

# MOZAMBIQUE News reports & clippings

386 2 October 2017 Editor: Joseph Hanlon ( [j.hanlon@open.ac.uk](mailto:j.hanlon@open.ac.uk) )

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## Also in this issue:

**Pigeon pea crisis hits 2 mn family farmers**

**\$1.26 bn deficit next year means \$1 bn more debt**

## Nyusi wins control of Political Commission

None of the seven new members of the Frelimo Political Commission are linked to former President Armando Guebuza, which means President Filipe Nyusi has gained effective control of the party. The new members were elected early this morning at the end of the 11th Frelimo party congress in Matola. Remaining members of the Central Committee were elected at the Congress Sunday and the new Central Committee then elected the 40% of the Political Commission that can be changed at the Congress.

Three of Nyusi's ministers were elected:

+ Prime Minister Carlos Agostinho do Rosário (142 votes)

+ Interior Minister Basílio Monteiro (111 votes)

+ Deputy Foreign Minister Nyelete Mondlane (168 votes, the highest)

Three people who held posts under Chissano but not Guebuza were elected:

+ Manuel Tomé, former Frelimo Secretary General (161 votes)

+ Aires Ali, Minister of Education under Chissano and briefly Prime Minister under Guebuza but sacked in 2012 (136 votes)

+ Tomás Salomão, former finance minister (128 votes)

The seventh person elected is Ana Rita Sithole (132 votes), an MP and member of the parliamentary permanent commission, who was an early supporter of Nyusi.

President Filipe Nyusi is automatically a member. Ten members were re-elected: Alberto Chipande,

### **Secret debt documents and report:**

**Kroll full report** (80 Mb!) <http://bit.ly/Kroll-Moz-full>

**Kroll audit Executive Summary** <http://bit.ly/Kroll-sum>

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

**Key points from the Parliamentary Report on the Secret Debt** <http://bit.ly/MozAR-debt-En>

**Mozambique should not pay the hidden debt** <http://bit.ly/Moz-do-not-pay>

**Following the donor-designed path to the \$2.2 billion secret debt** <http://bit.ly/3WQ-hanlon>

### **Other books and reports:**

**Local media monitoring of Mozambique elections** (background of election newsletters)  
<http://bit.ly/LSE-newsletter>

**Chickens and beer: A recipe for agricultural growth in Mozambique** book by Teresa Smart and Joseph Hanlon, **free** English download <http://bit.ly/chickens-beer>

**Há mais bicicletas - mas há desenvolvimento?** book by Joseph Hanlon and Teresa Smart, **free** Portuguese download <http://bit.ly/Mais-bicicletas>

**Gas for development or just for money?** <http://bit.ly/MozGasEn>

Eneas Comiche, Eduardo Mulémbwe, Raimundo Pachinuapa, Sérgio Pantie, Filipe Paúnde, Verónica Macamo, Margarida Talapa, Conceita Sortane, and Alcinda de Abreu. Of the 17 elected members, 7 are women.

José Pacheco, Alberto Vaquina, Carvalho Muaria, Esperança Bias and Lucília Hama were not re-elected to the Political Commission. Former Secretary General Eliseu Machava decided not to stand. Cadmiel Muthemba could not stand for re-election because he was not even elected to the Central Committee.

The new central committee also elected Roque Silva as Frelimo Secretary General. He is currently the Deputy Minister for State Administration and before that was Frelimo party secretary in Gaza. The Central Committee also elected Raimundo Diomba as the secretary of the Verification Commission, the Frelimo disciplinary body, replacing Agriculture Minister Jose Pacheco who was not returned to the Political Commission. Diomba is currently governor of Maputo province, and previously governed Gaza and Manica. The two are ex officio members of the Political Commission.

Former President Armando Guebuza was named honorary president of Frelimo.

Of the 195 member Central Committee, 119 were elected at provincial Frelimo conferences. The 11 provincial secretaries and the heads of the three social organisations (women, youth and veterans) are automatically members. The remaining 61 were elected at the Congress, on a complex ballot paper involving men and women, re-elected and new (60% must be re-elected and 40% new), youth, and economic sectors. There were 144 candidates.

Three ministers failed in their bids for re-election: Foreign Minister Oldemiro Baloi, Youth and Sport Minister Alberto Nkutumula, and Deputy Youth and Sport Minister Oscar Petersburgo. The outspoken former information minister Teodato Hunguana was also not re-elected. Armando Geubuza and former finance minister Manuel Chang did not stand.

In the provincial conferences, several provincial governors failed in their attempts to gain a seat on the central committee. They included the governors of Nampula, Victor Borges, of Zambezia, Abdul Razak and of Sofala, Helena Taipo. The mayor of Maputo, David Simango, also failed in his bid for re-election. (AIM En 1 Oct, AIM Pt 2 Oct, *O País & Notícias* 2 Oct)

*CanalMoz* (2 Oct) notes that there are four members of the Chipande family on the central committee and four members of the family of Margarida Talapa, head of the Frelimo parliamentary bench.

The full central committee list is on <http://bit.ly/FrelimoCC2017>

## **Frelimo says don't ostracise the corrupt**

Corrupt Frelimo members should not be ostracised and thrown out of the party, but instead should be "resocialized", explained Frelimo spokesperson António Niquice, speaking to the press at the party Congress Friday. "There are vast criminal laws in the country and more anti-corruption laws have been passed. We believe that convicted persons should be resocialized and not ostracized." (Lusa 30 Sept)

At the Congress, Frelimo showed that it was following that policy. Invited guests included former justice minister Lino de Almeida (sentenced to two years on corruption charges), former ambassador to Moscow Bernardo Xerinda (charged by the anti-corruption office - Gabinete Central do Combate à Corrupção - GCCC - in March 2016, but not yet tried), and Mateus Zimba (named as the alleged middleman in the Embraer airplane bribe). There as a delegate was Amelia Sumbana, former ambassador to US, who has also been charged by the GCCC; she stood for the

Political Commission but was not elected.

## **Pigeon pea crisis hits 2 million family commercial farmers**

Pigeon pea may seem an obscure crop, but up to 2 million peasants grew it this year because they believed they had a guaranteed market. Now many cannot sell their crop, which is a severe blow and will seriously set back the development of family commercial farming.

Most Mozambican peasants farm less than 1.5 hectares with only a hoe. That does not even provide enough food, and dooms them to permanent poverty. Many donor and government programmes have tried to help peasants expand their area and produce cash crops. Living on the margin, small farmers are reluctant to take risks, and so will only introduce a new crop if they have an assured market. In other countries this is often provided by a marketing board offering a guaranteed price, but Mozambique is not allowed to have such a marketing board. So the push has been for various market mechanisms and contract farming, but with only limited success.

Pigeon pea (feijão bóer) is the ideal peasant crop - it requires no inputs, it is nitrogen fixing so improves soil fertility, and it is not a good crop for large farmers. But it is only eaten locally in small quantities in the north where it is known as ervilha. However pigeon pea is the basis of dhal, which is consumed in large quantities in India. Projections in 2014-15 were that Indian consumption was rising much faster than production, so production for export was encouraged.

Fear of a dhal shortage was so great that in July 2016 Narendra Modi made the first ever visit to Mozambique of an Indian prime minister, primarily to promote pigeon pea production and exports. A memorandum of understanding (MoU) was signed in which India agreed to import increasing amounts of pigeon peas, with 125,000 tonnes this year.

Farmgate prices for pigeon peas last year were MT 40-50 per kilogram, and a peasant farmer can produce 350 kg per hectare. Even half a hectare of pigeon pea would earn more than \$100, a huge amount of cash from Mozambican peasants. India sets a minimum support price which is at a similar level.

The high price caused a rush of farmers to grow pigeon peas. In India there was a boom in production much above any expectations, and on 5 August this year the Indian government imposed an import ban - except for the one country with an MoU, Mozambique. Indian traders had imported 32,000 tonnes from Mozambique before the ban and suddenly stopped imports.

Meanwhile, Mozambican peasants have produced up to 300,000 tonnes of pigeon peas, up from 60,000 tonnes just two years ago. This could have put \$200 mn into the peasant economy, in a huge boost for poor rural areas. Now it has all stopped; traders are only paying one-tenth of the old price, MT 4-5/kg. A few Indian traders are importing at \$300/tonne (MT 18/kg) which suggests Indian and Mozambican traders will make huge profits out of the crisis.

Two weeks ago the Indian High Commissioner, Rudra Gaurav, went to Nampula and met traders and told them that there was still 93,000 tonnes of the quota unfilled. Mozambican production is well above the quota, but pigeon pea can be stored for up to a year, so some traders might store until April, the start of the next quota year, and export then.

The World Bank's Let's Work project and the International Growth Centre have both been working with pigeon peas and raised a warning at the same time as the Indian import ban. As the crisis has intensified the World Bank on 29 September hosted a meeting of traders, the ministries of agriculture and finance, and the Indian High Commissioner - who restated the commitment to buy up to the quota level.

There is a good report with more details free to read on Zitamar: <https://zitamar.com/india-will-honour-mozambique-pigeon-pea-deal-2-million-farmers-still-face-crisis/>

**Comment:** As always in Mozambique, it is the peasants who carry all the risk. Large quantities of pigeon pea are still in the field, and many peasants may not even harvest because of the derisory price. But will anyone be able to convince the peasants to take a risk on another cash crop next year? In our book *Galinhas e Cerveja*, we argue that peasants will grow anything that pays, and assured markets and prices are essential to share the risk and promote peasant commercial production.

Elsewhere in the world, including in Europe and the US, farmers are guaranteed prices. Yet these same countries as donors do not allow Mozambique to do so. They seem to argue that Mozambican farmers are so much better than European farmers, that the only way to level the playing field is to allow subsidy in Europe and the US, but not in Mozambique.

Pigeon pea will be a hard lesson in market economics for 2 million peasant families. How many will take such a risk again? *jh*

## **\$1.26 bn deficit next year means \$1 bn more debt**

The government will run a \$1.26 bn deficit next year. With continuing reports of the government not paying its bills, it hopes to borrow \$300 mn more domestically and \$700 mn more externally. It hopes the foreign aid of \$340 mn will more than fill the remaining gap. Meanwhile government formally admitted that the debt in 2016 was 102% of GDP. (Zitamar, *O Pais Económico* 22 Sept)

The government plan and budget was approved at a special Council of Ministers meeting on 21 September, moved forward to avoid the Frelimo Congress last week. The full documents will be submitted to parliament this week and only basic details were released. Inflation is expected to fall from 15.5% this year to 11.9% next year, and GNP growth should rise to 5.3% in 2018.

Council of Ministers spokesperson Ana Comoana said that expectations of donor support were based on donors statements that have been "unanimous in recognizing what has been the great worth of the government of Mozambique."

Meanwhile the Ministry of Economics and Finance finally released the 2016 debt figures, which showed a substantial increase in debt in 2016, making Mozambique debt distressed. Debt jumped to 102% of GDP compared to 73% in 2015. This was partly due to the devaluation of the metical, but also due to major new borrowing - \$600 mn from abroad and MT 19 billion (\$260 mn) domestically. (Table in the attached pdf.)

### **Mozambique public debt**

|                        | <b>Meticais - bn</b> |             | <b>US\$ - billion</b> |             |
|------------------------|----------------------|-------------|-----------------------|-------------|
|                        | <b>2015</b>          | <b>2016</b> | <b>2015</b>           | <b>2016</b> |
| External               | 365                  | 616         | 7.9                   | 8.5         |
| Internal               | 69                   | 88          | 1.5                   | 1.2         |
| Total                  | 434                  | 704         | 9.4                   | 9.7         |
| GNP                    | 592                  | 689         | 12.8                  | 9.5         |
| debt % of GNP          | 73%                  | 102%        |                       |             |
| year end exchange rate |                      |             | 46.3                  | 72.7        |

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If you need to cite it for academic purposes, treat it as a blog. The normal citation format would be:

"Mozambique News Reports & Clippings, number XXX", DATE, [bit.ly/mozamb](http://bit.ly/mozamb), accessed XXX.

**Previous newsletters and other Mozambique material** are posted on [bit.ly/mozamb](http://bit.ly/mozamb)

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

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## Other books and reports by Joseph Hanlon

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

**Comment: something will turn up:** <http://bit.ly/28SN7QP>

**Oxfam blog on Bill Gates & chickens:**

<http://oxfamblogs.org/fp2p/will-bill-gates-chickens-end-african-poverty/>

**Bangladesh confronts climate change: Keeping our heads above water**

by Manoj Roy, Joseph Hanlon and David Hulme

Published by Anthem Press

<http://www.anthempress.com/bangladesh-confronts-climate-change-pb>

**Chickens and beer: A recipe for agricultural growth in Mozambique** by Teresa Smart and Joseph Hanlon

In pdf format, 6 Mb file, free on <http://bit.ly/chickens-beer>

E-book for Kindle and iPad, <http://www.amazon.com/dp/B00NRZXXKE>

**Galinhas e cerveja: uma receita para o crescimento**

by Teresa Smart & Joseph Hanlon.

Copies are in Maputo bookshops (Karibu at airport, Livaria UEM, Bazar Pariso, Mivany) or from

**KAPICUA**, which recently moved to Av de Maguiguana (nr Lenine), Maputo; Tel: +258 21 413 201.

Telm.: +258 823 219 950 E-mail: [kapicua@tdm.co.mz](mailto:kapicua@tdm.co.mz) / [kapicuacom@tdm.co.mz](mailto:kapicuacom@tdm.co.mz)

Outside Mozambique, we have a few copies we can send from London. Please e-mail [j.hanlon@open.ac.uk](mailto:j.hanlon@open.ac.uk).

**Zimbabwe takes back its land**

by Joseph Hanlon, Jeanette Manjengwa & Teresa Smart is now available from the publishers

[https://www.rienner.com/title/Zimbabwe\\_Takes\\_Back\\_Its\\_Land](https://www.rienner.com/title/Zimbabwe_Takes_Back_Its_Land) also as an e-book and

<http://www.jacana.co.za/book-categories/current-affairs-a-history/zimbabwe-takes-back-it-s-land-detail>

**Do bicycles equal development in Mozambique?** by Joseph Hanlon & Teresa Smart

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

**Há mais bicicletas - mas há desenvolvimento?** free download of Portuguese edition (5 Mb)

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**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 be **read on the web** [tinyurl.com/justgivemoney](http://tinyurl.com/justgivemoney)

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NOTE OF EXPLANATION:

One 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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**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>

Diário de Moçambique (Beira): <http://www.diariodemocambique.co.mz>

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

**Mozambique media websites, English:**

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

Rhula weekly newsletter: <http://www.rhula.net/news-announcements.html>

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

Macauhub English: <http://www.macauhub.com.mo/en/>

AIM Reports: [www.poptel.org.uk/mozambique-news](http://www.poptel.org.uk/mozambique-news)

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