

MOZAMBIQUE News reports & clippings

396 13 December 2017 (2nd issue) Editor: Joseph Hanlon

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Reshuffle: 2 respected technocrats promoted

In his first post-Congress reshuffle, President Filipe Nyusi today (13 Dec) promoted two highly praised technicians to key posts.

Max Tonela takes the key post of Minister of Mineral Resources and Energy, a sector that provides much of government revenue and where key negotiations on the gas fields are required in soon. He had been Minister of Industry and Trade, and before that was a highly respected financial director of the state electricity company, EDM, and member of the Board of Directors of Hidroelectrica de Cahora Bassa (HCB). He replaces Leticia Klemens, who was only appointed to the job in October 2016 without any prior government experience.

Higino Marrule's appointment as Agriculture Minister has won high praise. He is an agronomist with an MSc in agro-economy and development, but with hands-on experience. As a director in the NGO TechnoServe he was important in the successful promotion of small scale commercial chicken production in Mozambique. One knowledgeable agricultural researcher predicted "more openness to discussion and ideas from others [and] more focus on research." Another said "in my view could not be a better choice. He is highly respected and it is good to see someone appointed to the portfolio without any obvious Frelimo baggage." The respect for Marrule will make his first task easier - sorting out the competing fiefdoms within the ministry and trying to develop a coherent agricultural strategy. He will also need to build cooperation with Celso Correia, Minister of Land,

Recent reports

Special report on social protection <http://bit.ly/MozSocPro>

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

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:

Government's detailed flood reports: <http://bit.ly/flood-17>

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>

Minimum wages & exchange rates 1996-2017 <http://bit.ly/MinWage2017>

Previous newsletters and other Mozambique material are posted on bit.ly/mozamb

Environment and Rural Development, who has taken the lead on key farm issues.

Marrule replaces **José Pacheco** who has been in government since 1995. He was seen as close to former President Armando Guebuza, and lost substantial power at the Frelimo Congress in September, when he lost his place on the Frelimo Political Commission and as head of the Verification Commission, the Frelimo disciplinary body. In recent years he had spent more of his time on party and general government matters and little on agriculture.

Pacheco becomes Foreign and Cooperation Minister, replacing **Oldemiro Balói** who had been in government on and off for nearly 30 years. Balói's star had also been falling, and he lost his place on the Frelimo Central Committee at the party Congress.

New China link to Ematum

Blackwater Security founder Erik Prince is going into a joint venture with Ematum and told a Maputo press conference Wednesday (13 Dec) that he may later get involved in protecting Mozambique's oil and gas assets. Prince said that by March he plans to have operating the 24 fishing boats that have been rusting in Maputo harbour since they were acquired.

Antonio do Rosário said Tuesday that Prince will also have partnerships with maritime security company ProIndicus and MAM (Mozambique Asset Management). (Bloomberg 12,13 Dec) Rosário has been dismissed from his security service (SISE) post, but remains head of these three SISE-controlled companies. The joint venture will be between Ematum and Prince's Hong Kong-based Frontier Services Group (FSG). <https://www.bloomberg.com/news/articles/2017-12-12/erik-prince-to-partner-with-mozambique-s-hidden-debt-companies>

Prince told STV (13 Dec) "We know there's a lot of illegal fishing. We hope to improve Mozambique's capacity to protect its fisheries. We have agreements in this direction, but the details have not yet been finalized, although we are very close to doing so."

Frontier is 20% owned by the Citic, which is Chinese state owned and the largest Chinese conglomerate. Price told the *Financial Times* (FT, 10 Apr 2017) that he was helping to increase trade as part of China's Silk Road policy, "One Belt One Road". Prince says FSG "is a logistics company, we are not a security company." But according to the FT, critics "say Mr Prince is simply proving what many suspected all along: instead of a patriot, he is a mercenary." The FT also notes that Prince "is an ardent supporter of Donald Trump and is the brother of Betsy DeVos, Mr Trump's new education secretary." <https://www.ft.com/content/e6942960-19e9-11e7-bcac-6d03d067f81f>

In a 19 December 2016 press release, Frontier said "from its inception, FSG has been focused on helping its customers operate more securely and efficiently in frontier markets. OBOR [one belt one road] focuses on connectivity, development and cooperation among countries situated primarily between the People's Republic of China and Eurasia. FSG is positioning itself to better serve its customers in these rapidly developing markets by building new operational bases in the region, establishing a China based logistics team and developing strategic partnerships with local operators. To ensure it remains close to its customers, FSG will be opening a forward operating base in China's Yunnan province. ... Subsequently, FSG will be opening a forward operating base in Xinjiang Uyghur Autonomous Region to serve businesses in the surrounding countries. These bases will provide training, communications, risk mitigation, risk assessments, information gathering, medevac and joint operations centers that coordinate security, logistics and aviation services." <https://www.prnewswire.com/news-releases/frontier-services-group-strategy-update-607417306.html>

FSG says one of its "target markets" is East Africa. In June, Frontier signed a security services agreement with Somalia. "The project will include an integrated solution of air-land-sea logistics capabilities and advanced security management," FSG said in a statement about the deal.

(Reuters, 22 June 2017)

Prince's previous company, Blackwater Security, made an estimated \$2bn in contracts with the US government during its heyday following the September 11 attacks, when the US needed to manage huge security projects in Iraq and Afghanistan. But four Blackwater guards were eventually tried in the US and imprisoned in the aftermath of a 2007 shooting in Baghdad that left 17 Iraqi civilians dead. (FT 10 Apr)

After selling Blackwater in 2010, Prince moved to Abu Dhabi. (FT 10 Apr) Ematum and the other two companies were the official recipients of the \$2 bn secret loans, but the money went directly to Prinvest, which is also based in Abu Dhabi.

Correcting a correction?

The string of corrections here on the ownership of the Cahora Bassa dam company (Hidroelectrica de Cahora Bassa, HCB) is because the ownership is obscure and contentious. HCB is owned 92.5% by the government of Mozambique, but the controversy is about how the shares are held. The shares have been held since 2007 by the state electricity company Electricidade de Moçambique (EDM) but the directors are appointed by the government and not by EDM, and an alleged attempt by EDM to treat HCB as a subsidiary was rejected. EDM is an "Empresa Publica" (public company) while HCB is a private company. In an interview with *Savana* (8 Dec) HCB emphasised that one reason to float shares to be listed on the stock exchange is that companies quoted on the stock exchange are subject to transparency and monitoring conditions which will force HCB to have a higher conduct standard than public companies. Max Tonela has been a senior official in both companies and his appointment as energy and minerals minister will probably lead to some attempt to create a unified electricity sector.

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This newsletter can be cited as "Mozambique News Reports & Clippings".

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, accessed XXX.

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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

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: kapicudir@tdm.co.mz / kapicuacom@tdm.co.mz
Outside Mozambique, we have a few copies we can send from London. Please e-mail 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 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)

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

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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
O País: www.opais.co.mz
@Verdade: <http://www.verdade.co.mz>
Diario de Moçambique (Beira): <http://www.diariodemocambique.co.mz>
Carlos Serra Diário de um sociólogo: <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

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