

# MOZAMBIQUE News reports & clippings

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## Also in this issue:

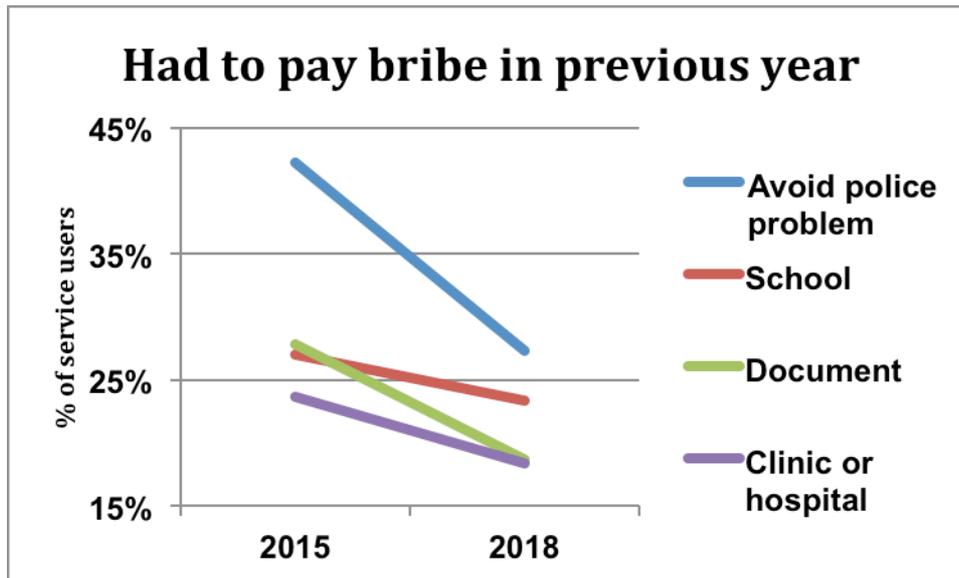
**Chang not returning to Maputo soon**

**Airports company cannot pay bills, due to Nacala airport**

**Jail confirmed for secret debt suspects**

## Corruption declining, but 1/4 still must pay bribes

One in four Mozambicans dealing with police, schools, health posts and the police had to pay a bribe last year, according to the Afrobarometer corruption survey released Friday. Compared to 2015, demand for bribes has reduced somewhat, but it still high.



The survey also makes clear that ordinary people believe that government and society in general is highly corrupted. Half the population thinks an ordinary person can pay a bribe to avoid taxes or going to court or to register land improperly; two-thirds of respondents say a rich person can successfully bribe.

One-third of people think "most or all" people in a range of institutions are corrupt, and another half think at least some are. Suspect institutions include the Presidency, judges, parliament, and local government, as well as business and non-government organisations. These perceptions have not changed since the previous Afrobarometer survey in 2015. Interestingly, despite the \$2 bn secret debt, the Presidency remains more trusted than other institutions, although the respondents who said all or most of people in the Presidency are corrupt went up from 26% to 30%.

Afrobarometre calculates Mozambique's overall bribery rate - users of public services who have paid a bribe in the last year - at 35%. Corruption in Mozambique is high by African standards and is by far the worst in southern Africa; it compares to Botswana (7%), South Africa, Tanzania, and Zambia (all 18%), Zimbabwe (25%) and Malawi (28%). At the other end of the scale are Nigeria (44%), Kenya (45%), Uganda (46%) and Liberia (53%)

Their report is available on <http://bit.ly/AfroB-Corrupt>

Afrobarometer interviewed 2400 people in 2015 and 2400 in June-August 2018  
The tables are constructed using their on-line analysis tool.

For paying bribes, percentages refer to affected people (that is, users of a particular service, such as health). Opinions are percentages of those who responded, excluding those who did not answer.

<b>Can a person bribe or use personal connections to:</b>						
	Rich person			Ordinary person		
	avoid taxes	avoid court	register land not theirs	avoid taxes	avoid court	register land not theirs
<b>Not likely</b>	37%	32%	30%	55%	51%	50%
<b>Somewhat or very likely</b>	63%	68%	70%	45%	49%	50%

2018 survey, response rate 89%

## How many of these people do you think are involved in corruption?

	Office of the Presidency		Judges and magistrates		Members of parliament		Local government councillors		Police	
	2015	2018	2015	2018	2015	2018	2015	2018	2015	2018
None	28%	29%	19%	15%	22%	20%	15%	12%	11%	8%
Some	46%	41%	42%	47%	45%	47%	44%	50%	34%	37%
Most or all	26%	30%	40%	38%	33%	33%	41%	37%	55%	55%
% responding	69%	78%	69%	74%	69%	74%	73%	74%	78%	85%

	<b>Non-government</b>			
	religious leaders		business executives	
	2015	2018	2015	2018
<b>None</b>	34%	29%	18%	14%
<b>Some</b>	42%	43%	38%	47%
<b>Most or all</b>	24%	27%	44%	39%
% responding	77%	80%	74%	74%

	Only asked in 2018	
	Government officials	NGOs
<b>None</b>	10%	17%
<b>Some</b>	46%	47%
<b>Most or all</b>	44%	36%
% responding	83%	73%

Service users who had to pay bribe in previous year								
	Avoid problem with police		Document or permit		School		Clinic or hospital	
	2015	2018	2015	2018	2015	2018	2015	2018
Never	58%	73%	72%	81%	73%	77%	76%	82%
Once or twice	13%	13%	12%	10%	11%	13%	10%	10%
Few or Often	29%	14%	16%	9%	16%	11%	14%	9%
% of those questioned who had contact with service	27%	39%	54%	50%	56%	45%	71%	74%

## Chang not returning to Maputo soon

Former Finance Minister Manuel Chang will not be extradited to Mozambique any time soon, following the successful intervention of the Mozambican civil society coalition, the Budget Monitoring Forum (FMO, Forum de Monitoria do Orçamento). FMO and its coordinator Denise Namburete have taken the lead on the \$2 bn secret debt.

Chang was arrested on 29 December 2018 on a US arrest warrant. Mozambique then requested his return, and on 21 May then Justice Minister Michael Masutha, just days before he was replaced, ordered Chang sent to Mozambique. FMO made an urgent application in the High Court on Tuesday 9 July to delay the sending of Chang to Mozambique and asking that the decision be reconsidered.

Masutha had been appointed by then president Jacob Zuma, who had links with Frelimo from when he was in Maputo 1977-90. Ronald Lamola, a Zuma opponent and supporter of the new president Cyril Ramaphosa, was elected to parliament for the first time in the May 2019 election and immediately named Justice Minister. In a response on Friday 12 July, Lamola said the decision to send Chang to Mozambique was "irrational and inconsistent with the constitution of the Republic of South Africa," and thus should be reconsidered.

The director-general of justice, Vusi Madonsela, acting for the Minister, made a longer affidavit in which he did not oppose the FMO application for Chang's extradition to Mozambique to be reviewed. He also noted that Chang continues to hold parliamentary immunity and there is no indictment against him in Mozambique, whereas there is a US indictment.

The next hearing in Johannesburg should be in the next month. But Lamola's intervention still leaves time for Mozambique to properly charge Chang and withdraw his immunity, and Lamola has expressed no view as to where Chang should be extradited. So he will sit in a Johannesburg jail for some months to come.

The FMO application is on <http://bit.ly/FMO-SA-court>  
Lamola's response is on <http://bit.ly/Lamola-SA-court>  
Both are in English.

## **Airports company cannot pay bills, because of corrupt Nacala airport**

To pay its employees, ADM, the state-owned airports company, has been forced to take a bank loan, after the Maputo court froze its bank account. ADM was a major borrower from the dubious Nosso Banco ("Our Bank") which collapsed in 2016. ADM owed the bank \$275 mn, and when it failed to pay, the liquidation commission took the matter to court and succeeding in freezing the ADM bank account.

Transport Minister Carlos Mesquita blames the crisis on the failure of Nacala airport which was built in 2014 with a \$125 mn export credit from Brazil and \$75 mn in local bank loans, but which has hardly ever been used. Brazilian contractor Odebrecht admitted to the US Department of Justice last year that it paid \$900,000 bribes for the contract to build the white elephant airport.

Three people have now been charged by the Attorney-General's Office (PGR) including two of former President Armando Guebuza's ministers. Former Transport Minister Paulo Zucula is being held in preventive detention and is charged with accepting \$315,000 in bribes. Former Finance Minister Manuel Chang, still in detention in South Africa as part of competing extradition requests, is charged with taking a bribe of \$250,000. Emiliano Finocchi, an Italian-Mozambican architect and businessman, is also charged but has been released on bail.

Meanwhile charges of "criminal association" were dropped early this month against three people charged with taking bribes from the Brazilian aircraft manufacturer Embraer, but the other charges have been retained. Embraer paid an \$800,000 bribe to ensure the sale of two aircraft to LAM, it admitted to the US Justice Department in 2016. Paulo Zucula is charged with money laundering and illegal participation in business; former LAM chair Jose Viegas is charged with illicit participation in a business, and Mateus Zimba, who Embraer identified as setting up the bribe and who agreed an inflated price for the planes to cover the cost of the bribes, is charged with money laundering. (AIM, *Carta de Moçambique* 1, 3 July)

**Suggestions:** Could a deal be organised in which the people who took bribes related to the \$2bn secret debt agreed to form an offshore Seychelles company to buy airports company ADM, and then use their bribe money to pay off ADM's debts.

The Kenyan option upheld by the Court of Appeal there on 10 May could be made to work in Mozambique. The ruling held that all unexplained funds and assets belong to the state. The Kenya Ethics and Anti-Corruption Commission is now going after rags-to-riches secret millionaires such as police officers whose wealth far exceeds their salaries. (*Daily Nation*, 26 May)

## **Jail confirmed for secret debt suspects**

The detention of four key secret debt suspects was confirmed by the Supreme Court Friday 12 July. It rejected habeas corpus applications for Gregorio Leao, the head of SISE (security services) under President Armando Guebuza; Antonio do Rosario, the former director of economic intelligence at SISE, who became chairperson of all three fraudulent companies; Ndambi Guebuza, the oldest son of the former President, who also claims he worked for SISE; and Bruno Tandane.

The first three said SISE statutes say SISE members cannot be detained for crimes allegedly committed in connection with their duties. The court found that the crimes of which they are accused have nothing to do with legitimate security or intelligence work. Further, there was no

evidence that Ndambi Guebuza had ever been a SISE officer. SISE top management told the Court that his name never featured on the list of the institution's staff.

Five others also remain in detention, including Angela Leao, wife of ex SISE head Gregorio, and the former President's private secretary, Ines Moiane. (AIM, STV 12 July, 31 May)

## Renamo divisions

Two groups of Renamo guerrillas, in Sofala and Funhalouro district of Inhambane, have demanded the resignation of Renamo president Ossufo Momade. Funhalouro leader Joao Machava said his fighters will not agree to demobilisation and disarmament until Momade has resigned. Momade "is a tribalist, he's a regionalist, he's arrogant and he's ignorant", accused Machava.

This appears to reflect a regional split - the late president Afonso Dhlakama had his support base in the centre of the country, notably Manica, Sofala and Inhambane, while Momade's base is further north in Zambézia and Nampula. There may also be a religious division - the Catholic Church in Beira traditionally backed Dhlakama, while Momade is Muslim. In an era of fake news, it is also unclear to what extent the Mozambican security services SISE are stirring the pot.

In June the head of the Sofala dissidents, Maj-Gen Mariano Nhongo, said Brig Josefa de Sousa, had been executed on Momade's orders. But then Renamo showed the press that he was alive and well. The Renamo leadership has dismissed the dissidents as "deserters". (AIM 1 July)

## Other news

**Roads kill twice as many as malaria** - An average of four people were killed every day on Mozambique's roads in the first half of 2019, police statistics show - a total of 769 dead, far more than the 425 killed by malaria over the same period. (@Verdade 8 July) Zitmar (8 July) notes that international donors continue to finance the building of roads with no provision for pedestrians who make up the vast majority of road-users, and are by far the most vulnerable.

**Local government is dangerous.** Maputo prosecutor Evelina Gormane has asked for extra time to investigate the unexplained death on 5 March of Célia Cumbe, the former finance head ('vereadora') of Maputo city council. It is alleged that toward the end of their term last year, some council members and staff pocketed large sums of money, and Cumbe will have known where they money went. Meanwhile, Alto Molocue has a hung municipal assembly, with 10 Frelimo, 10 Renamo and one MDM, Andre Txetxema. He voted with Renamo to reject the plan and budget submitted by the Frelimo mayor. If the budget is rejected again, there must be new elections. On 5 July Txetxema was badly beaten and is now in Nampula hospital; he said Frelimo tried to bribe him to vote with them and after he refused, he was beaten.

**The law on provincial finance** decentralisation has still not been submitted to parliament. It will be critical in defining the relationship between the elected governor and the new representative of the central state in each province and Maputo city. But Maputo Mayor Eneas Comiche has publicly called it a backward step with recentralisation instead of decentralisation and says "a conflict between the powers of the representative of the State in the City of Maputo and the organs of the Municipal Council are evident". Under the draft, the central government takes back powers it had previously decentralised to Maputo, he says. (*O Pais*, 12 July)

**Corruption in the Magistrates association** is alleged by Judge Rogerio Balate, relating to election of new members to the Magistrates Council. Supreme Court Judge Joaquim Madeira is a members of the election commission and his daughter, Virgínia Maderia, is a candidate. (*Carta de Moçambique* 10 July)

## **And some interesting reports**

**Why the Mozambican Government's alliance with the Islamic Council of Mozambique might not end the insurgency in Cabo Delgado**, by Liazzat Bonate, 14 June. The Islamic Council is not an uninterested party, and is a target of the insurgency. The Council was launched in 1981 by Frelimo. <https://zitamar.com/mozambican-governments-alliance-islamic-council-mozambique-might-not-end-insurgency-cabo-delgado/>

**The many drivers enabling violent extremism in northern Mozambique** by Gregory Pirio, Robert Pittelli, and Yussuf Adam. <https://clubofmozambique.com/news/the-many-drivers-enabling-violent-extremism-in-northern-mozambique-by-gregory-pirio-robert-pittelli-and-yussuf-adam/>

**Urban agriculture in Maputo: a model to follow.** The green zone cooperatives around Maputo were one of the successes of the socialist era of the late 1970s, and they quietly continue to produce vegetables for the growing city. Some land is lost to housing for the expanding capital, but a lot of the small farms are on flood plain which is not being built on. Deutsche Welle (4 July) <https://clubofmozambique.com/news/urban-agriculture-in-maputo-a-model-to-follow-135692/>

**Banco Mundial é o maior credor de Moçambique... para manter o partido Frelimo no poder.** (In Portuguese) Prof. João Mosca, head of the rural observatory, points out that the World Bank is Mozambique biggest creditor, and he accuses the Bank of providing a "slush fund" ("saco Azul") for Frelimo. João Mosca argues that "at this moment the goal is to win the elections, so we must create a collective environment in society that there is no crisis, we are all recovering, we will have peace, we are putting Renamo soldiers in the army, ... the debt crisis will be now solved with the gas, there are no contradictions within Frelimo and therefore there are no problems in Mozambique, everything is in good shape and we are together."

"The short-term objective is for Frelimo to win the elections," said Mosca, who pointed out that "the Swiss ambassador is the pivot of the game between the Government, the International Community, the IMF and the World Bank and Civil Society" in order to guarantee interests in Mozambique's resources, particularly in South Africa, Brazil, China, the United States, the European Union and Japan.

The report also has a table by creditor of Mozambique's \$10 bn debt. (@Verdade, 27 June) <http://www.verdade.co.mz/tema-de-fundo/35-themadefundo/68761-banco-mundial-e-o-maior-credor-de-mocambique-para-manter-o-partido-frelimo-no-poder->

**Britain is being drawn into the Cabo Delgado insurgency**, according to the Indian Ocean Newsletter (21 June). It says the memorandum of understanding signed by the British high commissioner NneNne Iwuji-Eme and the Mozambican deputy defence minister Patricio Jose was drafted with defence attaché Alan Litster, a Royal Marines colonel based in Pretoria, and includes military cooperation to confront the insurrection in Cabo Delgado.

**Cyclone Idai exposed failings of Mozambique's Disaster Alert System.** (Zitamar 13 June) <https://zitamar.com/cyclone-idai-exposed-failings-mozambiques-disaster-alert-system/>

**How rampant deforestation made Mozambique vulnerable to Cyclone Idai** (New Humanitarian) <https://clubofmozambique.com/news/how-rampant-deforestation-made-mozambique-vulnerable-to-cyclone-idai/>

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## Background reading

### Special reports

#### Mozambique heroin transit trade

English - LSE - <http://bit.ly/Moz-heroin>

Portuguese - Pt - CIP - <http://bit.ly/Moz-heroina>

#### Gas for development?

Gas\_for\_development\_or\_just\_for\_money?\_2015 [bit.ly/MozGasEng](http://bit.ly/MozGasEng)

Gás\_para\_desenvolvimento\_ou\_apenas\_dinheiro?\_2015 [bit.ly/MozGasPt](http://bit.ly/MozGasPt)

Social protection report - 2017 Mozambique - <http://bit.ly/MozSocPro>

Special report on four poverty surveys: [bit.ly/MozPoverty](http://bit.ly/MozPoverty)

2018 Constitution - <http://bit.ly/2KF588T>

Minimum wage and exchange rates 1996-2018 -- <http://bit.ly/MinWage18>

#### \$2bn secret debt - in English

Kroll - Full report on \$2bn debt - <http://bit.ly/Kroll-Moz-full>

Kroll report summary - <http://bit.ly/Kroll-sum>

Key points of Mozambique parliament report - Nov 2016 - <http://bit.ly/MozAR-debt-En>

Following the donor-designed path to Mozambique's \$2.2 bn debt - <http://bit.ly/3WQ-hanlon>

#### In Portuguese:

Parliamentary Report on the Secret Debt (complete) [bit.ly/MozAR-debt](http://bit.ly/MozAR-debt)

**Election study collaboration:** We have detailed election data from 1999 through 2014 and are inviting scholars to use this data collaboratively. <http://bit.ly/MozEIData>

Election newsletters are on <http://bit.ly/2H066Kg>

**Eight books by Joseph Hanlon can be downloaded, free:** <http://bit.ly/Hanlon-books>

Bangladesh confronts climate change (2016)

Chickens and beer: A recipe for agricultural growth in Mozambique (2014)

Há Mais Bicicletas – mas há desenvolvimento? (2008)

Moçambique e as grandes cheias de 2000 (2001)

Paz Sem Benefício: Como o FMI Bloqueia a Reconstrução (1997)

Peace Without Profit: How the IMF Blocks Rebuilding (1996)

Mozambique: Who Calls the Shots (1991)

Mozambique: The Revolution Under Fire (1984)

#### Two more will be available shortly to download:

Apartheid's 2nd Front (1986)

Mozambique and the Great Flood of 2000

#### These are still available for sale:

Galinhas e cerveja: uma receita para o crescimento (2014) (free in English)

Zimbabwe takes back its land (2013)

Just Give Money to the Poor: The Development Revolution from the Global South (2010)

Do bicycles equal development in Mozambique? (2008) (free in Portuguese)

Beggar Your Neighbours: Apartheid Power in Southern Africa (1986)

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#### Mozambique media websites, Portuguese:

Notícias: [www.jornalnoticias.co.mz](http://www.jornalnoticias.co.mz)

O País: [www.opais.co.mz](http://www.opais.co.mz)

@Verdade: <http://www.verdade.co.mz>

Carlos Serra Diário de um sociólogo: <http://oficinadesociologia.blogspot.com>

#### Mozambique media websites, English:

Club of Mozambique: <http://clubofmozambique.com/>

Zitamar: <http://zitamar.com/>

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