

MOZAMBIQUE News reports & clippings

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Cabo Delgado

Are ruby mine resettled families getting luxury \$95,000 houses?

Montepuez Ruby Mining (MRM) has now delivered 105 houses for families in the resettlement village of Namanhumbir, built by the mining company, to re-house Nthoro communities previously living on land given to the mine a decade ago. MRM says it has spent \$10 mn for 105 of these houses - \$95,000 per house - including electricity, water and community projects including a primary school, market, mosque, church and police station. Each family also receives 2 ha of farmland. The MRM 28 December press statement is on <http://bit.ly/MozMRMhouses>



MRM photo

In its 22 June 2020 resettlement update, MRM notes a problem because it is trying to resettle families on already occupied farmland, and it admits there is no support from local leaders to move the exiting farmers.

The mine has very high level political links. Montepuez Ruby Mining is 75% owned by Gemfields and 25% by Mwiriti, which is controlled by Raimundo Pachinuapa, a liberation war commander now on the Frelimo Political Commission. MRM is chaired by Samora Machel Jr. Pachinuapa's son Raime is MRM's director of corporate affairs. Gemfields agreed to pay \$8.3 mn to settle 273 claims of killings, severe beatings and house burnings related to the Montepuez ruby mines, the company announced on 29 January 2019. <http://bit.ly/Ruby-Moz436> Gemfields earned \$120 mn from its Mozambique ruby auctions in 2019.

Houses being built by the Ministry of Public Works, Housing and Water are less expensive. The first 22 two-bedroom houses in Nampula have been provided to young married people, recent graduates and civil servants with a 15-year mortgage of 13,000 Meticaís per month (currently \$173, but with devaluation much less per month in 15 years). The Ministry's Housing Promotion Fund is upgrading 2000 wattle and daub houses at a cost of \$1265 each. Wattle and daub (*pau-a-pique*) is a building method which has been used for thousands of years in Europe and elsewhere, and is common in northern Mozambique. A woven lattice of wooden strips (called wattle) is filled with a mud-and-straw based sticky material (called daub). (*O País Económico* 12 Feb)

Pope backs Nyusi again, and withdraws critical Pemba bishop

Following a long campaign against him by President Filipe Nyusi and his praise singers, the Pope on 11 February withdrew the outspoken Catholic Bishop of Pemba, Luis Fernando Lisboa. In an interview with Rádio Renascença. Bishop Lisboa stressed that the transfer initiative did not come from him. "No! I would never ask to leave Pemba," he said.

Lisboa has become a serious thorn in Nyusi's side, as he spoke out on behalf of the people of Cabo Delgado. The Bishop's hand was clear in a statement on 15 June last year by the Catholic bishops' Episcopal Conference of Mozambique (CEM) that the cause of the Cabo Delgado war is internal, not foreign as claimed by Nyusi. "The cause of so much suffering [in Cabo Delgado] has deep roots in the time when the people were forgotten", declared the statement. The bishops said government must "intervene in the causes, not just to regain order, but also primarily with development projects, and the local use of the resources of the province for infrastructure, jobs, and essential services such as health and education." President Nyusi attacked the Bishop on 14 August and this was followed by a campaign by Nyusi's social media "praise singers" for the Pope to withdraw Lisboa. (see this newsletter 491 and 499)

The war is sometimes portrayed in a religious framework. It began in the coastal area of the Mwani who argued that Frelimo leaders in Cabo Delgado were siphoning off the wealth, leaving them poor. The Mwani are Muslim and the insurgency was initially organised by fundamentalist Islamic preachers. Frelimo leaders are Makonde and Catholic; President Nyusi was born in the Makonde "capital" of Mueda and is Catholic. In the 1999 Presidential election Pope Francis made an unprecedented visit to Mozambique during the election campaign to back Nyusi against the opposition candidate, Ossufo Momade, who is Muslim.

"Wherever the Church operates, it always seeks to be on the side of the truth and defend the individual human being, and that usually is inconvenient," the bishop said. "This always makes problems for the members of the Church, because those who live in lies do not like the truth, those who practice corruption do not like to be charged for it." Lisboa notes there is a tradition of persecuting the clergy in Mozambique for defending the most vulnerable, and that he probably will not be the last to be forced to leave.

Bishop Lisboa will be temporarily replaced by the auxiliary bishop of Maputo, António Juliasso Sandramo. Lisboa describes Sandramo as "fearless".

Although he is promoted to Archbishop, Lisboa is being sent to an obscure Brazilian mining city, Cachoeiro de Itapemiri in the state of Espírito Santo.

Mozambique must provide 25 km security cordon before Total restarts at Aungi

Mozambique must secure an area of at least 25 km from the gas project on the Afungi peninsula, Total Chief Executive Officer, Patrick Pouyanne, confirmed on 9 February. Total's agreement with government is that government must guarantee security in that 25 km perimeter cordon and that must be done before staff resumes work. Pouyanne said that there should be 10,000 workers at Afungi, but there are only 1000 there now. If work can resume before the end of March, then LNG production could still start as planned in 2024.

"If, on the ground, the armed forces and the police are able to re-control the area that we agreed together, I think by the end of the first quarter we should be able to restart the work. That's the objective that we set to ourselves jointly with the government," he said. "My highest priority is the security of ... the staff who work on the ground in Mozambique." (Bloomberg, Nasdaq, AIM, Lusa, live presentation 9,10 Feb)

Total pulled out its staff when insurgents reached the gates of the project on 1 January. The 25 km security zone would include all of Palma town and its bay, two offshore islands, and south of the project past Olombe. There was serious fighting in this area in November and December and it is not clear if the police and military can create such a security cordon in the next month. But Mocimboa da Praia is outside the cordon, so does not have to be immediately recaptured. But Pouyanne added that, ideally, the entire province of Cabo Delgado should be secure.

Pouyanne said that Total reported a record \$7.2 bn loss last year. He said Total will focus more on natural gas and renewable energies, while oil will constitute, in 2030, only 30% of its activity, compared to 55% today. Thus it is putting the emphasis on LNG and two "flagship projects", in the Russia arctic and in Mozambique.

Isolated Palma faces food crisis

With no safe overland access, Palma is again facing a food crisis. There were two relief convoys of supply lorries from Mueda to Palma in January, but these have not been repeated. There has been heavy rain making the dirt road impassable, and insurgent activity has been reported and there have been ambushes on the road. Some food arrived by boat from Pemba, but it is not enough.

The two relief convoys on the 200 km road from Mueda to Palma each took three days and two nights, and seemed well run, reports *Pinnacle News* (14 Feb). There were military vehicles at several places within the convoy and helicopters provided air cover. The military says it has set up positions every 4 km along the road. If any vehicle has a breakdown, the whole convoy stops to make repairs. The road is dirt and passage is difficult in the rain, but it is the only road to Nangade, Phudanhar and Palma. Although many people have fled Palma, there is still a substantial population. But the food crisis is growing and some people in Palma are reported to be trying to walk the 90 km to Nangade.

District administrations demand officials return to work: District administrators of Palma and Nangade, which remain largely cut off, are demanding that civil servants return to work immediately. Many, including teachers, had fled to Pemba. Civil servants claim this is impossible as there are no guarantees of security and villages in both districts

continue to be attacked. Palma currently is under a 6 pm military curfew. (*Carta de Moçambique* 27 Jan, 3 Feb)

But there is optimism about Palma. The Australian RBR group and South African owned Projectos Dinamicos are opening a 668 bed camp in the town of Palma for workers at the Afungi LNG project. The first 70 beds were to be open by the end of January and the full 668 by the end of April, at a cost of \$4 mn. Prefab units have already arrived in Pemba. (RBG Group 28 Jan <http://www.rbrgroup.com.au/wp-content/uploads/210128-RBR-Investor-Presentation.pdf>)

Corruption

Mozambique agrees to pay corrupt Brazil debt - in exchange for support for Security Council seat

Mozambique has agreed to repay \$224 mn in corrupt loans from Brazil, apparently in exchange for Brazilian support for Mozambique to be elected in 2022 to one of the non-permanent seats on the UN Security Council. The deal was made in a internet meeting on 11 February between the Mozambican foreign minister, Verónica Macamo, and her Brazilian counterpart Ernesto Araújo. Interestingly, it appears that Finance and Justice ministry people were not present. The meeting concluded with statements that Brazil would support Mozambique for the Security Council seat, and Mozambique would repay if the debt was restructured to have a longer repayment time and no extra interest for defaulting.

Mozambique refused to repay loans to the Brazilian development bank BNDES for two major projects with contractors caught up in the lava jato (car wash) scandal - Odebrecht and Andrade Gutierrez. Both were considered in default, and Brazil's Export Guarantee Fund began paying BNDES in 2017.

One non-payment is for \$177 mn for Nacala airport, now an unused white elephant. The project was promoted and constructed by the Brazilian company Odebrecht, which has admitted in a settlement with US authorities it paid a \$900,000 bribe to Mozambicans to gain agreement and 0.1% of the value of the contract to an official of the Brazilian president's foreign trade office to gain approval of the BNDES loan. Details of the Odebrecht US settlement showed how cheap it is to bribe Mozambicans, who cost less than any other country Odebrecht was dealing with. The bribe was 0.5% of the airport's inflated costs. Former Transport Minister Paulo Zucula has been charged with accepting \$315,000 in bribes. Former Finance Minister Manuel Chang, still in detention in South Africa as part of competing extradition requests, is charged with taking a bribe of \$250,000.

The other non-payment is for the Moamba Major dam, now paralyzed because the Brazilians halted the work because of Andrade Gutierrez. Ironically the dam is urgently needed to provide water to Maputo, and there are no suggestions of corruption on the Mozambican side, but Gutierrez was heavily involved in corruption in Brazil. On 29 October 2020 President Filipe Nyusi said the government was still trying to find the funds to resume work on the dam. But it appears China has turned down requests for funding.

For more than a year, Mozambique has been quietly lobbying for one of the African seats on the Security Council, and now appears to have the backing of the African Union. President Nyusi told the African Union virtual summit on 6 February that Mozambique had applied for the place.

(Lusa 13 Feb; Noticias 8 Feb; MOPHRH 29 Oct 2020; this newsletter 393, 399, 461)

\$8.5 million was siphoned off from military and police supplies in 2018 and 2019, when soldiers in Cabo Delgado were complaining about shortages of supplies, reports Nelson Mucandze in the first issue of a new newspaper *Evidências* (9 Feb). Mucandze says that 600 million meticaís (then \$8.5 mn) was paid from government funds to a small trader in Maputo,

Armazéns Anita. The huge order was for supplies for Cabo Delgado, which could have been purchased from larger suppliers in Pemba. But instead of sending supplies to Cabo Delgado, Armazéns Anita transferred the money to personal bank accounts. Two Mozambican banks noted the large transfers and reported them to banking authorities as suspect.

Tender for Inhambane Hotel School illegally cancelled, according to CIP (11 Nov 2020, 14 Feb 2021). Donors rehabilitated four training schools. The city of Inhambane did a national tender in March 2020 to run the hotel and school there, which was won by a local hotel company Manguela Light. But the Ministry of Science, Technology and Higher Education on 20 March 2020 signed a contract with SMS Catering, without public tender, and apparently without telling the city authorities who announced the tender winner in April. President Filipe Nyusi got caught in the dispute, and in a bizarre visit to inaugurate the school on 24 July, refused to do so, on the grounds that the bathrooms had not been rehabilitated. CIP points out that SMS catering, owned by the airline LAM and the airports authority, had been involved in a major fraud and managers were convicted of stealing money from LAM. CIP argues that the contract with SMS is illegal because it was done without tender and is for 25 years, when the legal limit is 10. Furthermore SMS is paying only half the rent offered by Manguela in the local tender. CIP researcher Borges Nhamire argues that the intervention of the ministry was to prevent the decentralisation of the awarding of contracts, which it wants to keep within the Maputo clientelism network.

Food warehouse looted in Inhassunge, Zambézia. Food had been pre-positioned before the rainy season and was not needed or victims of tropical storm Chalane in December, so was held in the reserve. When officials went to collect the rice, beans and cooking oil for victims of Cyclone Eloise, they found the warehouse empty. (DW 29 Jan)

Extractive industries

The impact of Vale on Moatize has been negative rather than positive, says Camilo Nhancale, president of the civil society group Kuwuka. "Local communities do not feel any benefit from the presence of Vale. On the contrary, the affected communities are more rebellious than before", he said. Instead of helping development, foreign investments in Mozambique create conflicts and increase poverty. Brazilian coal-miner Vale never attempted to build local links or support local business, and Tete province's second city, Moatize, is a ghost town. Communities are economically and socially poorer than before the coal companies arrived. The impact of Vale on Moatize has been negative rather than positive, but now Vale is departing, leaving nothing behind in Moatize. (*Carta de Moçambique* 9 Feb)

Court orders Vale to pay community \$190,000 for building a fence that cut the path the villagers used to reach their fields, which forced them to abandon their farms and livelihoods. The Tete provincial court on 26 January awarded 48 farmers 300,00 Meticais (\$4000) each. (Lusa 28 Jan)

Community rights are being violated with respect to resettlement and receiving the 2.75% of government income that is supposed to go to local communities, said the lawyer's association (Ordem dos Advogados de Moçambique, OAM). The report covers only 2018 and 2019, but points to resettlement issues with the Cabo Delgado gas, Tete coal companies Vale and Jindal, MRM rubies, and Kenmare heavy sands. And it fingers the government for failing to transfer money to local communities. (*Carta de Moçambique* 28 Jan)

Mozambique could see a mining boom, according to conference promoters Africa Oil and Power (12 Feb). Mozambique has commercially significant deposits of coal, gold, graphite, ilmenite, iron ore, titanium, copper, tantalum and bauxite. Demand for precious minerals and metals is increasing, just when oil and gas demand is falling. As well as opportunities for international mining companies, there should be a big market for suppliers across the value chain, in providing mining and refinery equipment, maintenance services, machinery and automation

equipment. <https://www.africaoilandpower.com/2021/02/12/clean-mining-gains-foothold-in-mozambique/>

A gas fired power station just 40 km inside South Africa will use gas from Mozambique, according to proposals from DNG energy. The company would build an above-ground branch pipeline from the existing pipeline that takes gas from Inhambane to South Africa. (*Lowvelder* 15 Oct 2020 & 10 Feb 2021)

Comment: South Africa's refusal to cooperate is behind its electricity

crisis. For 15 years the South African electricity parastatal Eskom has not been able to generate enough electricity and has been forced into rolling blackouts, called "load shedding". And for more than two decades, Mozambique has been trying to develop new electricity generation, particularly the Mphanda Nkuwa dam in Tete. Nationalism is trumping both regional cooperation and the environment. South Africa refuses to sign the long term electricity supply contracts required for Mozambique to raise the investment funds. And at a time when the world is reducing coal burning, South Africa remains committed to expanding domestic coal-fired power stations for its base electricity supply. *jh*

Other news

Along the Limpopo, lessons of the disastrous 2000 flood have learned

Heavy rain has caused some flooding in the south of Mozambique, with more rain predicted for tomorrow (Tuesday). This has combined with rain in South Africa, Botswana and Zimbabwe to fill reservoirs and flood rivers. The Limpopo River valley is very flat and the best land is near the river. "Since the floods of 2000, we have been working to raise families' awareness so that they have two houses, one in the risk zone where they practice agriculture and breed livestock and the other in the safe zone, where they keep their valuable assets. Because families have followed the advice, we have no need to create accommodation centres," said Manuel Machaieie, Gaza delegate of the Disaster Risk Management Institute (INGD).

Flooding along the Limpopo has affected 43,000 families and 32,000 hectares of crops, according to INGD. Low lying areas of Chokwé, Chibuto and Guijá are affected, with 5000 people evacuated from Chokwé. Two roads in Guijá have been cut.

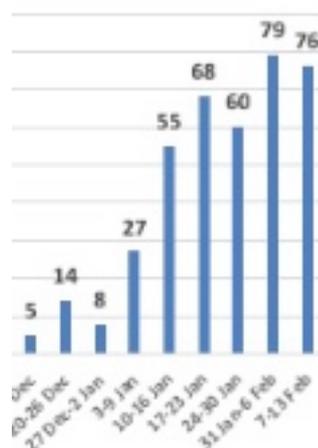
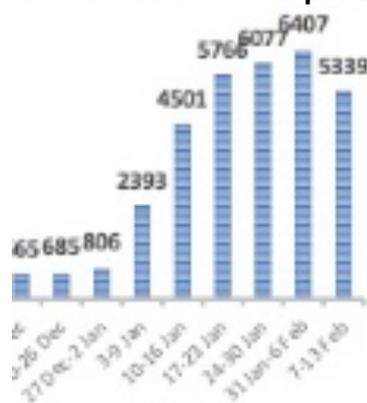
In Manhiça and Magude districts of Maputo province some villages are isolated because roads are flooded. There was flooding in the cities of Maputo and Matola, generally in poorly drained areas that often flood. (*O País* 15 Feb, DW & *Noticias* 12 Feb)

Further north, a bridge over the Natete River between Ribáuè and Malema in Nampula province is closed because a bridge pillar has been washed out.

We post the government's **Daily flood reports** - <http://bit.ly/Moz-flood21>

Covid-19 increase has stopped. Infections and deaths have been at a constant level for the past four weeks, but remain high, at ten times the December level. Last week there were 5339 new cases and 76 deaths. Covid-19 remains a disease primarily of the capital metropolitan area, with 78% of deaths in Maputo city and 6% in Maputo province (which includes Matola). South Africa opened its borders today, which means more cases will be brought from South Africa. The graphs below are for new cases per week and deaths per week, from Miguel de Brito. <https://www.facebook.com/miguel.de.brito1> The most recent week on the right is 7-13 February; the three bars on the left are the last three weeks of December.

New Covid-19 cases per week



Covid-19 deaths per week

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Important external links

Covid-19 daily updated data <https://www.facebook.com/miguel.de.brito1> and <https://covid19.ins.gov.mz/documentos-em-pdf/boletins-diarios/>

Daily flood reports - <http://bit.ly/Moz-flood21>

Cyclone trackers, <https://www.cyclocane.com/> and <https://www.metoc.navy.mil/jtwc/jtwc.html>

Cabo Ligado weekly report on civil war <http://bit.ly/CaboLigado>

Previous editions of this newsletter: <http://bit.ly/MozNews2021> and bit.ly/MozNews2020

Downloadable books: <http://bit.ly/Hanlon-books> Election data: <http://bit.ly/MozEIData>

My Mozambique archive: <http://bit.ly/Mozamb>

Cabo Delgado

Archive with reports, detailed maps, and census data <https://bit.ly/Moz-CDg>

Special reports on the war

Evolution of the war: global vs local. 27 Feb 2020 <http://bit.ly/CDelgadoOrigins>

Religion is shaping Cabo Delgado civil war. 30 April 2020 <https://bit.ly/CDelgadoReligion>

Intensifying argument over roots of war. 28 June 2020 <https://bit.ly/Moz-492>

Are the drums of war silencing any hope of peace? 26 July 2020 <http://bit.ly/Moz-496>

A history of violence presages the insurgency. 13 August 2020 <http://bit.ly/Moz-498>

Military & economic intervention. 3 Sept 2020 <https://bit.ly/CDelgadoIntervene>

Mozambique heroin transit trade

English - LSE - 2018 - <http://bit.ly/Moz-heroin>

Portuguese - CIP- 2018 - <http://bit.ly/HeroinaPT>

2001 first article- *Metical* - English and Portuguese <https://bit.ly/MozHeroin2001>

Gas for development?

Gas_for_development_or_just_for_money?_2015 bit.ly/MozGasEng

Gás_para_desenvolvimento_ou_apenas_dinheiro?_2015 bit.ly/MozGasPt

Background reading

Special reports

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

Special report on four poverty surveys: bit.ly/MozPoverty

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>

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

2018 Constitution - <http://bit.ly/2KF588T>

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>

Nine 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) is on <https://bit.ly/Chickens-Beer>

Há Mais Bicicletas – mas há desenvolvimento? (2008)

Moçambique e as grandes cheias de 2000 (2001)

Mozambique and the Great Flood of 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)

Apartheid's 2nd Front (1986) <available shortly>

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)

Mozambique media websites, English:

Club of Mozambique (free): <http://clubofmozambique.com/>

Zitamar (paywall): <http://zitamar.com/>

Mozambique media websites, Portuguese (all with partial paywall):

Notícias: www.jornalnoticias.co.mz

O País: 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/> (some CDD in English)

Fórum de Monitoria do Orçamento - FMO (the main group following the \$2 bn secret debt - now run by CDD) <http://www.fmo.org.mz>

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