Can creating 'pockets of effectiveness' reverse Mozambique's decline?

Growing poverty and failing services but an increasingly wealthy elite leads Mozambique to being described as a failing, patrimonial, resource-curse state. But new thinking in development studies suggests Mozambique could be following a plausible path to start pulling itself out of the hole.

The new idea is "pockets of effectiveness" (PoEs) which are state-based organisations that function effectively in providing public goods and services, despite operating in an environment where effective public service delivery is not the norm. PoEs exist in many African countries, but have often been ignored for several reasons. Neoliberalism in the 1990s and 2000s blocked support for public institutions which shrunk and collapsed. Donor and lending agencies tried to impose "good governance" on the reduced state on the model of long-established northern states, and not newly independent African ones. Governance was recommended "without accounting for the ways in which politics and institutions actually operate" and thus without any realistic chance of success, comments Prof Giles Mohan of the Open University.

Manchester University Prof Sam Hickey is leading a large PoE research programme with Prof Mohan. Their website http://bit.ly/pocketsofeffectiveness now has 11 working papers, with reports on PoEs in Ghana, Kenya and Zambia, as well as a good background paper by Hickey.

PoEs come about as a coalition between ruling elites and bureaucrats, often with the participation of donors or businesses. They come about when elite political survival demands effective government action, particularly economic. That leads governments at the highest level to protect the agencies from the worst excesses of political interference and to allow them autonomy. PoEs are led by people with both technical and political resources.

Civil service rules are bypassed, and PoEs are based on developmental or regulated patronage - choosing people who are loyal, expert and competent. A key is a strong organisation culture and high levels of staff motivation. The PoE needs a problem solving and politically attuned approach.
To make this work, different elite factions have to agree that an agency promoting an aspect of state building and development is necessary for elite survival.

**Is Celso Correia building PoEs?**

Businessman Celso Correia has become one of the closest confidants of President Filipe Nyusi. In the first Nyusi administration he was Minister of Land, Environment and Rural Development. In the current administration he heads a super ministry, Agriculture and Rural Development. He has built a reputation as someone who gets things done, hires good people, and gains staff loyalty and respect. He took with him from his old to his new ministry the National Sustainable Development Fund (FNDS) and the World Bank funded Sustenta project, and this year he has been given control the Integrated Development Agency for the North (ADIN) as well as the Zambèze Development Agency. This gives him control of more than $2.8 bn.

As environment minister, Correia was given credit for reducing the illegal trade in hardwood, as well as other environmental controls. And he won praise for leading the government's response to the cyclones last year.

He then ran the Frelimo 2019 election campaign. He was successful - Nyusi won in every district. But there was no attempt to conceal widespread fraud, which was heavily criticised by civil society and electoral observers. He ran the election campaign not from party headquarters but from his own offices on Av Julius Nyerere in Maputo and set up his own offices in each province. In the election he showed his mix of managerial and political skills. Frelimo thought it might lose and its survival was at stake, so he was able to convince the various party factions not to block him, and he involved party and election officials in all provinces. Thus he showed precisely the skills needed to run a PoE.

Clearly, there are mixed views about Correia. CDD (Centre for Democracy and Development) and its executive director, Prof. Adriano Nuvunga, have been running a strong campaign against Correia, in which he alleges that Correia treats project funds as a "saco azul" - money that does not need to be accounted for. [https://cddmoz.org/?s=correia](https://cddmoz.org/?s=correia)

The 30 September issue of CDD's *Política Moçambicana* accuses Correia of spending $9 mn of FNDS money for 2158 motorcycles and other equipment for agricultural extensionists. Equipment was bought from Frelimo linked companies. This can be read two ways. Is it further government corruption, as CCD alleges? Or is it following the PoE model? For two decades the World Bank blocked support for government extensionists on the neoliberal grounds that agricultural support should be private, not government. Increasing the support for extensionists is one of the most important things that must be done to support small farmers. So this could be seen as a classic PoE deal - the World Bank finally agrees to a change in policy to allow government support, more than 2000 extensionists receive essential transport so the government is helping farmers, and Frelimo business people get the contracts. Not precise good governance practices, but the first agriculture minister to promote extension.

The war in Cabo Delgado is fuelled by young people fed up with growing poverty and feeling they do not benefit from rubies, gas and other resources. Seeing no future, some join the insurgents. ADIN is budgeted at $764 mn and is clearly seen as the way to get money to young people - to try to keep them away from the insurgents. The biggest problem is a group of powerful Cabo Delgado Frelimo oligarchs, with roots in the independence war and still hugely influential at the top of Frelimo. They expect to control and take a share of everything that comes to the province. Is ADIN intended to be a PoE in which Correia uses his political skills to get buy-in from the local big men? As with the election, can Correia convince them that their political and economic survival depends on a developmental as well as a military intervention to end the war? The deal would be that local young people would be supported. In exchange, the oligarchs and their clients will get a share and agree not to interfere with the operation of ADIN.
TVM as part of giving air time to ministers did a 2 hour interview on 30 September, with a short discussion of ADIN only toward the end (at about 90 minutes in). Correia stressed "transparency". Is his way of dealing with the Frelimo big men simply to ensure that, like the extensionists' motorcycles, the share for Frelimo is public? https://bit.ly/Correia-TVM/

Having used Correia to ensure he won the 2019 election, is Nyusi now using him to create a "pocket of effectiveness" to woo young people away from Cabo Delgado insurgents? Or is it just more corruption with a better looking label?

**Cabo Delgado**

### Could cash transfers work in Cabo Delgado?

Four things that could prevent the resource curse in Mozambique are transparency, a sovereign wealth fund, local use of gas, and universal cash transfers for everyone in the country, Todd Moss told a CDD webinar on 1 October. Moss is Executive Director of the Energy for Growth Hub. https://www.energyforgrowth.org/ Cash transfers would make people feel that the gas is theirs and they are sharing in the income. Several countries, including the US state of Alaska, already do this.

It would be possible and could be used in Cabo Delgado to convince people they are gaining from the gas, and thus challenge the rhetoric of the insurgents.

There are many variations on cash transfers. South Africa has both a child benefit and pension and the benefits are universal, going to everyone of the appropriate age. Alaska gives money to every resident. Mozambique already gives money to poor elderly and disabled people, but the decisions on eligibility are sometimes disputed. Unconditional universal benefits are the easiest way because there are no confusion over who is eligible. Cash transfers are used because the money is spent locally and stimulates the local economy, creating local jobs.

Such a benefit would eventually need to be national, but it could start in Cabo Delgado because the law already gives a share of resource income to local people. The voters register includes more than 90% of adults and includes finger prints for identification. All three mobile phone companies have mobile money systems. So mobile payments to registered voters could start quickly. This could be followed up with registration for those over 18 not registered as voters. Using mobile money could be audited, so the system could be easily made transparent.

The median rural family cash income is $115 per year and Moss suggests a transfer of $50 per year per adult, which would double the family cash income. Cabo Delgado has 1.2 million registered voters. A cash transfer of $50 would thus cost $60 mn per year, which could initially be funded from the ADIN and then from gas receipts when they begin in 2025.

### Are both sides trying to expel the people?

An odd aspect of the Cabo Delgado civil war is that both sides seem to be treating civilians harshly in a conscious attempt to push people off their land and make them refugees. More than half the population of the most affected districts is now displaced.

For the government there are three advantages: Creating a free-fire zone. Recognising the dictum of Mao Zedong that the guerrilla must move among the people as a fish swims in the sea, government wants to drain that sea. Finally, government hopes that the UN and the donors will take care of the displaced.

On the insurgent side there have been concerted attempts to destroy villages in two zones; residents have been driven away and told not to return. The two zones are the N380 main road from Macomia town north though Chai to Awasse, and the coastal area around Mucojo and

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Pangane. In attacks around Pangane and Mucojo, nine people have been killed and 1000 have fled. The reason for the strategy is unclear.

Both areas contain a mix of people who support and oppose the insurgents, and both are important transport routes. For example, in Magaia, near the main road between Chai and Awasse, on 3 October, a militia composed mostly of veterans of the liberation war allowed insurgents to enter the village then ambushed them, capturing five. (MediaFax 7 Oct)

*Cabo Ligado* (6 Oct) reports that when insurgents arrived in Messano, a village near Mucojo, on 1 October, they found that some older people had not fled the area because they lacked the funds to travel. Insurgents gave the remaining civilians 9,000 meticais (about $125) and told them to leave and not to return.

Insurgents have also warned civilians against staying in Macomia town, saying they would soon reoccupy the district capital. Fear of insurgent attack has driven residents of Macomia town to sleep in the bush. (Mediafax, Cabo Ligado) Soldiers opened fire at Nanga on the outskirts of Macomia town on Monday (5 Oct) and residents fled into the forest. (Intelyse 7 Oct)

Rumours abound, and both sides are accused of trying to clear people off the land to be able to give it to sympathetic foreign agricultural investors when the war is over

**New World Bank rep cites exclusion, inequality, state capture**

"The escalating insurgency [in Cabo Delgado] risks spreading down the coast and into neighbouring provinces, enabled by a north-south regional divide, perceptions of the capture of the state and its resources, and a sense of socioeconomic exclusion, particularly among the youth, who face a future with limited avenues for self-improvement or social mobility," writes Idah Pswarayi-Riddihough, World Bank Country Director for Mozambique who took up her post three months ago.

It is a harsh assessment of the roots of the war. "As the adage goes, prevention is better than the cure. This wisdom applies," she says, "to the prevention of violent conflict." She says the Bank has $700 mn available "specifically to address the underlying causes of fragility and conflict." The Bank wants "interventions designed to create opportunities for employment and training, particularly for the youth"

**Comment:** Pswarayi-Riddihough writes "World Bank commits to accompanying the Government and people on the path towards building a more inclusive, transparent, and equitable society." I wonder if she realises how much her predecessors did to create a divided, unequal society in Cabo Delgado. Three decades of the imposition of neo-liberal, free market policies prevented programmes to target the poorest and the young while encouraging the best off to grow fat. Four agricultural polices particularly hit what is now the war zone - the intentional destruction of the cashew industry in 1995, the prohibition of hiring new agricultural extension workers, the forced closure of marketing boards, and the block on subsidies, notably for fertiliser. The war in Cabo Delgado can be seen as the "success" of three decades of World Bank policy. jh

**Cabo Delgado briefs**

Al Shabaab has *been on a winning streak* since it launched its first attack in Mocimboa da Praia three years ago, thanks in large part to its solid foundation, strategic decision-making, and exploitation of government missteps," writes former CIA analyst Emilia Columbo. In a good purely military analysis, she stresses their "avoidance of common strategic errors." "The secret to the northern Mozambique insurgency's success", War on the Rocks, 8 Oct

Renamo boycotts a parliamentary visit to war zones. Renamo asked parliament (Assembleia da República, AR) to create a special commission to investigate human rights violations in the war zones of Cabo Delgado, Niassa, Manica and Sofala. This proposal was rejected by the AR Permanent Commission, which said the first commission (Constitutionality, Human Rights and Legality) should visit those areas. Renamo Secretary-General André Magibirie said Wednesday that Renamo would not participate because such a visit would be just "tourism". Under AR rules, a special AR commission has investigative powers, which a standing commission does not have. The Special Commission on the secret debt used its investigative powers quite effectively.

World Bank & IMF "overselling the benefits and overlooking the risks" of gas in Mozambique, reports the Bretton Woods Observer (6 Oct). Both Bretton Woods agencies have backed the gas project and helped Mozambique negotiate the deal. The report says Bank advice led to Mozambique approving a bad petroleum tax law which will cost Mozambique revenue, and that income has been overestimated. It quotes the online news site Climate Home, “The bet can only pay off on a dangerously overheated planet.” [https://bit.ly/BWO-MozGas](https://bit.ly/BWO-MozGas)

Total is building a 3.5 metre high wall around at least its residential compound at Afungi, reports *Carta de Moçambique* (7 Oct) reports, with this picture:

![Total building a 3.5 metre high wall around its residential compound at Afungi](image)

Tanzania forced 830 refugees to return to Cabo Delgado. They fled the insurgents and has been living in a school in Kitaya, Tanzania. They were turned over to Mozambican authorities at the Unity Bridge, which cross the Rovuma River northwest of Mueda. A camp was set up for them at Negomano border post. (Radio Moçambique, 4 Oct)

The US denies asking Zimbabwe for troops for Cabo Delgado and says the Bloomberg report is wrong. An off the record statement was a flat denial, but the official statement is more nuanced, stressing a shared interest with Zimbabwe in stability in the north of Mozambique, and the priority of regional coordination. That leaves the door open for US support for a SADC force that includes Zimbabwe.

**Other news**

Crystal meth being smuggled with heroin

Crystal methamphetamine has in the past few months become an important drug smuggled along with heroin through Mozambique, according to the Global Initiative against Transnational Organised Crime Risk Bulletin (8 Oct [https://globalinitiative.net/esaobs-risk-bulletin-12/](https://globalinitiative.net/esaobs-risk-bulletin-12/))

Key to the change occurred when it became known that the ephedra plant – a common shrub known locally as oman that grows abundantly across northern and central Afghanistan – contained
a naturally occurring form of ephedrine, a key precursor required to produce methamphetamine. This lowered production costs, allowed local production of high quality crystal meth, and provided an important new income for Afghan peasant farmers. A drought which reduced opium production accelerated the shift, and by the end of last year there was substantial production of crystal methamphetamine in Afghanistan.

Heroin and now crystal meth is shipped from the Makran coast of Pakistan in Jelbot dhows to the coast of Mozambique. The dhows anchor 30-50 km off shore of Cabo Delgado and Nampula and fishing boats sail out to pick up the cargo. The drugs are taken by road to South Africa. Most heroin is then shipped to Europe, particularly in containers. However, the main market for crystal meth appears to be South Africa.

Two seizures underline the change in the Mozambique transit trade. In December 2019, a Pakistani-crewed dhow was intercepted off Pemba, carrying a mixed cargo of heroin and 299 kilograms of methamphetamine. And in May a lorry was caught at the Komatipoort border post carrying a large shipment of heroin and methamphetamine. A South Africa seizure of drugs for the local market of 1 kg packets of heroin and meth found that the plastic bags of both drugs had the same branding: distinctive blue markings reading 'Pa Pa Jone 100%' and '5161' - implying they were packed in the same place.

A very good article detailing the process from plant collection to crystal meth in Afghanistan is on http://bit.ly/2IMw8wc

**Escaped killer of prosecutor found - in jail**

Abdul Tembe, who killed Prosecutor Marcelino Vilanculos in April 2016, and who then escaped from jail with the help of prison officials in October 2016, has been found - in jail. Vilanculos was investigating kidnappings of business people for large ransoms, and it appears the kidnappers have links in the police and Interior Ministry. Four people were arrested for the actual killing, but police somehow never discovered who ordered the assassination.

The four arrested were Jose Ali Coutinho, who recruited Amad Antonio Mabunda, who fired the fatal shots and Tembe, who drove the car. The three met each other when they were serving terms in the Maputo top security prison. Edith d’Compta Camara Cylindo provided information and photos of Vilanculos.

Tembe was the first to escape. On 24 April 2017 Coutinho was mysteriously sprung from custody, but was found three days later in a shallow grave. Cylindo was convicted based on her own detailed confession, but inexplicably released on appeal for lack of evidence. The prosecution then appealed and she was jailed for 22 years. Mabunda was convicted and jailed for 25 years. The kidnappings continued.

After escaping, Tembe used the name Lucio Ferreira and committed a string of other crimes, and was jailed in Chimoio for 12 years. Only recently was Ferreira discovered to be Tembe.

A good report on Mozambican kidnappings and state involvement was published on 3 December by the Global Initiative Against Transnational Organized Crime: "Kidnappings shake Mozambique’s business community", https://mg.co.za/africa/2020-09-03-kidnappings-shake-mozambique-business-community/

**Large scale solar and wind power moves forward**

Large scale solar power projects are moving forward. Energy purchase agreements were signed between the state electricity company EDM, and private companies to build three solar power stations in northern Mozambique – two at Cuamba, Niassa (18 megawatts and 36 megawatts peak production) and one at Mecufi, Cabo Delgado (26 megawatts). The investments are partly
subsidised by France, through the EU. Next tenders will be for Tete and Inhambane. (AIM 30 Sep, O Pais Economico 2 Oct)

Also on 30 September the Ministry of Energy and Mineral Resources launched an international public tender for the award of four renewable energy projects of 40 megawatts each. with expected investments of $240 mn. Three solar farms will be tendered in Dondo, Sofala; Manje, Tete; and Lichinga. Niassa. The country's first wind farm will be tendered in Inhambane. All will feed into the national grid. The US trade and Development Agency also announced on 1 October that two US companies have been contracted to do feasibility studies of wind farms at Praia da Rocha, Inhambane, and Manhiça, Maputo province. Both would include energy storage.

Mozambique's first large scale solar installation feeding into the grid is in Mocumba, Zambézia, and opened last year. The $85 mn project generates up to 40 megawatts, and was developed by the Norwegian solar company Scatec, which owns 52.5%. Norfund owns 22.5% and EDM 25%. IFC (part of the World Bank) provided a $55 mn loan. Norfund's own study points to some of the problems. EDM was treated as high risk, and 223 families had to be relocated from the 126 ha site, and there were some problems with the relocation. The Norfund case study issued in February is on https://www.norfund.no/app/uploads/2020/02/Mocuba-Case-Study.pdf

Frelimo Zambézia governor Pia Matos said his party has 'cut the legs off' the governors. As part of the 'decentralisation' which took effect this year, the powers of former governors were passed to a new Secretary of State, and the elected governor has no power. Matos told a surprised Frelimo majority provincial assembly "you cannot talk of decentralisation when it depend on Maputo. This is not decentralisation. We Zambézians want to be in charge." (Diario da Zambézia, 21 Sept) Interesting CDD report with more details, in Portuguese only, on https://cddmoz.us4.list-manage.com/track/click?u=963f7d1ef14fe1990f76cecf&id=c31fd2e943&e=d46325e8c1

The global fall in smoking is cutting tobacco demand, and Mozambique Leaf Tobacco (MLT) is cutting its buying in Niassa. For the coming season MLT will buy from only 36,500 peasant producers, 4,000 less than the last season. (Noticias 16 Sep) Tobacco is grown on contract and has done more to take peasants out of poverty than any other crop. But Covid-19 has led more people to give up smoking.

Industry Minister Carlos Mequita promises to do something to reduce cooking oil imports, but it clearly does not involve protection against cheap imports. All he promises is to use the Sustenta agricultural support programme to improve local value chains. He said that last year cooking oil imports cost $100 mn. (O Pais Economico 2 Oct) For two decades Mozambican oil companies have complained that they have the capacity to supply the country but cannot compete against cheap imports of palm and other oils. But Mozambican policy is to depend on the free market and to keep urban food prices low, so there are no floor prices and protective tariffs - except for sugar, because foreign companies can be protected but not local ones.

The other war, against the Renamo Military Junta, continues. Five people were injured when a bus was shot at on the N1 main road 30 km north of Muxungue and 120 km south of Inchope. The bus was in a military convoy. (Lusa 7 Sep)

$700,000 was allocated last year for communities affected by mining in Tete, in Moatize and Marara districts, as part of the 2.75% of minerals receipts that is supposed to go to affected communities, it was reported by the Tete provincial finance director at a meeting two weeks ago. But civil society denounced his statement, saying the calculation of the amount and how it was spent is not transparent. (Carta de Moçambique, 7 Oct)

This newsletter can be cited as "Mozambique News Reports & Clippings". To cite for academic purposes, treat as a blog or a newspaper. Normal citation format would be: "Mozambique News Reports & Clippings, number XXX", DATE, bit.ly/mozamb, accessed XXX.

**Important external links**


**Covid-19** daily updated data and graphs [https://covidmoz.netlify.app/](https://covidmoz.netlify.app/)


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**Six special reports on the Cabo Delgado war**

- Notes on the evolution of the Cabo Delgado war: Although the global should not be forgotten, the local is most important. 27 Feb 2020 [http://bit.ly/CDelgadoOrigins](http://bit.ly/CDelgadoOrigins)

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**Background reading**

**Special reports**

**Mozambique heroin transit trade**

**Gas for development?**


**$2bn secret debt** - in English

In Portuguese:

**Election study collaboration**: We have detailed election data from 1999 through 2014 and are inviting scholars to use this data collaboratively. [http://bit.ly/MozElData](http://bit.ly/MozElData)

Election newsletters are on [http://bit.ly/2H066Kg](http://bit.ly/2H066Kg)


- Bangladesh confronts climate change (2016)
- Chickens and beer: A recipe for agricultural growth in Mozambique (2014)
- Moçambique e as grandes cheias de 2000 (2001)
- Paz Sem Beneficio: Como o FMI Bloqueia a Reconstrução (1997)

**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)

Mozambique media websites, English:
  Club of Mozambique: http://clubofmozambique.com/
  Zitamar: http://zitamar.com/
  AIM Reports: www.poptel.org.uk/mozambique-news

Mozambique media websites, Portuguese:
  Noticias: www.jornalnoticias.co.mz
  O Pais: www.opais.co.mz
  @Verdade: http://www.verdade.co.mz
  Carta de Moçambique https://cartamz.com

Mozambique think tanks and pressure groups, Portuguese:
  Centro de Integridade Pública: CIP https://cipmoz.org/
  Observatório do Meio Rural: OMR https://omrmz.org/
  Instituto de Estudos Sociais e Económicos: IESE https://www.iese.ac.mz/
  Centro Para Democracia e Desenvolvimento CDD https://cddmoz.org/

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