also receive vehicles, and water, electricity, mobile phone and entertainment allowances.

Nkutumula said the sums for the allowances had been reached on the basis of a comparison with the wages paid to directors and department chiefs in the public administration. The key

difference, however, is that being a senior civil servant is a very full-time job, not limited to attending meetings for 20 days in a year.

The assemblies are already functioning but their members have not yet started receiving their allowances. Nkutumula said that when the criteria are approved by parliament they will have a retroactive effect, counting from when the assembly members started their activities.

(AIM)

Fta/bm/pf (481)

92210E LICENSING OF NEW UNIVERSITIES SUSPENDED

Maputo, 24 Feb (AIM) – The Mozambican government has cancelled the licensing of new higher education institutions until legal procedures are drawn up that will guarantee decent quality in any such tertiary education body.

Interviewed in Wednesday's issue of the independent daily "O Pais", Deputy Education Minister Arlindo Chilundo recognised that there were "many problems of quality in several higher education institutions".

Private universities have sprung up at a surprising rate over the past few years, leading to questions as to whether they can really supply the teaching staff, the libraries and the laboratories that genuine universities should possess.

"It's important that we should have some instruments that can speed up quality control", said Chilundo. "And so one of the measures taken was to suspend temporarily approval of new institutions, until a set of regulations on the licensing and functioning of higher education bodies can be passed".

He expected these regulations to be approved by the government later this year, and then the proponents of new universities could resubmit their paperwork.

Chilundo said that when the new government took office in January there were more than ten requests pending to set up new private tertiary education institutions. At this point, the Ministry of Education slammed on the brakes and decided to concentrate on quality control first.

One of the ways to achieve this, said Chilundo, was to ensure that a National Quality Assessment System was set up and functioned properly. This system would lead to the due accreditation of Mozambican universities.

Chilundo added that the government is not interested in closing any of the existing universities since, despite the recent expansion, Mozambique, with 84 students per 100,000 inhabitants, was well below the average African tertiary education enrolment rate.

"Our target will never be to close higher education institutions", he said. "That could only happen if they persistently infringe basic quality norms".

But he admitted that the government has received indications that some of the present institutions "do not have the minimum conditions to function properly. There are certain basic criteria required by law which are not observed in some cases".

(AIM)

Pf/ (357)

68210E LARGE PROFITS FOR MOZAMBICAN BANKS

Maputo, 18 Feb (AIM) – The Mozambican commercial banking sector, taken as a whole, made net profits in 2008 of 3.13 billion meticaais (113.3 million US dollars, at current exchange rates).

This was an increase of 17.2 per cent on the profits of 2.67 billion meticaais made in 2007, according to the latest annual survey of the banking sector issued by the consultancy firm, KPMG.

All the large banks in the country are making substantial profits, while one struggling minor bank, the Mercantile and Investment Bank (BMI), and several newly established banks are still running at a loss.

The Millennium-BIM (International Bank of Mozambique), remains by far the largest commercial bank in the country, with total assets of 35.5 billion meticaais. The total assets of the 14 banks covered in the survey amount to 98.3 billion meticaais – BIM thus accounts for 36 per cent of total assets.

BIM, in which the majority shareholder is the Portuguese bank, the BCP, made profits of 1.76 billion meticaais in 2008. It has the largest credit portfolio (17.8 billion meticaais) of any bank, and the largest number of deposits (totaling 29.5 billion meticaais).

The other three large banks are the Commercial and Investment Bank (BCI), with assets of 23.8 billion meticaais, Standard Bank (21.4 billion meticaais) and the Mozambican subsidiary of Barclays (7.9 billion meticaais).

The percentage of bad debt in the main banks is remarkably low. In the late 1990s, prior to ownership changes, the forerunners of the Millennium-BIM and of Barclays almost collapsed under the reckless loans policy followed immediately after privatization. But now just 0.9 per cent of the BIM credit portfolio is classified as non-performing loans.

The figure for bad debt as a percentage of total credit is somewhat high in the other major banks – 1.32 per cent in the BCI, 1.41 per cent in Standard Bank, and 6.83 per cent in Barclays. The only truly alarming figure is for the micro-finance bank Socremo, where 29 per cent of total credit is regarded as bad debt.

Taking the commercial banking sector as a whole, the return on average equity is 30.95 per cent, but it rises to 45.03 per cent for BIM and 45.73 per cent for Standard Bank.

(AIM)

Pf/ (375)

47210E GOVERNMENT RESTATES COMMITMENT TO EITI

Maputo, 12 Feb (AIM) – Mozambique's Deputy Minister of Mineral Resources, Abdul Razak Noormahomed, on Friday reiterated the government's commitment to the Extractive Industries Transparency Initiative (EITI).

Mozambique was accepted as an EITI candidate country in May 2009, and a Coordinating Committee has been set up to implement the Initiative in Mozambique, consisting of four representatives of the government, four from civil society, and four representatives of mining and oil companies.

The purpose of EITI is to ensure that all revenue received by governments, and all payments made by companies, resulting from mining and hydrocarbon exploitation are made public. Through such transparency, said Razak, "it is intended that the revenues obtained from extractive industries should contribute to the socio-economic development of the country".

EITI is an initiative proposed by former British Prime Minister Tony Blair in 2002. The EITI website describes the initiative as “a coalition of governments, companies, civil society groups, investors and international organisations”, which “supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining”.

EITI points out that the exploitation of mineral resources should generate large revenues that can be used to reduce poverty, but when governance is weak, those same resources “may result in poverty, corruption, and conflict”.

The membership process is long and rigorous, and so far only two countries – Liberia and Azerbaijan – have been declared as “EITI Compliant”. To achieve this status, a country must complete an EITI Validation. All EITI candidate countries must complete their validation within two years of being accepted as candidates, or they risk being sent back to square one. So Mozambique must complete its validation by 2011.

The Validation is done by an Independent Validator chosen by the multi-stakeholder group – in Mozambique’s case, the Coordinator Committee, which Razak said is already holding regular meetings.

To implement the Initiative, via the Coordinating Committee and its Secretariat, the government is proposing an allocation of 1.5 million meticaís (about 54,500 US dollars) from this year’s state budget.

Razak denied that EITI is a foreign imposition on Mozambique. On the contrary, he argued, it complements the principles of transparency that Mozambique is already applying. This includes such measures as the auditing of the state accounts by the Administrative Tribunal, and the public Mining Register, which can be consulted by any citizen. This shows which areas of the country have been allocated to which companies or individuals for exploration and hence which areas remain free and can be applied for.

Razak stressed that all contracts in the hydrocarbon and mining areas are awarded after public tenders, and must be approved by the Administrative Tribunal.

The laws on taxes paid by mining, oil and gas companies were revised in 2007 so as to make them uniform and to increase government revenue. Razak pointed out that the royalties paid to the government have increased to six per cent of all gas discovered, and ten per cent of all oil (in addition to the various other taxes that the companies must pay). Negotiations with companies are based on standard contracts that are publicly available on government websites.

But Razak added that the new rules are not retroactive – the government cannot change contracts that have already been signed, such as that with the South African petro-chemical giant SASOL for the exploitation of natural gas in Inhambane province.

All mining and hydrocarbon operations are subject to an obligatory Environmental Impact Study. The reports on environmental impacts are submitted to the Environment Ministry, and only after the Ministry’s approval is an environmental licence issued, without which no work can begin.

Razak pointed out that contracts with oil companies contain stringent environmental clauses, requiring the companies to take care of 100 per cent of any environmental problems, such as a spillage, and to pay for all damage caused.

Currently mineral resources account for less than five per cent of Mozambique's GDP (mainly the Inhambane natural gas, and titanium ores exploited by the Irish company Kenmare in the northern district of Moma). But the importance of minerals is likely to rise rapidly when the new coal mining projects in Tete province begin production, and the picture will be radically transformed if the current exploration in the Rovuma basin, near the border with Tanzania, discovers oil.

EITI has already proved extremely valuable in highlighting the scale of abuses in some countries that are hoping to join the initiative. This in August a report released by the Nigeria Extractive Industries Transparency Initiative (NEITI) showed financial discrepancies and outstanding payments totaling over US\$5bn for revenues generated by the oil and gas sector in 2005.

A thorough audit revealed huge financial discrepancies, mispaid taxes, and system inefficiencies. Thus the report found over 800 million US dollars of unresolved differences between what companies said they paid in taxes, royalties and signature bonuses, and what the Nigerian government said it received.

(AIM)

Pf/ (822)

78110E CHRISTIAN PROJECT COLLECTS 700,000 GUNS

Maputo, 26 Jan (AIM) – Under its project “Transforming Guns into Hoes” (TAE), the Christian Council of Mozambique (CCM), the umbrella body for the mainstream protestant churches in the country, has, since 1995, collected and destroyed 700,000 guns held illegally, according to the CCM general secretary, Marcos Macamo, interviewed in Tuesday's issue of the independent daily “O Pais”.

TAE involves offering people holding illegal weapons useful implements (such as sewing machines or bicycles) in exchange for their firearms. Some pieces of the destroyed weapons have been given to artists who have turned them into sculptures which now grace galleries in Mozambique and abroad.

For Macamo, the church should be active in society, so that what counts “is not the number of prayers, but facing reality and pursuing justice, fighting evil in practice, and not just talking about it”.

“The role of the church is not to escape from society into an isolated world”, he stressed, “but to face society through its own language”.

“If we shut ourselves in the four walls of the church, and leave the evil on the outside, it will be still more visible, and we will not be doing anything about it”, he said.

Macamo regarded TAE as “a project which continues the pacification that began with the signing of the General Peace Agreement in 1992”. Without TAE, the 700,000 guns collected would still be in the wrong hands, and would pose “a great danger to society”, he added.

The distribution of goods under this programme is continuing. Macamo said a container has just arrived from Japan containing 100 bicycles that will be distributed in exchange for weapons.

Sometimes, he added, TAE involves, not material goods, but the provision services, such as the drilling of boreholes to supply water to some communities in Maputo province, or the building of classrooms for rural schools.

73110E COAL FIRED POWER STATION APPROVED

Maputo, 25 Jan (AIM) – The Australian company Riversdale Mining has announced that the Mozambican Environment Ministry has approved the environmental impact study for the construction of a coal fired power station at Benga, in the western province of Tete.

Once the requisite fees are paid, Riversdale will have its environmental licence, and can push ahead with building the power station.

This follows the green light given earlier in the month for the Riversdale coal mining project at Benga, when the Ministry approved the environmental impact study for the open cast mine.

Riversdale plans to start mining and processing coal in 2011. During the initial phase, due to run until 2014, the Benga mine should produce 5.3 million tonnes of raw coal a year, to be processed into about 1.7 million tonnes of top quality hard coking coal, plus 0.3 million tonnes of thermal coal per year for export.

Later phases should raise the production capacity to 10 and eventually 20 million tonnes of coal a year.

Coal that is not exported can be burnt to produce electricity at the Benga power station, which will be built next to the mine.

According to a Riversdale press release, signed by Managing Director Steve Mallyon, in its first phase, due to be complete by 2013, the power station will generate 500 megawatts.

Stage two will see a rise in capacity to 2,000 megawatts, depending on the availability of transmission infrastructure to carry the power to prospective buyers. Like other electricity projects in Tete this will rely heavily on new transmission lines planned to carry the power southwards.

The main customer for Benga power will almost certainly be the South African electricity company, Eskom

“The Benga Power Project will help meet increasing regional demand in Mozambique and in South Africa, as well as supplying an effective source of energy for our own mine at Benga”, declared Mallyon.

561209E GOVERNMENT TRANSFORMS DISTRICT FUND

Maputo, 16 Dec (AIM) – The Mozambican government has decided to set up a formal District Development Fund (FDD), which will replace the Local Initiative Investment Budget (OIL), under which each of the 128 districts has, since 2006, been allocated at least seven million meticaís (about 256,000 US dollars) for projects to improve food security and create jobs.

Announcing the change to reporters after a cabinet meeting on Tuesday afternoon, the government spokesperson, Deputy Education Minister Luis Covane, said the intention was “to make budgetary management more flexible and facilitate the mechanisms for transferring state resources to benefit communities”.

Covane said the FDD will operate in each district, under the aegis of the provincial governor. Like the OIL, the beneficiaries of the new fund will be people who have difficulty in obtaining loans from banks.

The FDD will not rely exclusively on money from the central government. It can also receive donations, and will be able to channel repaid loans back into the scheme. The OIIL suffered from a very low rate of repayment of the loans, and it is not yet clear whether the structure of the new fund will improve repayment rates.

The District Consultative Councils will continue to play a key role, said Covane. They will choose which projects should be funded, and Covane stressed that they would finance those which encourage food production, create permanent or seasonal jobs, and ensure the generation of income.

The fund was a temporary weapon in the fight against poverty. "When we reach the conclusion that Mozambicans can resort to banks to meet their needs, then the District Development Fund will cease to make sense", said Covane.

But currently most Mozambicans in rural areas have no banks within reach. The latest figures from the Bank of Mozambique show that only 44 of the 128 districts have branches of commercial banks.

The government also decided to redirect the existing Economic Rehabilitation Support Fund (FARE) so that it will work with micro-credit and banking institutions to expand financial services in the countryside.

Covane announced that the long awaited "location allowance" for state employees will be paid as from July 2010. This will substantially increase the remuneration of those members of the public administration, with high or mid-level education, who are not working in the cities.

Those working in the districts or administrative posts will receive between 25 per cent and 45 per cent extra (calculated on their basic wage). Essentially, the more remote a district or administrative post is, and the more difficult the working and living conditions, the higher the allowance. Only one provincial capital, Lichinga, in the northernmost province of Niassa, is regarded as remote enough to classify for this new scheme.

Administrative posts are divided into three categories – the lowest allowance goes to those working in the 67 posts classified as group 1, and the highest to those placed in the 133 Group 3 posts. Those in the 167 Group 2 posts will receive an intermediate allowance of 35 per cent.

State employees with lower qualifications will receive a location allowance of between 10 and 30 per cent of their basic wage.

The intention of the allowance is to retain highly trained and qualified staff in the district and administrative posts.

(AIM)

Dt/pf (545)

83310E DECENTRALISATION MEMORANDUM SIGNED WITH DONORS

Maputo, 18 Mar (AIM) – The Mozambican government on Thursday signed a Memorandum of Understanding with several donors to implement the National Decentralised Planning and Finance Programme (PNFPD) in all 128 districts in the country.

Speaking after the signing ceremony, the Minister of Planning and Development, Aiuba Cuereneia, said the programme will be carried out over the five year period 2010-2014, and

is budgeted at 46.3 million US dollars. The money will be provided by the World Bank, the United Nations Development Programme (UNDP), Germany, Ireland, Switzerland and Holland.

Cuereneia said that these six partners will channel their contributions into a common fund, to be handled through a specific account in the Mozambican treasury.

Previous decentralization programmes have focused on specific provinces. Cuereneia recalled that there was a programme for Nampula province and a separate one from Manica, each with their own funding agencies and reporting procedures.

Now, however, the Memorandum establishes “a single, national programme”, said Cuereneia. “Unlike the previous programmes, this will cover all the districts”.

The programme will support implementation of the government’s district development fund, still commonly known as “the seven million” – because it started, in 2006, with an allocation from the central budget of seven million meticaïs (about 252,000 US dollars) to each of the 128 districts to fund projects to increase food security and create jobs.

Under the national programme, members of the District Consultative Councils, the bodies that decide on how the district funds are allocated, will be given training so that they can take their decisions on the basis of technical knowledge.

According to Cuereneia, the programme aims to ensure “the careful application, on the basis of community priorities, of local and deconcentrated budgetary resources”, as well as “the effective functioning of the local governance apparatus”.

The programme will also “build the capacity of district government technical staff in participatory planning, and in drawing up strategic and operational plans”.

Speaking on behalf of the six partners, Dutch ambassador Frans Bijvoet said they were pleased that they could now pass the management of these funds over to the government after ten years in which they had individually supported isolated decentralisation projects.

He praised the government’s decision to set up the district development fund. “The transfer of state funds to the districts, as from 2006, is a recognition of the districts’ needs to have their own discretionary funds for their social and economic development”.

In allocating funds for the programme to a common fund, channeled through a single treasury account, “the partners recognise the importance of strengthening existing national mechanisms and of not establishing parallel mechanisms”, he said.

The national programme, the ambassador added, would allow consolidation of the best practices from the previous decentralisation projects, which have now been expressed in a series of regulations and directives.

The programme will be monitored every year, he said, and its progress will be discussed between the government and its partners based on agreed performance indicators.

(AIM)
Pf/ (497)

771209E GOVERNMENT APPROVES EUCALYPTUS PLANTATIONS

Maputo, 22 Dec (AIM) – The Mozambican government approved on Tuesday a project to plant eucalyptus trees for industrial purposes across large swathes of the northern province of Nampula.

The project, proposed by the Norwegian-owned company, Lurio Green Resources, involves total investment of 2.2 billion US dollars.

According to the government spokesperson, Deputy Education Minister Luis Covane, only 209 million dollars will be spent on the eucalyptus plantation itself. The remaining two billion is for sawmills and other industrial infrastructure.

“The company will establish a forestry plantation for the production of paper, sawn wood and charcoal, and also for the generation of electricity”, said Covane. “Part of the land granted to the company will be used for food production”.

Lurio Green Resources initially asked for a concession of 210,000 hectares, but in the end the government granted it 126,000 hectares in several blocks in Mecuburi, Ribaue and Nampula districts

The project is expected to create 11,500 jobs, and the company has promised to invest 30 million dollars in building schools, health centres and other infrastructure for communities living in the project area.

A second, even larger eucalyptus project approved by the government on Tuesday will cover over 173,000 hectares in Ile and Namarroi districts, in the central province. In this case, the investor is the Portuguese forestry and paper group Portucel.

Covane gave no details of this project, but from the Portuguese media it is known that Portucel has been negotiating to set up a paper pulp factory in Mozambique.

(AIM)

Fta/pf (254)

781209E MASSINGIR ETHANOL CONTRACT CANCELLED

Maputo, 22 Dec (AIM) – The Mozambican government on Tuesday announced that it has cancelled the contract signed in 2007 with the company Procana to produce ethanol from a proposed 30,000 hectare sugar plantation at Massingir, in the southern province of Gaza.

The initial investor in Procana was the London-based Central African Mining and Exploration Company (CAMEC). In August 2008, CAMEC set up Bioenergy Africa, which took 94 per cent of the shares in Procana. Bioenergy later changed its name to Sable Mining, and is registered in the Caribbean tax haven of the British Virgin Islands.

Procana should have involved investment of over 500 million US dollars, and was to have been the first major biofuels project to come on-stream in Mozambique. When the contract was signed, in 2007, the plans looked very attractive. The factory would produce sugar and ethanol, and the by-products would be used to produce fertiliser and generate electricity.

Construction of the factory was to begin in 2010 (after the plantation of at least 15,000 hectares of sugar cane), and production of 320 million litres of ethanol a year would have begun in 2012.

In fact, Procana did next to nothing with its 30,000 hectare concession. The government spokesperson, Deputy Education Minister Luis Covane, told reporters the contract was cancelled because Procana did not comply with its contractual obligations.

“In the two years since the provisional authorisation in 2007, only 800 hectares of land was cleared”, said Covane. “The company made no use at all of the remaining 29,200 hectares”.

Furthermore the activities of corporate social responsibility that Procana promised also did not happen. Procana promised to drill 10 boreholes to provide water for Massingir communities, but to date it has drilled just one. Procana promised 7,000 jobs, but in the two years since the contract was signed, only 150 people have been involved.

“This is an embarrassing situation, because what was promised is not happening”, said Covane. “The jobs were not created and this shows that they are not investors who deserve the trust of the Mozambican government”.

The government had cancelled the contract because the situation was unsustainable. “The government is not satisfied, and the investors are incapable of implementing the project”, said Covane. “Now we have to look for other investors inside the country and abroad”.

“The terms and conditions of the project authorisation, laid down in the investment contract, were not complied with, and nor were the deadlines fixed in the investment timetable”, stressed Covane. “So the government is revoking, with immediate effect, the resolution that authorised the Procana project. This means the investment contract is cancelled, and any rights, duties or obligations binding the Mozambican state to the project or to the investors cease”.

He warned that the government will cancel any investment contract when the investors fail to comply with provisions of the contract.

Procana was always controversial because of fears that a huge sugar plantation in Massingir would deprive peasant farmers in Gaza of water.

The government insisted that there was enough water in the Limpopo valley for both Procana and peasant food production, but farmers on the lower and middle Limpopo were unconvinced – particularly since the Massingir dam, located on the Elephants river, the main tributary of the Limpopo, suffered severe damage last year, and its full water storage capacity has been compromised.

(AIM)
Fta/pf (559)

Maputo, 25.03.2010 *mediaFAX* nº. 4503

**Concursos públicos até 5 milhões de Mts
Só para empresas
moçambicanas**

(Maputo) Concursos públicos que envolvam valores até 5 milhões de meticais (180 mil dólares irão ficar reservados a empresas moçambicanas, nos âmbito da revisão do decreto-lei que regula as compras por parte dos serviços públicos, segundo informação disponível.disponível.

O ministro da Indústria e Comércio, António Fernando que deu esta informação, adiantou que a medida enquadra-se no programa do governo, que nos próximos cinco anos atribuiu ao Instituto para a Promoção das Pequenas e Médias Empresas (Ipeme) a responsabilidade de instalar centros

de orientação ao empresário.

À margem do encontro que serviu para anunciar o lançamento do Centro de Orientação ao Empresário, a 21 de Abril próximo, António Fernando reafirmou que é urgente a revisão daquele dispositivo legal a fim de beneficiar as pequenas e médias empresas nacionais.

O ministro disse ainda que em concursos públicos que envolvam montantes elevados, as pequenas e médias empresas nacionais devem ter direito a prestar serviços no valor equivalente a 10 por cento do valor total da empreitada, caso o concurso seja ganho por uma empresa estrangeira.

“Se uma empresa estrangeira ganhar um concurso no valor de 50 milhões de meticais para a construção de um hospital ou uma escola, nos 10 por cento reservados para pequenas e médias empresas nacionais, estas deverão fazer carteiras, se for o caso de uma escola, ou montagem de mobiliário, se for num hospital”, disse o ministro. **(Redacção)**