

MOZAMBIQUE 190

News reports & clippings

5 Dec 2011

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Joseph Hanlon

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2 attached files: Portuguese and English translations of Dutch statements. This newsletter in pdf

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In this issue:

European press reports on 2 big investments

Dutch admit tree problems

Veloso in titanium conflict

By-election

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Dutch pension fund admits forest problems, following press reports

A front page article in *Volkscrant* (Amsterdam) on Saturday 3 December has led the Dutch civil service pension fund ABP to admit that "forestry projects in Mozambique did not meet the requirements of our responsible investment policy," and to claim credit for the replacement of the entire management of the Global Solidarity Forest Fund earlier this year. (See *News Reports and Clippings* 187, 23 Nov, and *Mozambique Political Process Bulletin*, 22 Feb) *Volkscrant* is the third largest Dutch newspaper; ABP is one of the biggest pension funds in the world.

Volkscrant reports that in September Uniao Provincial de Camponeses de Niassa made an urgent appeal to western investors to stop this sort of project because land was being stolen and small farmers exploited: "We do not understand why church institutions and other investment funds are putting money in projects which are exploiting the poorest of the poor".

In a lengthy article running over two inside pages, *Volkscrant* also reports that the project failed to get Forest Stewardship Council certification, because the FSC team in May "found a lot of problems".

ABP owns 54.5% of Global Solidarity Forest Fund (GSFF) and has invested \$60 million; other owners are Swedish and Norwegian churches and Diversified International Timber Holdings (a US fund believed to be owned by Harvard College). GSFF controls Chikweti Forests of Niassa (28,970 ha), Tectona Forest of Zambezia (19,540 ha), Companhia Florestal de Messangulo, and Ntacua Florestas da Zambezia (9005 ha). Chikweti ran into huge conflicts with the government and local communities – pushing peasants off land, knocking down native forests, and planting on land it had not been given. Peasants responded by burning trees.

Niassa Bishop Mark van Koevering had been chair of the local board, but resigned in protest. ABP in a statement Saturday said the Bishop wrote a letter last month saying he is now "very satisfied" with the recent changes.

+ There is an English report on DutchNews:

http://www.dutchnews.nl/news/archives/2011/12/civil_service_pension_fund_adm.php

+ Volkskrant only posts part of the report on the web, in Dutch, on:

<http://www.volkskrant.nl/vk/nl/2668/Buitenland/article/detail/3062074/2011/12/03/Project-pensioenfonds-ABP-in-Mozambique-mondt-uit-in-landroof.dhtml>

+ The ABP statement, also in Dutch, is on: <http://www.abp.nl/abp/abp/service/nieuws/bosbouw-mozambique.asp>

+ English and Portuguese translations by Google Translate are attached, but they definitely contain translation errors.

+ A blog on peasants being pushed off land by Illovo Sugar in Maragra has been posted by PLAAS, the Institute for Poverty, Land and Agrarian Studies in South Africa: <http://t.co/YJFNJAJY>

Veloso splits from British investor in Zambezia heavy sands

A dispute between Jacinto Veloso and a British company, Pathfinder Minerals, over a concession to mine heavy mineral sands (ilmenite, rutile and zircon) in Zambezia, was reported in the London newspapers the *Financial Times* (1 December) and *Telegraph* (2 December).

It appears that a Veloso company, Companhia Mineira de Naburi, had the 32,000 ha mining concession along the coast, and the company was taken over by Pathfinder. In a statement on 16 June 2011, Pathfinder said "General Veloso was instrumental in identifying Pathfinder Minerals' opportunity to mine heavy minerals sands on the Indian Ocean coast of Mozambique" and announced he was being made a non-executive director.

On 11 November Pathfinder announced that Veloso had resigned making "a number of allegations including that the Company's principal asset, the licence to mine heavy mineral sands, owned by Pathfinder's 99.99% owned subsidiary, Companhia Mineira de Naburi S.A.R.L. ("CMDN"), is no longer owned by CMDN." Trading in Pathfinder shares on AIM, the London Stock Exchange's international market for smaller growing companies, was suspended that day.

On 25 November Pathfinder reported that the mining licence had been assigned to a new company, Pathfinder Moçambique, not connected to Pathfinder Minerals.

The *Financial Times* (*FT*) reports that Veloso, former minister of state security, two weeks ago sent a detailed letter of complaint to the AIM regulation team, in which he questioned Pathfinder's governance and challenged the company's ownership of assets in Mozambique. The *FT* notes that his complaint follows option grants in August in which rights to almost 90 million Pathfinder shares were distributed to the core executive team, 10.8 million to former director Tim Baldwin, and just 1 mn to himself.

The FT continues: "General Veloso, in turn, has been open about his move to have the mining rights transferred into a new local company. He said this was a legal transfer that would safeguard the project, claiming in a statement at the weekend that London-based Pathfinder never held any mining licences in Mozambique."

The Pathfinder website (<http://www.pathfinderminerals.com>) was this morning (5 Dec) still citing Veloso as a member of the Mozambique management team. Ilmenite and rutile are used as feedstocks to produce titanium dioxide pigment.

Financial Times: <http://www.ft.com/cms/s/0/de263c38-1c2d-11e1-af09-00144feabdc0.html#axzz1fO2yXDIN>

Telegraph: <http://www.telegraph.co.uk/finance/newsbysector/industry/mining/8932511/Pathfinder-Minerals-in-dispute-with-Mozambique-general.html>

By-election allegations in Cuamba

Today and tomorrow are "periods of reflection" with no campaigning, before by-elections for mayor in Pemba, Quelimane and Cuamba Wednesday 7 December. This is proving to be a major test for Frelimo and MDM, and both parties sent their big guns to campaign.

In Cuamba, in particular, there have been allegations of bias toward Frelimo. AIM reports that STV reported Frelimo is again using state cars in the campaign, but covering the number plates to prevent them being identified (as happened in 2009). STV challenged Deputy Interior Minister Jose Mandra, who said that although covering number plates is normally illegal, that this rule is relaxed during election campaigns. But STV was able to find out that at least one car in the Frelimo Cuamba campaign was state property by simply asking its driver. He said he had come from the district of Maua to take part in the campaign, and the car he drove was owned by the provincial government.

AIM also reports that on Tuesday 29 November police prevented an MDM parade of bicycles and motorbikes from using one of the main streets in the city, National Heroes Avenue, allegedly because it was illegal for a campaign to pass the city prison and the police command located on this street. However, there are no such restrictions in the electoral law, and Frelimo motorcades have driven down this avenue.

And there has been an odd pair of incidents in which MDM took a Frelimo member to the police for writing down the names of voters and their voter card numbers, while police arrested an MDM member for doing the same thing. Yet making such lists is not illegal and in much of the world would be regarded as part of normal canvassing.

There have been other problems in Cuamba, including an initial refusal of registration brigades to register would-be voters who had turned 18 since the previous election. MDM would claim that younger people are more likely to vote for them.

In Quelimane, a clash between Frelimo and MDM supporters was triggered by a Frelimo vehicle, driven by the Zambezia Provincial Director of Transport, Alberto Manharage and broadcasting loud music, stopped about 20 metres from the MDM office, where the MDM candidate Manuel de Araujo and MDM president Daviz Simango were meeting supporters. When Frelimo refused to turn down the music or move the car, there was a stone throwing confrontation. (AIM reporting STV)

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Do bicycles equal development

in Mozambique?

by Joseph Hanlon & Teresa Smart

is now available in **paperback**, for £17.99 (+ p&p)

from the publisher <http://www.boydellandbrewer.com/store/viewItem.asp?idProduct=13503>

and on

Amazon.com for \$27.95

Amazon.co.uk for £17.99

Just Give Money to the Poor: The Development Revolution from the Global South

by Joseph Hanlon, Armando Barrientos, and David Hulme

Most of this book can now be **read on the web**

<http://tinyurl.com/justgivemoney>

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Two working papers on the web

Poverty is not being reduced in Mozambique

LSE Crisis States Research Centre Working Paper No. 74 (series 2)

Benedito Cunguara and Joseph Hanlon, June 2010

<http://www.crisisstates.com/download/wp/wpSeries2/WP74.2.pdf>

Tambem em Portugues:

<http://www.crisisstates.com/download/wp/wpSeries2/WP74.2portuguese.pdf>

Mozambique's Elite – Finding its Way in a Globalized World and Returning to Old Development Models

Joseph Hanlon and Marcelo Mosse September 2010

WP/105 UNU-WIDER: The Role of Elites in Economic Development project

http://www.wider.unu.edu/publications/working-papers/2010/en_GB/wp2010-105/

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Mozambique media websites:

Noticias: www.jornalnoticias.co.mz

O Pais: www.opais.co.mz

Macauhub English: www.macauhub.com.mo/en/

Savana: www.savana.co.mz

Canal de Moçambique: www.canalmoz.com

AIM Reports: www.poptel.org.uk/mozambique-news

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