

MOZAMBIQUE News reports & clippings

460 11 July 2019 Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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Editor's Note: I am also the editor of the election newsletter, which many readers also receive. Elections are my pre-occupation this year, so *New Reports and Clippings* is limited to catch-up issues like this one when I have time. *jh*

[Also in this issue:](#)

Donors not releasing promised cyclone aid

Gaza registration inflation

Hidden debt

Growing inequality confirmed, fuelled by policy benefitting better off

"An imbalanced growth path disproportionately benefitted the better-off and caused increasing inequality, especially in more recent years, curbing the necessary reduction of poverty", concludes a new study by the United Nations University World Institute of Development in Helsinki. This significant increase in inequality is "characterised by the emergence of a non-subsistence economy in Maputo and other urban areas, in a resource-based country, with a shrinking public sector, the expansion of education and the emergence of a small but highly educated elite."

The study notes that inequality is higher in Mozambican urban areas than the Africa average. Maputo city has the highest inequality.

Nearly half the population remains below the poverty line and inequality is increasing, especially in recent years, "due to consumption disproportionately increasing among the better off".

Statistics are often misused or misunderstood in Mozambique, so the study is particularly useful because it confirmed increasing inequality with various methods, including Gini, Lorenz and Generalised Entropy.

The paper on the South African Journal of Economics is by Carlos Gradin and Finn Tarp and is available, free, on <https://onlinelibrary.wiley.com/doi/epdf/10.1111/saje.12215>

Donors not releasing promised cyclone aid

"We are in a situation in which bombastic and beautiful announcements were made, but the aid promised has not arrived," President Filipe Nyusi said in Portugal on 4 July. "Much of the announced aid has not arrived." He stressed that many people lost houses and need cement,

roofing sheets and other building materials. (*O Pais Económico*, 5 July) Families need to rebuild and plant a crop before the rains start in November. Nyusi also noted that Mozambique does not have money to rebuild roads and bridges washed out in the floods, some of which had been built in the colonial era.

In a statement on 11 July, (*Carta de Moçambique*) Public Works Minister João Machatine said donors are only now carrying out an inventory. A reconstruction plan will be presented to the Council of Ministers on 13 August, which suggests donor funds will not be available until September, when the election campaign has started. So it does not look hopeful for donor aid to reach affected people before the rains start.

In a pointed message to donors, Prime Minister Carlos Agostinho do Rosário told a UN interview: "People know what they want - building materials. We need a partner who supports us with the building materials. The people do the work, they make homes typically suitable for their conditions, very well-made. We have created all the conditions so that people do not need to return to the risk zone." And he added "we have been insisting strongly that there should not be a very large gap between promises and disbursements - because we really needed resources yesterday, even before today." (<https://news.un.org/pt/story/2019/06/1677861>)

At the 31 May - 1 June donor conference in Beira, donors pledged only \$1.2 bn, just 38% of the \$3.2 bn the government said it needed for rebuilding. Of that, only \$790 mn is new money and \$390 mn is reallocated from other programmes.

Cyclone donor conference pledges - million US Dollars					
Donor/Lender	Pledge	Loan or gift?		New money?	
		Credit	Donation	Reallocated already promised funds	New money for cyclone
World Bank	470		470	120	350
EU	226	113	113	113	113
IMF	118	118			118
USA	100		100	100	
DFID (UK)	48		48	48	
Af Dev Bank	45		45		45
Austria	30	23	7	7	23
Norway	28		28		28
Germany	26		26		26
Sweden	26		26		26
Netherlands	18		18		18
Aga Khan	18		18		18
Spain	9		9		9
Italy	4		4		4
South Africa	3		3		3
Igreja Mana	3		3		3
Equatorial Guinea	2		2		2
Total	1174	254	920	388	786

Pledges of new money by individual countries are quite small. Furthermore, some of these countries are still refusing to channel aid through the government and are refusing to disperse aid until there is a new non-government channel.

Mozambique's government had hoped that creating a post-cyclone reconstruction office headed by the highly respected Francisco Pereira would satisfy the donors, but it has not. Pereira has stressed that procurement rules must be followed for reconstruction and that there must be full transparency. Except for a seven years break as a World Bank consultant, he has been heavily involved in the roads sector since independence, serving as deputy minister for public works 2010-15. He was head of the Mozambican Order of Engineers for a decade.

Cyclone Idai hit Sofala on 14 March and did substantial damage in Beira; in Buzi, Dondo and Nhamatanda districts of Sofala; Sussundenga in Manica; and Maganja da Costa and Namacura in Zambézia. Extensive flooding continued in some areas for three weeks. INGC reports that 603 people were killed and 1,642 injured; 111,202 houses were destroyed and 112,745 damaged. A maximum of 150,000 people were temporarily in accommodation centres. Not all have been rehoused.

Cyclone Kenneth hit Cabo Delgado on 21 April and did substantial damage in Ibo, Macomia and Mocimboa da Praia districts. According to INGC 45 people were killed and 39 injured; 2930 houses were destroyed and 32,034 damaged. A maximum of 20,000 people took refuge in accommodation centres. At least 3000 people are still homeless, northern regional director of the INGC, Helder Siueia. said on 4 July.

Cyclones Idai and Kenneth in Mozambique are identified as "climate crisis disasters". Both cyclones were made more severe by the rising ocean temperatures; Kenneth was the northernmost cyclone ever to hit Mozambique. Climate crisis disasters are happening at the rate of one a week, according to Mami Mizutori, the UN secretary-general's special representative on disaster risk reduction. "This is not about the future, this is about today." (*Guardian*, London, 7 July)

Meanwhile, 2.8 million people in 27 districts in the south are at risk of drought, Prime Minister Agostino do Rosário told a conference in Maputo 10 July (*Carta de Moçambique*, 11 July). In Gaza there is a programme to build small reservoirs and irrigation systems, he said. All climate crisis forecasts say Mozambique south of the river Save will become much dryer, and water conservation will be essential.

Constitutional Council refuses to consider Renamo Gaza protest, as INE publishes what it told CNE

Renamo says it will submit a formal complaint to the Attorney General's office (PRG, Procuradoria-Geral da República) this week against members of the electoral administration who inflated the electoral registration in Gaza. Renamo is asking a audit of the registration process to identify those who were responsible. (*Carta de Moçambique* 11 July)

The move follows the Constitutional Council decision on 9 July to refuse to consider Renamo's objection to the National Elections Commission (CNE) approval 23 June of the inflated figures. <http://www.cconstitucional.org.mz/Jurisprudencia/6-CC-2019>

Meanwhile, the National Statistics Institute (INE) today published the list of voting age adults per province which it had provided to the National Elections Commission (CNE), based on the 2017 census. It says the population of Gaza over the age of 18 this year is 836,581. Yet the CNE says it registered 1,166,011 voters - 329,420 more people than the number of voting age adults.

The INE data is on: <http://bit.ly/Moz-voting-age>. CNE registration data is on <http://bit.ly/MozRegDist> CNE/STAE no longer have a webpage but the final registration results were posted on its Facebook page: <https://www.facebook.com/CNE.STAE.Mocambique/>

Renamo based its protest to the CC on the overall total for Gaza being inflated, but the CC refused to consider the complaint because Renamo did not first protest at the individual registration posts when the electoral registers were displayed after registration closed. It also said Renamo should have protested to district and Gaza provincial elections commissions, and that failure to do so was an "inexcusable failure to act".

As if to underline the rejection on bureaucratic grounds, the CC also said that Renamo had acted incorrectly in asking that the CNE ruling be declared null, and rather should have asked that the CNE ruling be annulled. (There is, in fact, an important difference in Mozambican law, which is important in the secret debt case. If an action is declared "null" then that ruling is permanent and cannot be reversed, whereas if an action is annulled, it can be corrected.)

Luísa Diogo praises CC action against Ematum debt

Former Prime Minister and Finance Minister Luísa Diogo on 10 July lauded the decision of the Constitutional Council to declare the first Ematum bond "null", and thus that legally it does not exist. "Even better that we have a Constitutional Council whose decisions are unchangable and irreversible," she added. (*O País* 11 July)

The CC declared "the nullity of the acts inherent to the loan contracted by Ematum SA, and the respective sovereign guarantee granted by the government in 2013, with all legal consequences." The 3 June CC ruling is on <http://www.cconstitucional.org.mz/Jurisprudencia/5-CC-2019>

On 25 June Finance Minister Adriano Maleiane said that attempts to renegotiate the Ematum bonds had stopped and the government was taking advice from international and constitutional lawyers. (*Lusa* 26 June) Clearly it is hard to "renegotiate" a debt that the highest court has ruled does not exist

The constitutional council case was brought by the civil society coalition the Budget Monitoring Forum (Forum de Monitoria do Orçamento - FMO) which has taken the lead in the campaign against the secret debt. The CC president Hermenegildo Maria Cepeda Gamito resigned immediately after the decision. But there are two other FMO cases pending, with respect to the secret syndicated loans to MAM and ProIndicus.

In many countries (including the United States) the highest court is highly political. In choosing a replacement for Hermenegildo Gamito, many high in Frelimo will want two things - the first is to continue the practice of simply ignoring electoral law violations. The second will be to try to find someone who can find a way to use the pending MAM and ProIndicus cases to, in effect, reverse the Ematum ruling.

Luísa Diogo has explicitly put down a marker, saying that the Ematum ruling cannot be reversed and thus, in effect, the new CC president must also rule that MAM and ProIndicus loans are null.

Legal actions on secret debt in Maputo and South African court

Officials in Mozambique who violated the law in contracting the secret debts may be sued, Deputy Attorney-General Angelo Matusse told journalists. (*Lusa* 10 July). The Budget Monitoring Forum (FMO) has gone to court in South Africa to try to stop Manuel Chang's return to Mozambique. The Attorney General finishes her term. And many of those charged remain in jail.

Since the contracts "have been deemed illegal, prosecutors may take the view that there are grounds for lodging a civil action" to require the return of the amounts in question, Matusse told

journalists following the opening session of an official gathering of magistrates in Maputo. "It was agents of the state who concluded these contracts", and officials who signed the contracts without notifying parliament and the country's international partners are accountable.

In January 19 people were named as accused, with some names are repeated in different lists. (Zitamar 10 January 2019):

For involvement in authorisation of the guarantees:

- Manuel Chang (finance minister)
- Ernesto Gove (central bank governor)
- Maria Isaltina Lucas (head of treasury at Ministry of Finance, and EMATUM director)
- Piedade Macamo (deputy head of treasury at Ministry of Finance)
- Gregorio Leao (head of SISE)
- Antonio Carlos do Rosário (SISE official heading up the three companies)

For simultaneously having public office and in the companies benefiting from the ill-gotten 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)

Meanwhile Mozambican **civil society coalition FMO launched an attempt to block Manuel Chang's extradition to Mozambique**, calling on the South African High Court to rule the decision made by the previous Minister of Justice Michael Masutha unconstitutional and invalid. The decision by the Minister was never formally published, according to FMO. It also argues that the magistrate's decision to put the Mozambican extradition request on an equal footing as the US request is unlawful, as it had not been properly examined by the court. The final day for an appeal was 9 July and the US did not appeal to the courts, instead opting for a diplomatic initiative to ask the new Justice Minister Ronald Ozzy Lamola to re consider. But the FMO petition means that Chang remains in jail in South Africa. (*Carta de Moçambique* 10 July) The full text, in English, is on <http://bit.ly/FMO-SA-court>

Chang remains a member of parliament and thus has immunity and would not be arrested if he returned to Mozambique. But he is not on the new candidates list for the 15 October election, so could be arrested after the new parliament begins sitting in January.

Attorney General Beatriz Buchili's five-year term ended on 9 July, but she will continue as the caretaker head of the public prosecutor's office until President Nyusi appoints someone else or reappoints her for a second term. Although appointed by Guebuza and very cautious about offending those in power, Buchili has in the past year moved against the Guebuza faction of Frelimo and detained people previously considered untouchable, including the son of former President Guebuza, Ndambi Guebuza. But she has also pushed to have Chang returned to Mozambique and not sent to the US. (*Carta de Moçambique* 10 July)

Cabo Delgado war continues

The insurgency continues in Cabo Delgado. In 10 days, 28 people were killed. (*Carta de Moçambique*, AIM 3,4,8 July)

There were two attacks in Palma district. On 27 June in Ntoli 10 people were decapitated and houses burned. On 26 June the village of Quissungule was attacked, with 11 deaths. For the first time, the majority of the victims were foreigners. Of the 11 people killed, nine were Tanzanian and two were Mozambican. Six Tanzanians and two Mozambicans were injured.

On 5 July Nambo village, in Macomia district, was attacked. There were no fatalities and villagers fled into a nearby mangrove forest. The raiders burnt down most of the huts and tents where the villagers had been living since Macomia was struck by cyclone Kenneth on 25 April. They also stole food aid distributed to the cyclone victims.

On 4 July in Chamala, Miangelewa, Muidumbe district insurgents entered at 10.00 when the villagers were bringing in their rice harvest. They beheaded three men, and raped the wife of one of these victims.

On 3 July in Lijungo village, Nangade district, the attack occurred at 19.00; the insurgents killed four people (including police), and wounded a further three. This attack was claimed by The Islamic State (IS) in an online statement. Zitamar notes that here is clearly close enough coordination for IS to accurately claim the location of an attack two days after it took place.

On 2 July Nambija 2 was attacked and the village burned.

The public prosecutor's office in Cabo Delgado has charged 36 people - including Tanzanians and Burundians - of participating in the insurgency in the province and of trying to establish an Islamic state that stretches into southern Tanzania. Since the attacks started in October 2017, around 300 people have faced charges, of which more than 100 have been acquitted. (*Lusa* 9 July)

Mozambique's secret service (SISE, Serviços de Informação e Segurança do Estado) asked the Maputo city government and Muslim leaders to map mosques in the capital. "SISE asked us to map mosques because of the barbaric and criminal acts in Cabo Delgado, but it was concluded that the violence has no links with religious reasons," Cosme Nyusi, the municipal government's director for justice, constitutional and religious affairs told *Rádio Moçambique*. Nevertheless after further discussion it was agreed to provide a map of all religious facilities in the city. (*Lusa* 3 July)

Carta de Moçambique (5 July) alleges that a deal was made with US intelligence in which the US did not oppose the return of Manuel Chang to Mozambique in exchange for the US being allowed to do detailed monitoring of Maputo mosques.

Peace talks continue

UN Secretary General Antonio Guterres Thursday 11 July arrived in Mozambique for a visit to President Filipe Nyusi. On Monday Guterres appointed the Swiss ambassador in Maputo, Mirko Manzoni, as his Personal Envoy for Mozambique. The UN said he "will provide good offices in facilitating the dialogue between the Government of Mozambique and Renamo and towards the signing and subsequent implementation of a peace agreement between the parties". Manzoni has been the Swiss ambassador to Mozambique since 2014 and is the Chief Mediator and President of the International Contact Group in the negotiations between the government and Renamo. He will take up this new post upon conclusion of his tenure as Ambassador this year. Manzoni is seen as close to Nyusi.

Meanwhile Pope Francis will visit Mozambique 4-6 September, in the middle of the presidential election campaign, in which Catholic Nyusi faces Muslim Ossufo Momade.

The peace negotiations between the government and Renamo are progressing and will be completed before the elections on 15 October, according to President Filipe Nyusi. "The dialogue for peace with Renamo continues to make progress, which ensures that the timetable set for Disarmament, Demobilization and Reintegration (DDR) process of Renamo's armed men will be fulfilled," Nyusi said in Italy at a meeting with the Catholic Sant' Egidio Community, which was instrumental in helping the country achieve the 1992 Rome peace deal. (Lusa 10 July)

Both Nyusi and Renamo leader Ossufo Momade will want to sign a deal before the elections, as peace is popular with the electorate. But there will surely be no disarmament and demobilisation until next year.

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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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