

MOZAMBIQUE News reports & clippings

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30 soldiers detained for March sack of Palma

Palma was attacked on 24 March and insurgents targeted government officials and buildings causing major destruction. But when the army took control, for 10 days soldiers raided residences and businesses, *Carta de Moçambique* revealed on 2 June. Businesses that provided services to the gas industry, including warehouses, containers, camps and shipyards, were looted and vandalized by government troops. Then they used stolen generators and construction equipment to destroy and loot two banks of up to \$1 mn in cash.

The sacking of Palma has never been denied, and *Carta* today (3 Nov) reveals that 30 soldiers have been detained in the provincial penitentiary since June, but have never been charged.

Carta says its sources report "that everything happened after a thorough search of the soldiers who were leaving the Northern Operational Theatre. All the soldiers who had more than 15,000 Meticaís (\$250) in their briefcases were arrested. They reveal that there were some who denied being owners cases that contained more than 50,000 Meticaís (\$800). The sources say that the money taken from the briefcases of the arrested soldiers has not yet been delivered to the Army Directorate."

Today's *Carta* article is on <https://bit.ly/Moz-PalmaSack2> (Portuguese) The original 2 June *Carta* article is on <https://bit.ly/Moz-PalmaSack> (English).

Gas & Cabo Delgado

Will ExxonMobil go ahead with 'net zero' in Cabo Delgado?

ExxonMobil's head of Africa and of Projects, Liam Mallon, will be in Maputo Friday to meet with government officials and perhaps President Filipe Nyusi. ExxonMobil is clearly still debating whether or not to go ahead with its gas project in Cabo Delgado. ExxonMobil's president Darren Woods said recently the company was still interested. But other reports have repeatedly said that as Exxon is further advanced on other gas fields and wants to move out of fossil fuels so would be likely to sell its interests in Cabo Delgado. The war is also a major consideration.

Exxon and ENI control Area 4, the part of the gas field further off shore. TotalEnergies controls Area 1, near the coast. "Areas" were defined for exploration more than a decade ago, and part of the gas is in a field which overlaps areas 1 and 4. Exxon's plans have always been to jointly develop Afungi and establish its gas liquification plants there.

Exxon has been investing in research on carbon storage and capture, as well as ways to reduce carbon dioxide (CO₂) leaks from production of gas. Attempts to pump CO₂ into old wells failed because they leaked, so Exxon is trying drilling new holes that would be lined. This makes starting on a new field from scratch with net-zero in mind more attractive.

There remain two issues. One is that "net zero" is what the phrase says - some CO₂ will still be leaked into the atmosphere, so this must be balanced by capture elsewhere - mainly in trees. That received backing Monday at the Glasgow COP26 conference with a global commitment to reforestation. That remains a major issue because it involves planting huge numbers of trees, which will inevitably be in plantations. So people will be evicted from their land, as is already happening in Zambézia under REDD+ programmes (see this newsletter 572, 4 Oct).

"Many of the areas earmarked for tree planting are rangelands, areas of biodiverse rich grassland with scattered trees present such as in the savanna ecosystems that dominate southern Africa," explains Prof Ian Scoones at the Institute of Development Studies, Sussex University. These are not 'degraded' forests in need of rehabilitation, because they never had dense tree cover. Instead, they are already highly productive, biodiverse ecosystems that support many livestock and people. <https://zimbabweland.wordpress.com/2021/10/18/biodiversity-and-climate-change-why-tree-planting-schemes-may-not-be-the-answer>

The other issue is that gas production and liquification accounts for only one-third of the CO₂ emissions, according to an American Petroleum Institute (API) study. The other two thirds comes from producing the electricity. So net zero production only solves one third of the problem. API estimates that electricity produced by gas produces 600 kg of CO₂ per MWh delivered to consumers, compared to 1100 kg of CO₂ kg/MWh for coal, making gas much better than coal. But of the 600 CO₂ kg/MWh, 200 comes for production of the gas and LNG and its transport, and 400 comes from producing the electricity. <https://www.api.org/news-policy-and-issues/lng-exports/new-lifecycle-analysis-of-us-lng-exports>

Net zero is the fossil fuel industry's ways of continuing gas production. But it faces the problem of not enough space for more trees, and emissions when the gas is used, which could force a ban on fossil fuels.

But two promotions yesterday (2 Nov) linked to COP26 would support Exxon on a net zero project in Cabo Delgado. Major banks and pensions funds promoted their "net zero alliance". And US President Joe Biden unveiled his global pledge to cut methane emissions, now supported by 90 countries. Natural gas is methane (CH₄), and for gas producers that means curbing leaks, which many gas companies including Exxon are already working on.

Government expects \$34.5 mn from floating platform next year

ENI's Coral South floating LNG production platform will be launched in South Korea next week and will be towed to Cabo Delgado, where it is expected to start production in June. Well drilling had been suspended for 8 months due to Covid-19, but resumed in January. Government expects to receive \$34.5 mn revenue in 2022, according to the government budget approved by the Council of Ministers 21 Oct. This will be the first actual income from gas.

The 6th oil and gas licensing round will be launched this month, the minister of mineral resources and energy, Max Tonela, said on 27 October. Of the 16 areas identified for potential exploration, five are located in the maritime part of the Rovuma Basin; seven in Angoche; two in the Zambezi delta; and two in Save. Winners from the tender process will be selected before the March 2022. (*Noticias* 29 Oct)

Snake or ladder: Is gas the best route to development in

Mozambique? (Zitamar, by Leigh Elston, 28 Oct) is one of the best discussions of contrasting views on whether the gas benefits Mozambique. <https://zitamar.com/snake-ladder-gas-best-route-development-mozambique/> It is based on two recent reports. One, by the [Tony Blair Institute](#) says "Harnessing the transformative power of gas is a developmental imperative that serves people, prosperity and planet, while acknowledging the rightful aspirations of Mozambicans." In contrast, [Oil Change International](#) (OCI) argues gas is unlikely to drive equitable social and economic development in Mozambique, in part because a combination of the global energy transition away from fossil fuels, the pandemic and associated global recession, and the conflict in the Cabo Delgado, where the gas projects are located, have thrown the profitability of the projects into doubt. Moreover, the effects of the phenomenon known as the resource curse mean that the revenues that do accrue are unlikely to benefit ordinary Mozambicans.

Elites gain by criminalizing and impoverishing informal miners

"There is a stark contrast between the experiences of the *garimpeiros*, negotiating a corrupt system that can turn brutal, and the Mozambican political elite tightening control of natural resources amid a violent insurgency," reports the Global Initiative Against Transnational Organized Crime (GI-TOC) in its *Risk Bulletin* for Eastern and Southern Africa (26 Oct, <https://globalinitiative.net/analysis/esaobs-risk-bulletin-21/>)

"Informal mining is a large part of the local economy in northern Mozambique, a region with exceptionally high levels of poverty and few legitimate economic opportunities."

"informal miners in Mozambique bear the brunt of criminalization while elites seize more control of mining concessions." Much of informal mining "is illegal, either because it is unlicensed - following the Mozambican government's introduction of compulsory mining licences in 2016 for artisanal miners - or because it takes place in protected areas or private mining concessions owned by large-scale mining companies," *Risk Bulletin* notes.

"Pushing informal mining into the illegal sphere means that these miners - typically referred to as *garimpeiros* - have to operate clandestinely and often negotiate with corrupt security forces for access to mining areas. Their precarious and criminalized position also puts them at risk of abuse from security forces. "

"Clashes with informal miners are framed as an issue of criminality, [but] mining in northern Mozambique is much more complex. It is an issue of justice and land rights over the richest

resources available in a deeply impoverished region. It is also an economic issue, because mining - even while risky and criminalized - is one of the few livelihood opportunities available in the region."

From Afghanistan to Cabo Delgado – political volatility along the ‘southern route’ of drug trafficking, is another article in the new *Risk Bulletin*. It notes that "Our research in northern Mozambique in January and February 2021 found that, rather than these trafficking routes becoming a major source of income for the ASWJ [al Shabaab], the risks of the violence and the logistical challenges of moving contraband through a heavily militarized area caused trafficking networks to shift south to new and safer routes. Other researchers who have conducted recent fieldwork around the conflict in Cabo Delgado have also corroborated these findings."

"The drivers of trafficking through Cabo Delgado include, in broad terms, endemic corruption, poor governance and security, widespread poverty and a lack of legitimate economic opportunities for large sections of the population. These are the same factors that have stoked disenfranchisement and anger at the Mozambican government, and which created the conditions for the insurgency and continue to drive it."

Other News

There were 40 targeted killings in Mozambique in the years 2015-20, of which 35 were political assassinations and 5 were criminal, according to a special 5 September report "Murder by contract" by the Global Initiative Against Transnational Organized Crime (GI-TOC). <https://globalinitiative.net/wp-content/uploads/2021/09/GITOC-Murder-by-Contract-Targeted-Killings-in-eastern-and-southern-Africa-.pdf>

The viability study for Ematum was "unrealistic" a former Ematum director, Henrique Gamito, told the secret debt trial Tuesday. (2 Nov) The study had little to do with the realities of fishing for tuna in the Mozambique Channel. The tuna prices mentioned were inflated, and the tuna in Mozambican waters is of lower quality than that mentioned in the study. Furthermore the processing facilities did not meet internationally required standards and the Ematum fishing boats, produced by the Abu Dhabi based group, Prinvest, arrived late, and "had operational defects which had to be corrected", said Gamito. (AIM 2 Nov)

This was the feasibility study that Credit Suisse (CS) claimed it used to justify granting the corrupt loan and which was obviously false. That the Mozambicans knew the study was unrealistic and CS never checked only serves to underline the fraudulent nature of the debt.

This confirms reports in this newsletter on 11 January 2017 <https://bit.ly/Moz-354> and @Verdade (11 and 13 November 2016). We wrote at the time "Half of Mozambican tuna is the high value yellowfin, and the feasibility study says Mozambique could sell yellowfin at \$13.94 per kg. The FAO reported that in November 2013, near the time of the feasibility report, the Seychelles was selling yellowfin to Europe for \$2.69 per kg (<http://www.fao.org/3/a-bb294e.pdf>), one-fifth of the value stated in the feasibility study. Fish prices are easy to find on the FAO website. Surely the Credit Suisse and VTB due diligence reports could have looked at that. And why did no one in Mozambique check?"

Gamito's excuse was that the report was written in English, a language he did not master. Gamito told the trial that in addition to fishing, Ematum had a hidden security component. Then Finance Minister Manuel Chang had told him, he said, that the purpose of setting up Ematum was to raise money by selling tuna which would then be ploughed into the defence and security forces. This could not be admitted publicly, however, for fear of scaring off the banks from whom Ematum hoped to obtain loans.

We continue the daily posting of English language reports of the trial, on <https://bit.ly/Moz-secret-debt>.

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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.

\$2bn secret debt trial: Daily press clippings in English (and a few in Portuguese) on <https://bit.ly/Moz-secret-debt>. The trial is being broadcast live on STV <https://play.stv.co.mz/>

Important external links

\$2bn secret debt trial (Aug-Oct 2021) press reports <https://bit.ly/Moz-secret-debt>

Exchange rates 2006-21 & minimum wages 1996-2021 <https://bit.ly/Moz-Exch-wage-2021>

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 and monthly dry season 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 <https://www.caboligado.com/>

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

\$2bn secret debt - in English

Secret debt trial (Aug-Oct 2021) press reports <https://bit.ly/Moz-secret-debt>

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)
Beggars 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)
Also CDD now controls Fórum de Monitoria do Orçamento - FMO (main debt group) <http://www.fmo.org.mz>
and RMDDH - Rede Moçambicana dos Defensores dos Direitos Humanos (a human rights group).
To subscribe to all CDD publications: <http://eepurl.com/gO9l6v> (English or Portuguese).

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