

MOZAMBIQUE 188

News reports & clippings

25 Nov 2011

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NOTE OF EXPLANATION:

This mailing list is used to distribute two publications, both edited by Joseph Hanlon. This is my own sporadic "News reports & clippings", which is entirely my own responsibility. This list is also used to distribute the *Mozambique Political Process Bulletin*, published by CIP and AWEPA, but those organisations are not linked to "News reports & clippings"

Joseph Hanlon

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Attached file: This newsletter in pdf

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New data shows agriculture productivity lowest in the region

Agricultural productivity in Mozambique is lowest in southern Africa, with tiny use of any modern technology - improved seeds, fertiliser, extension services, animal traction or irrigation – according to a recent report in Noticias (4 Nov 2011). This is underlined by new data in the Agriculture Census (Censo Agro-Pecuário 2009-2010) published 22 November.

This data was partly behind the radical changes in policy set out in the Agriculture Development Plan 2011-2020 (Plano Estratégico de Desenvolvimento do Sector Agrário - PEDSA), agreed earlier this year and now posted on the Ministry of Agriculture website http://www.minag.gov.mz/images/stories/pdf_files/pedsa/pedsafinal.pdf

Mozambique's failure to develop agriculture results from two decades of policies imposed by the World Bank and donors, which said Mozambique should be the only country in the world to have the private sector and "free market" develop agriculture with no support from government – no subsidies or special credits, no marketing boards, no government extension services, and no government research and seed development. The new agriculture plan reverses some of the failed imposed policies, and finally rejects donor demands of "do as we say, not as we do", thus accepting that farm policies followed in Europe and the US make some sense,

The government-owned daily Noticias in an editorial (28 Oct 2011) declared: "We should never have to say again that this country requires a structural intervention ... and that the government plays a crucial role" in providing public goods for agriculture including irrigation, research, extension services, transport, credit and marketing.

The full and very detailed census is published by the Instituto Nacional de Estatística on http://www.ine.gov.mz/censos_dir/agro-pecuaria/CAP_VF.pdf

Key points from Census:

+ There are 3.8 million farms in the country, with 5.6 mn hectares of annual crops, meaning the average farm is only 1.5 ha. There are more farms and they are slightly larger than at the time of the last census, 1999-2000, when there were 3.1 mn farms on 3.9 mn ha (average 1.3 ha). (Mozambique has 80 mn ha, of which 36 mn is arable - so there is potential for a substantial expansion of farming.)

+ Only 144,000 farms use fertiliser (4% of all farms), and 90,000 of those are in Tete, which means they are probably tobacco farmers. Only 96,000 (3%) use pesticides. Only 201,000 (5%) use irrigation. Only 88,000 (2%) were able to obtain credit, and more than one-third of those were Tete tobacco farmers receiving inputs on credit.

+ Cattle population has jumped from 722,000 to 1.3 mn; chickens have remained constant at 24 mn, compared to 1999-2000. But goats have dropped from 5 mn to 4 mn and ducks from 4 mn to 2 mn.

+ There are 40 mn fruit trees (of which 14 mn are mango trees), 24 mn coconut trees, and 38 mn cashew trees.

+ Most land is used for food. In terms of commercial crops, the main ones for small holders are sesame (93,000 ha), tobacco (70,000 ha), and cotton (59,000 ha). In the past decade there has been a big increase in tobacco and a big fall in cotton. The main plantation crops are sugar (38,000 ha) and sisal (19,000 ha). Soya and sunflower are the other important commercial crops for both small holders and plantations.

+ The main food crops are maize (1.4 mn ha), cassava (1 mn ha), beans (800,000 ha) vegetables (386,000 ha), groundnuts (366,000 ha), millet and sorghum (365,000), rice (282,000 ha), and sweet potato (122,000 ha). Nearly all farmers do intercropping, so these are not areas exclusive to these crops.

+ 453,000 farms employ full time workers, and nearly all farms use part time workers, notably for land preparation and weeding.

+ 1.6 mn farms (42% of all farms) did not produce enough food to feed the family, which was forced to consume less than the normal amount of food at some point during the year of the survey.

Election law impasse continues

Parliament failed to meet its September deadline to present a draft electoral law. The main parties remain divided, and the disputes are almost identical to those which plagued electoral law revisions before the 2009, 2004, and 1999 elections.

Work by the Parliamentary Commission on Public Administration, Local Power and Media halted in August when the Commission ran out of money, said chair Alfredo Gamito. He also blamed "intransigence" of the political parties which refuse to compromise.

Key issues are:

CNE: Frelimo wants to keep the National Elections Commission (CNE) as it is, with 13 members of whom more than half were nominated by civil society. Renamo wants 21 members – 5 each from the three main parties, 3 from non-parliamentary parties, and 3 from civil society. MDM proposes just 7 members – 1 each from the three main parties, 1 from non-parliamentary parties, and 3 from civil society. (There seem to be no alternative proposals to the current system where party nominees select from the civil society nominees, thus keeping party control.)

Register copies: Renamo demands that parties should be given copies of the entire electoral register, around 8000 books. Frelimo opposes this. (The register is electronic, so it should be possible to at least provide a digital copy.)

Foreign polling day: Renamo wants the vote abroad to be on the same day as in Mozambique, as a present. Frelimo and MDM want to move it to the previous Sunday, on the grounds that polling day is a holiday in Mozambique but not abroad.

Ballot box stuffing has become a problem in recent elections, mainly to the benefit of Frelimo. Renamo wants changes to make this more difficult, while Frelimo wants to maintain the present system.

STAE: Renamo again wants the staff of Secretariado Técnico de Administração Eleitoral to be named by the parties and not by open competition. (This was partly the case in the past, and was a disaster.)

Other disagreements include the creation of special **electoral tribunals**, about naming of staff and about operation of **polling stations**, and if the law should cover **observers**, or if, as now, the CNE should set observer rules. Renamo also wants the electoral law to prevent the press from "ridiculing" a party or candidate.

There has, however, been agreement that the election should be in the first two weeks of October. (Noticias 2, 4, 7 Nov, 26 Oct 2011)

[Comment](#)

Donor choice

Recently arrived members of the international community, plus those with short memories, should realise that the deadlock on the election law is the direct result of an intervention by the G19 group of budget support donors. The donor strike from December 2009 to March 2010 was over the elections and especially the conduct of the CNE.

After the elections, civil society - with surprisingly wide support - called for an independent drafting of an entirely new electoral code based on open hearings. This followed a call by the Constitutional Council for a completely new electoral code.

Donors rejected this, and said it would take too long. The donor strike was ended by government agreeing to donor demands that parliament should simply revise the existing legislation.

It was obvious even then that Frelimo and Renamo would push the same positions as they had over two decades, and parliament would end with the current impasse. Worst of all, simply revising the existing laws prevented civil society from proposing more radical changes. Two are essential.

The present law allows the CNE to act in total secrecy, and none of the political parties wants to promote more transparency. And the present system leaves the choice of CNE members to the parties, even of people nominated by civil society, whereas an alternative civil society proposal would have moved more toward South African style open nominations.

Civil society was already starting on their sensible alternative, when donors intervened to stop it. So, here we are again, in the same mess as three times before.

Of course, donors in their reports to their capitals will blame the Mozambican politicians. But there was a better alternative, which donors blocked. *Joseph Hanlon*

Cassava ethanol for cooking stoves

Bank of America Merrill Lynch announced 23 November that it has taken an option to purchase and market carbon credits (CERs) generated in Mozambique from displacement of charcoal with a "clean cooking fuel" which is an ethanol gel produced from cassava by CleanStar Mozambique. The company will sell the CleanCook ethanol gel stove in partnership with Zoe Enterprises, owned by Thelma Venichand and Lutchi Klint. The stoves are produced by a Swedish company, Dometic, and modelled on a camping stove.

Mozambique's biofuel policy explicitly prohibits the use of cassava for biofuel production, because of a ban on using food crops for fuel. Greg Murray, Chair of CleanStar Mozambique, and co-founder of CleanStar Ventures, does not agree with this policy and argued in an e-mail yesterday that "when cultivation systems are designed and implemented correctly, the notional trade-off between food and energy does not exist".

"We have applied to the Ministry of Energy for a Special Biofuel License relating to our initial pilot cooking fuel plant at Dondo", Murray continued. "In-depth consultations have been undertaken with the Ministry of Agriculture in relation to our cultivation system and work with smallholder farmers. The Ministry of Agriculture has advised that they will support our license approval at the appropriate time, so long as we implement the smallholder-based integrated food and energy systems as per our proposal. ... A biofuel license relates to the production of fuel, and is only granted once the relevant facility & feedstock sources have been built and inspected. Thus, we anticipate that our license will be granted once the facility construction is finished in Q2 2012."

CleanStar Mozambique says it "is an integrated food, energy and forest protection business". Cleanstar Mozambique is owned by Cleanstar Ventures and ICM, both of the US, and Novozymes, of Denmark. Cleanstar is a venture capital company. ICM makes ethanol plant and will build the ethanol fermentation plant, and Novozymes is a biotech company and the fermentation plant will use Novozymes enzymes.

<http://www.cleanstarmozambique.com/>

<http://www.novozymes.com/>

<http://www.cleanstarventures.com/>

<http://www.dometic.com/>

Cassava beer: Beer brewed in Nampula from 70% cassava has been launched by SAB-Miller (which owns all of Mozambique's beers). Called Impala, it costs 25 meticaís (just under \$1) for a 550 ml bottle (called a "media") compared to 35 meticaís for ordinary lager. This is due in part to a tax reduction for the use of local cassava instead of imported barley; beers made from malt pay a 40% tax but beers made from roots or tubers will pay only 10%. Impala production will require 40,000 tonnes of cassava annually and will create employment for over 1,500 subsistence farmers.

Two Chinese cement plants in Maputo

Construction of a cement factory in Magude, Maputo province, has been delayed until 2012. The \$78 mn 500,000 tonnes per year plant will be built by a group of Chinese businesspeople known as Africa Great Wall Cement Manufacturer Lda. In Salamanga, also Maputo province, the China International Fund is already building a \$72 mn 800,000 tonne cement plant.

Meanwhile, Africa Great Wall has been given an exploration licence for heavy sands (ilmenite, zircon and rutile) along the coast of Angoche. Kenmare already mines heavy sands along that coast. And the British company Pathfinder Minerals has two exploration licences for heavy sands along the coast in Zambezia province.

Chinese cotton: China Africa Cotton has opened a new cotton gin, after several years in which there were no gins and all cotton was exported unprocessed. The gin, in Beira, can process 45,000 tonnes of cotton per year. To ensure a supply, the company will pay slightly over the odds – 16 and 12 Meticais (60 and 44 US cents) per kg for first and second grade cotton, compared to the official floor price of 15 and 11.5.

No Chinese \$ for bridge: There is still no money for a bridge linking the centre of Maputo with the district of Katembe across the river. Portugal had originally proposed to fund the bridge, but had to withdraw because of its financial crisis. There have been repeated reports that China would fund it, but Minister of Public Works, Cadmiel Muthemba, on the independent television station, STV, said there is, so far, no money.

Government to issue \$100 mn in bonds

Mozambique will issue a \$100 million (Mt 2.6 billion) 5-year Treasury bond later this month, with interest fixed at 17% for the first 2.5 years, Reuters reported on 23 November. The bond will be issued through local banks and the Mozambique stock exchange, are intended to fund the budget deficit, and are Mozambique's biggest bond issue.

Bonds have previously been issued in 2009 and 2010. Mozambique is rated B+ by Standard & Poor's and B by Fitch.

Foreigners can purchase bonds through Mozambican institutions. But the main interest in the past has come from Mozambicans wanting to invest illegal money locally, particularly from the narcotics trade, because when the bonds are cashed in five years the money has effectively been laundered.

+ Finance Minister Manuel Chang told Reuters that he was "happy" with the Metical's strength, despite concerns it may be hitting the export sector, and said he would not take action to weaken the currency. When the Metical hit 37 to the US dollar in August 2010 it caused riots in Maputo because it made imports from South Africa so expensive; it has now been pulled back to 27 to the \$, which reduces prices in Maputo but means that locally produced food cannot compete with imports.

<http://af.reuters.com/article/investingNews/idAFJOE7AM0A920111123>

News briefs

The pupil/teacher ratio in first level primary education (EP1 - first to fifth grades) is falling slowly, from one teacher per 71 pupils in 2008 to 67 in 2009 to 66 in 2010. Government plans to hire 7,300 teachers next year, reported Maria Celeste Onions, Education Ministry head of human resources. The Ministry of Education employs 147,000 teaching and non-teaching staff. At least 2,216 employees died from HIV/AIDS over the last three years; 1,999 employees are living with the HIV virus, or whom 1,738 are taking antiretroviral drugs (ARVs). (Noticias 12 Oct 2011)

Cashew production is returning to the levels before World Bank closed down the industry in the 1990s. In the 2010/11 campaign, farmers sold 78,716 tonnes of cashew nuts at an average price of 85 US cents per kilogramme. Of this total, 39% was exported raw (mainly to India) and 37% were sold to the Mozambican processing factories; 18 factories now employ 9000 workers. The rest of the nuts are used locally.

Police corruption: At least 10 senior officials of the Ministry of Interior and the central police command are on trial for embezzling funds. The officials are accused of stealing money intended for equipment, uniforms and food, through a front company, Chicamba Investimentos, which had also been used by former Interior Minister Almerino Manhenje, who has been convicted of corruption. (Noticias 29 October 2011)

Gorongosa: The Portuguese Visaberira group, which runs the Girassol hotels, has won the contract to expand the Gorongosa park accommodation at Chitengo, in partnership with the government and Carr Foundation.

Inflation: Annual inflation is currently running at 11.9% and is falling, according to the Instituto Nacional de Estatísticas. The Metical remains stable at 27.04 to the US\$, 37.38 to the Euro and 3.47 to the Rand. Base interest rate remains at 16%. (Noticias 18 Nov 11)

IMF: Victor Lledó, IMF representative in Maputo, predicts that Mozambique's GDP will grow 7.25% this year, with 8% inflation. (Noticias 31 Oct 2011)

Money laundering: Two Pakistani nationals resident in Mozambique were caught at Maputo airport trying to smuggle out \$669,900 on 26 October. Police reported that the two men said they were going to Dubai, and this was not the first time they had carried out large amounts of cash. (Noticias 29 Oct 2011) The maximum that can be carried in cash when leaving Mozambique is \$5000.

Maputo marginal: Repairs to 13 km of sea wall and sand dunes along Maputo Bay in the capital have been disrupted by the Arab Spring. The project was being funded by \$22.5 mn from the Arab Development Bank and Saudi Arabia and the work was to be done by Libyan and Egyptian contractors. Now, new contractors will have to be found. (Noticias 25 Oct 2011)

Domestic tourism: Vilankulo on the Inhambane coast has shifted its tourism priorities to promote domestic, Mozambican tourism, rather than international tourism. (Noticias 25 Oct 2011) Until now, there has been very little promotion of domestic tourism.

Ana Nemba Uaiene has been named ambassador to Belgium and the European Union.

Copper theft: 25 km of copper wire were stolen from the electricity line that links the Mavuzi dam to Chimoio on 9 October. The thieves chopped down the wooden poles that held up the wires. Four people were arrested on 25 October. The thieves expected to sell the cable for \$100, they said. (Noticias 22 Oct, AIM 4 Nov 2011)

Povoações: Parliament has passed a law which regularises what has already been normal in state administration, by recognising the "povoação" or village. That means there are now five tiers of public administration: province, district, administrative post, locality and povoação. There will now be a formal village head and village consultative council.

Desertification: Satellite images show that the dry interior of Gaza and Tete provinces run serious risks of desertification. (AIM 2 Nov 2011) This is also an area in which climate change projections suggest a decrease in the already low rainfall.

Electricity: Just 18% of the population has access to electricity, according to Electricidade de Moçambique (EdM). Meanwhile the Chicamba and Mavuzi hydroelectric dams in Manica have finally been handed over to EdM by the government. The dams were abandoned by Sociedade Hidroeléctrica do Revuê at independence, more than 35 years ago. (Macauhub 16 Nov 2011)

Maternal mortality in Mozambique is 100 times the level of Europe. Unicef says that for every 100,000 births, 520 mothers die in childbirth - one mother dies for each 190 births - whereas Health Minister Alexandre Manguela said from 1997 to 2003, maternal deaths fell from 692 to 408 per 100,000 live births. (O Pais 6 October 2011; AIM 18 Oct 2011)

UEM back to 4 years: Eduardo Mondlane University (UEM), has decided that in the forthcoming academic year it will revert to its previous academic curriculum. The previous Rector (Vice-Chancellor) Filipe Couto decided to cut a year from its four year undergraduate courses to fit in with the Bologna international standard of three years, and reduce medical training from seven to six years. Couto's deputy Orlando Quilambo became Rector in May, and in October announced the return to the former curriculum because the Bologna model was not viable for UEM. (AIM 17 Oct 2011)

Unique ID number: Mozambicans will now have a single number, replacing the current system where there is a different number for each document: identity card, passport, birth certificate, driver's licence, single tax number (NUIT), and voting card. The pilot of the Single Citizen's Identification Number (NUIC) project, covering 4,700 people in Matola, is considered a success and the hope is to expand it to cover 5 million people over the next five years. (AIM 14 Oct 2011)

Witchcraft: Over 20 elderly people have been murdered this year in Mozambique as a result of their alleged involvement in witchcraft, according to the Forum Terceira Idade (Third Age Forum). (AIM 11 Oct 2011 citing Radio Moçambique)

Demining: More than 20 years after the end of the war, mine removal continues. The 236 towers that carried the electricity line from South African to Maputo were all mined by the government in 1985/86 to try to prevent Renamo attacks, and the mines are now being slowly removed, although the task will not be completed until 2013. At the worst tower, in Gumbane, 151 anti-personnel and anti-group mines were found. (Noticias 29 Oct 2011)

Malawi crisis: A very good paper on the current political crisis in Malawi has just been posted by Diana Cammack, a long time Malawi analyst.
<http://www.institutions-africa.org/news/20111110-malawi-s-political-settlement-in-crisis-2011>

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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>

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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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