

MOZAMBIQUE News reports & clippings

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Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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Momade elected Renamo president

Ossufo Momade was overwhelmingly elected President of Renamo and national presidential candidate at the Renamo congress Thursday 17 January on the Gorongosa mountain. He has been acting head of Renamo since the death of Afonso Dhlakama of diabetes on 3 May 2018. Momade gained 410 votes, against 238 for Elias Dhlakama, the brother of Afonso and a member of the government military since the creation of the first integrated military force in 1994. The other three candidates were Manuel Bissopo, current secretary general (7 votes); Juliano Picardo, a member of parliament and the only candidate without a military background in the 1982-92 war (5 votes) and Hermínio Morais, a well known Renamo general who was mayoral candidate in Maputo last October (no votes).

"The Congress voted for the moderate line and the current that wanted a more aggressive confrontation with Frelimo lost," Fernando Lima wrote in *Savana*. This was also the view of other independent media. "Ossufo is seen as the voice of moderation and conciliation," Lima continued. And in his speech to the Congress he said that Renamo did not have enemies and all Mozambicans must be seen as brothers.

But there are divisions within Renamo. Speaking directly after Momade, Josefo de Sousa, representing Renamo's armed forces, struck a different tone - saying that if the agreement signed between Momade and Nyusi in August 2018 was not implemented in full - including the integration of Renamo personnel into the secret and intelligence services (SISE) - "consequences, and problems, will never end." He continued: "We know very well that the government is preoccupied with our disarmament, which we are not going to accept before the conclusion of all of the things agreed with our President."

And, unexpectedly, Momade closed the Congress without changing the secretary general, so Bissopo continues in the post. He had been expected to name Elias Dhlakama to the post. Zitamar reported that "Dhlakama struck a threatening tone when he warned Momade from the podium that the party's new 'organs' – the National Council, Political Commission, and General Secretariat – should be 'inclusive. Because if not, separation is imminent,' he said. 'Which we wouldn't like to happen.'" Momade's call for unity 'must not be empty words,' Dhlakama said, in a speech whose lack of deference to the newly elected leader took observers by surprise."

The Congress of 700 delegates and 500 guests was held in large tents (brought from Maputo) at the location on the mountainside of the 6 August 2017 meeting between Nyusi and Dhlakama, and which could be reached by 4x4 on a 40 km dirt road made muddy by the rains. (*Savana*, *Zitamar*, *O Pais*, AIM En, etc)

Comment

Transition to a political party

In his speech to the Congress, Momade stressed that "Renamo must continue to be seen as an alternative government." This underlines the transition of Renamo. For many years under Dhlakama, it remained organised as a guerrilla movement and never became a real political party. But in the two years before his death, Dhlakama underwent a profound change, stressing electoral politics and an opening to defectors to MDM to return to Renamo. Dhlakama understood that Frelimo was weakened and the Renamo might genuinely win. He made a strong commitment to stand in municipal elections, which proved wise with Renamo doing better than many (especially in Frelimo) predicted, winning 8 municipalities officially, but probably 13 in reality.

But this also points to the problem facing Momade. He and Dhlakama before him seem to have built good relations with President Filipe Nyusi and thus there was negotiation between leaders that bypassed many in their own parties who opposed any concessions. But this was based on informal commitments to good faith on both sides. But the blatant theft of elections in five municipalities, rubber-stamped by the courts, has killed any assumptions of good faith. Either Nyusi was being duplicitous, or he does not control an important part of his own party. Donors have been unusually quiet, suggesting that they, like the courts, will allow widespread fraud in the October national elections.

Momade's options are limited. Should he boycott an election he might win, as Afonso Dhlakama probably would have done? Or should he contest an election that might be stolen? Or could he negotiate concessions from Nyusi to reduce fraud - When Nyusi might need the fraud to win?

There are two things to look for in coming weeks. First, at the parliament session starting in February: Will Frelimo allow changes to the law to make fraud more difficult, for example ending the nonsense that exclusion from a meeting can only be contested at the meeting from which Renamo was excluded.

Second, Momade has decided to continue to live in the Gorongosa military base, as Dhlakama did before him, which indicates the continuing power of the generals within Renamo. If he soon is spending more time in Maputo and Beira, it will indicate enough concessions from Nyusi to convince Renamo generals - or that Momade recognises that he is much less well known and understands the importance of starting to campaign now. But would the generals accept this?

Journalist Amade Abubacar still held incommunicado

Police confirmed Thursday that they are holding journalist Amade Abubacar and said he would be presented in court in Macomia on Friday - but he was not. Armando Wilson, police spokesperson, admitted he had been held in Mueda, and said he will be charged with instigating a crime using informatics (that, web or mobile telephone). He was arrested on 5 January taking pictures of refugees, and sent to a military base in Mueda to be interrogated.

Meanwhile, the spokesperson for the Cabo Delgado provincial court, Zacarias Napatima, said that South African Andre Hanekom was freed on bail on 10 October and "at this moment he is free". But his wife Francis Hanekom, denies this. She went to the police in Mocímboa da Praia on 10 October with all the documents saying bail had been paid. She was told to wait for the commander. And while she was waiting, she saw him being driven off by the head of Mocímboa da Praia SERNIC (National Criminal Investigation Service). He was taken to the military base in Mueda, was once seen there on 6 November, and has never been seen again.

Mozambique says send Chang home instead of to US

Michael Chang's hearing in Kempton Park, Johannesburg, was unexpectedly cut short Friday when it was revealed that the Mozambique government has asked that the former finance minister be sent back to Mozambique to be tried there. The hearing was adjourned to 5 February. The hearing had been intended to consider whether Chang should be given bail while he waits for the US to file all of the extradition paperwork - it has 60 days from 29 December to do so. Chang is charged with taking \$12 mn in bribes as part of the \$2 bn secret debt scandal. The US has an extradition agreement with South Africa but not Mozambique.

Mozambique was not asking for extradition, but acting under the SADC Mutual Legal Assistance Protocol which requires states of "facilitate" the presence of people for investigation. Chang has agreed to return to Mozambique and his lawyers withdrew the request for bail with respect to the US indictment, and instead asked the Chang be sent to Mozambique.

The choice between Mozambique and the US will probably be a political decision, made by South African Justice Minister Michael Masutha.

Only after Chang was arrested did the attorney general's office (PRG, Procuradoria-Geral da República) name 17 people, including Chang and former central bank governor Ernesto Gove, who it says should face financial penalties for their part in the \$2.2 bn secret debt. The PGR called for Mozambique's Audit Court (Tribunal Administrativo, TA) to hold the list of people "financially responsible" for the deals. It made the same call to the TA in January 2018 – but now it has also made the list of the accused public (see below). The PRG seems not to be proposing criminal charges (as in the US), but only financial penalties. That means that if he were actually tried and convicted in Mozambique, he would not go to jail, in contrast to the US.

The PRG has a history of not taking to trial controversial bank cases involving the Frelimo elite. In the 2001 Banco Austral fraud in which the Bank of Mozambique head of banking supervision Siba Siba Macuacua was murdered, people were charged with fraud and murder, in part because of donor pressure. But years later when no one remembered the case, the charges were dropped.

CIP (Public Integrity Centre, Centro de Integridade Pública) on Friday launched two campaigns, one is simply "I will not pay", and the other is a call for the sacking for Attorney General Beatriz Buchili, "for demonstrating clearly and unequivocally that she intends to obstruct the realisation of justice" over the secret debt. There is a widespread belief that Chang would not be tried or would receive only a token penalty in Mozambique, and the attempt to return him to Mozambique is purely to keep him out of jail in the US and prevent him from making a deal with the US authorities.

Going after the big banks

The *Wall Street Journal*, which first reported the secret debts, said on 15 January: "The arrests on three continents - planned weeks ahead to occur in countries that have extradition treaties with the UA - are part of a widening effort by US authorities to police what bond investors say is a growing intersection of high finance and corruption in emerging markets. ... Pursuing foreign executives and government officials - Mr. Chang is now a member of Mozambique's parliament - is part of a new Justice Department strategy to curb corruption by going after individuals, according to lawyers specializing in international corruption cases who aren't involved in the case. An indictment filed in the case by the Justice Department in a New York federal court also refers to an unnamed, unindicted co-conspirator matching the description of Iskandar Safa, a wealthy Lebanese defence contractor" who owns Prinvest.

The *Wall Street Journal* says that the US Justice Department is also investigating Goldman Sachs' role in a \$4 bn scandal involving a Malaysian sovereign-wealth fund known as 1MDB (1Malaysia

Development Berhad; Berhad = PLC, public limited company). This is very similar to the Mozambique secret debt, involving \$6.5 bn in loans from Goldman which was used to buy overpriced electricity equipment and some of which was diverted to personal accounts and to provide funding for the 2013 national elections. US prosecutors allege that loan proceeds were used to invest in luxury New York real estate, expensive artworks and Hollywood films including The Wolf of Wall Street. On 1 November 2018, the US Justice Department announced that two former Goldman Sachs bankers and a Malaysian financier had been charged. In December, Malaysia charged Goldman Sachs, two ex-Goldman bankers, and two Malaysians in the case. Goldman has denied wrongdoing.

The 1MDB debt scandal contributed to the Malaysian government's unexpected defeat in elections in May 2018.

<https://www.wsj.com/articles/mozambique-corruption-probe-marks-new-u-s-approach-11547548201>
<https://www.theguardian.com/world/2018/dec/17/1mdb-scandal-malaysia-files-charges-against-goldman-sachs>

Who has been named

The attorney general's office (PRG, Procuradoria-Geral da República) on 10 January 2018 named 17 people as "arguidos" - named as suspects but not formally charged - who it said should face financial penalties for their part in the \$2.2 bn secret debt. The PGR called for Mozambique's Audit Court (Tribunal Administrativo, TA) to hold the list of people "financially responsible" for the deals. It made the same call to the TA in January 2018 but the list was not made public.

The accused include directors of all three companies - MAM, Prindicus, and Ematum - owned by the state and controlled by the security services, SISE, and took out the loans. The full list of the accused as published by *Noticias* and *Zitamar* (with some names repeated in different categories):

For involvement in authorisation of the guarantees:

Manuel Chang (then finance minister)

Ernesto Gove (then central bank governor)

Maria Isaltina Lucas (then head of treasury at Ministry of Finance who approved the illegal loan guarantees, now vice-minister of finance and EMATUM director)

Piedade Macamo (deputy head of treasury at Ministry of Finance)

Gregorio Leao (then head of SISE)

Antonio Carlos do Rosário (SISE official heading up the three companies)

For simultaneously holding public office and being in companies benefiting from the loans:

Antonio Carlos do Rosário

Maria Isaltina Lucas

Henrique Alvaro Cepeda Gamito (Ministry of Finance advisor and EMATUM director)

For their involvement in managing funds with illegal guarantees:

Victor Bernardo (ProIndicus chairman)

Eugenio Henrique Zitha Matlaba (ProIndicus director)

Raufo Ismael Ira (ProIndicus director)

Antonio Carlos do Rosário (ProIndicus director)

Jose Manuel Gopo (ProIndicus director)

Antonio Carlos do Rosário

Maria Isaltina Lucas

Ivone Lichucha (EMATUM director)

Agi Anlaue (EMATUM director)

Felisberto Manuel (EMATUM chief executive)

Herminio Lima Alberto Tembe (EMATUM director)

Henrique Alvaro Cepeda Gamito

Cristina Alice Valente Matavel (EMATUM director)

Nazir Felizardo Passades Aboobacar (MAM director)

Raufo Ismael Ira (MAM director)

Agi Anlaue (MAM director)

In March 2017 the PRG gained access to bank accounts of these people:

- + Armando Emílio Guebuza, ex-president; Mussumbuluko Guebuza and Armando Ndambi Guebuza (sons of Guebuza);
- + Carlos Alberto Simango, Carlos Zacarias Pestana, Edson Macuácuá, Renato Matusse, Neuza Cristina, and Marlene Magaia (advisors to Guebuza);
- + Francisco Elias Cigarro (Mozambican ambassador in Abu Dhabi) and Riduane Ismael Adamo (diplomat in the embassy);
- + José Bernardo Maneia (cônsul-geral of Moçambique in Dubai);
- + Lisete Isilda Chang (the late wife of Manuel Chang); Angela Diniz Buque (wife of Gregório Leão, ex-director do SISE);
- + Guilhermina Ernesto Langa (business partner of Renato Matusse, advisor to Guebuza);
- + Isidora da Esperança Faztudo (ex-member of the Central Committee and CEO of Cervejaria 2M, deceased);
- + Maria Eugénia Rosário Gamito (Wife of Henrique Gamito, executive of EMATUM);
- + Salvador Armando Mula;
- + Teófilo Nhangumele.

(*Zitamar*, *Noticias* 10 Jan; *Savana* 18 Jan)

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"Mozambique News Reports & Clippings, number XXX", DATE, bit.ly/mozamb, accessed XXX.

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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

Gás_para_desenvolvimento_ou_apenas_dinheiro?_2015 bit.ly/MozGasPt

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

Special report on four poverty surveys: 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

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

O País: www.opais.co.mz

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

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

Mozambique media websites, English:

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

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

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

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

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