

MOZAMBIQUE News reports & clippings

566 30 August 2021 Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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Mozambique seen as 'land of corruption where everybody is corrupt' admits Nyusi

"We cannot watch passively when our province, or our country, is listed as a land of corruption where everybody is corrupt", President Filipe Nyusi declared. "Let us have the courage to confront corruption, even with the intimidation we might suffer", he told a meeting of the National Council of Coordination between Decentralised Provincial Bodies and Central State Organs in Maputo on 25 August. (AIM, TVM 26 Aug)

Speaking to an audience that included provincial governors, provincial secretaries of state and mayors of municipalities, Nyusi urged senior managers in the public administration to take no part in acts of corruption, and to supervise their subordinates more closely.

He said that in 2020 there had been a sharp rise in the number of cases of corruption leading to disciplinary action. In that year 1,290 cases against allegedly corrupt public employees were initiated, against 911 in 2019. "This indicator is far too high", said the President. Nampula city and province are the most corrupt.

Comment: It was a remarkable admission by Nyusi. But, as always, it is "managers" who are seen as the source of corruption and its control, not those at the top. What is a district administrator to do when a minister phones and says "give a contract or land to person X?" Nyusi offers no protection to the poor administrator who fears he will never be promoted again, and is, indeed, being intimidated by someone at the top. Not coincidentally, the speech came in the week that the secret debt trial began. No oligarchs or big beasts of Frelimo are on trial, although they are often mentioned. Instead of then President Guebuza, it is his personal assistant and his wayward son in the dock.

Indeed, Nyusi was speaking at a meeting trying to establish the role of the new secretaries of state who function in parallel to elected governors and mayors. Appointed by the President and answerable only to him, the Nyusi government has created an entirely new layer of totally unaccountable people who can issue instructions and are subject to no checks by the managers they instruct. Corruption will never be controlled when impunity reigns and those at the top remain untouchable. *jh*

"Filipe Nyusi protects corruption at central level and attacks provincial and municipal governments", is the headline of a [CDD paper \(29 Aug, Portuguese only\)](#). The President wants more supervision and audits of mayors and directors in the organs of

decentralised governance. But he himself has never ordered an audit of the programmes implemented by the central government and involving hundreds of millions of dollars, such as Sustenta and the programme for the construction and rehabilitation of school toilets within the scope of the Covid-19 prevention programme. The evidence of corruption in both programmes has long justified independent audits, says CDD (Democracy and Development Centre).

"Millions of dollars were allocated for the construction and rehabilitation of school toilets and the drilling of boreholes as part of the Covid-19 prevention programme in the Education sector. The way in which civil construction companies were selected and budgets were set shows plenty of evidence of corruption. In all provinces, there are reports of abandoned works, works carried out without supervision, works of poor quality and works rejected by the local authorities. It is important to stress that the selection of contractors and supervision companies was made at central level."

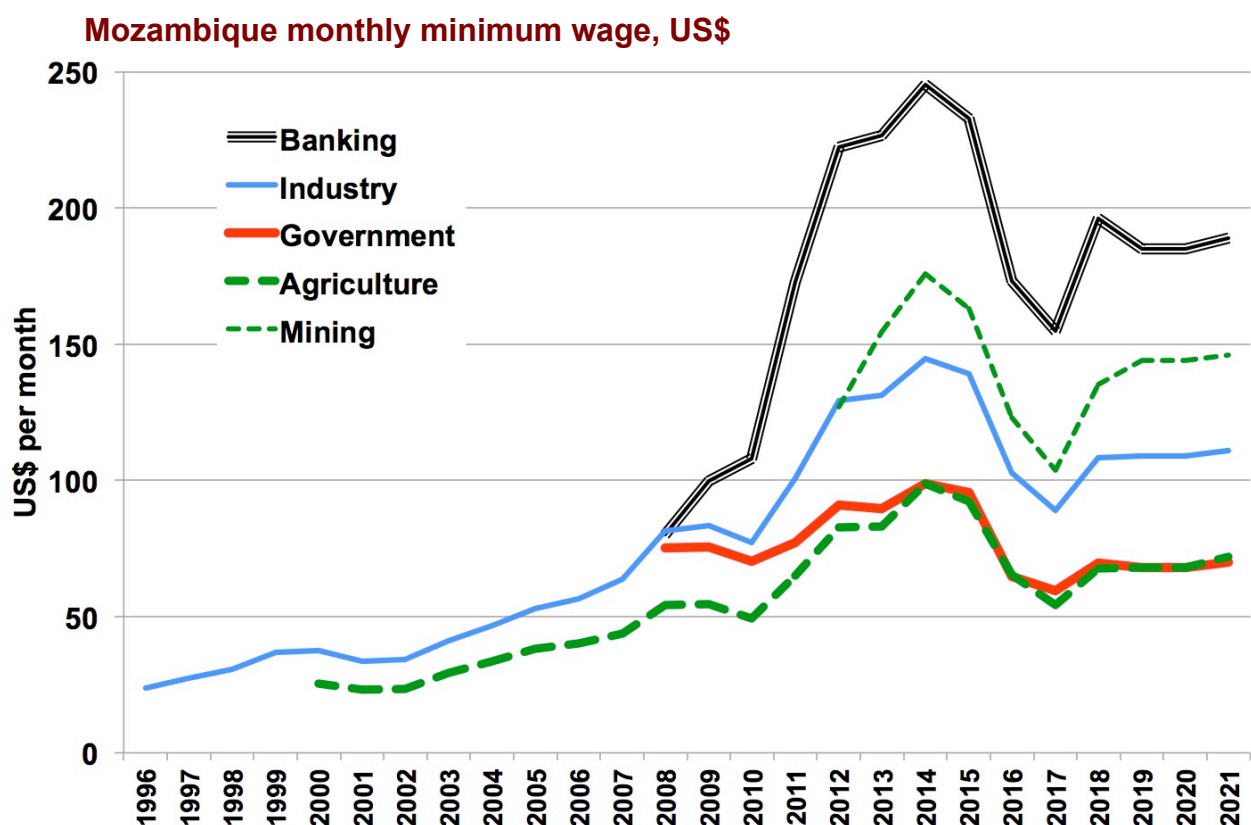
"Sustenta, an agricultural programme involving hundreds of millions of dollars, was never submitted to public debate, much less to the appreciation of Parliament. There is no oversight, much less audits."

The President gives the false impression that corruption is a problem affecting only the organs of decentralised governance. The scandal of the "hidden debts" is a case that involves leaders from the central level of the State, especially members of the Government. Combatting corruption starts as the top, says CDD.

https://www.open.ac.uk/technology/mozambique/sites/www.open.ac.uk.technology.mozambique/files/files/Mozambique_566-30Aug2021_land-of-corruption_MinWage_DebtTrial_Covid-19.pdf

Minimum wage remains \$3 per day

The lowest minimum wage, for civil servants and farm workers, remains at \$3.20 per day, the government announced on 26 August. For manufacturing workers the minimum is \$5 per day and for bank workers is \$8.60.



This remains far below the 2014 level when minimum wages hit their highest: \$4.50 per day for civil servants and farm workers, \$6.60 in manufacturing, and \$11.10 in banking. The economic

collapse caused by the \$2.2 bn secret debt crisis caused a dramatic drop in the value of the Metical and a fall in the dollar value of wages, to \$2.50 per day for farm workers and \$2.70 for civil servants. Minimum wages rose slightly in 2018 and have remained constant since then.

Our complete table and charts of minimum wages since 1996 and \$ and Rand exchange rates since 2006 are on <https://bit.ly/Moz-Exch-wage-2021>.

There are now 17 different minimum wages, negotiated each year and made retroactive in 1 April. There was no negotiation last year and the 2019 levels remained in force. The graph on the previous page is of monthly minimum wages in \$, at 1 April each year.

Hidden debts trial

Bribes, influence and expanding loan

The first week of the trial is already over-running, interrogating only two people instead of 10. They are Teofilo Nhangumele, who describes himself "as just a facilitator", and his close friend, Cipriano Mutota, then director of the Projects for the State Security and Intelligence Service (SISE). Together with Jean Boustani, a senior Privinvest salesperson, in 2011-3 they designed the coastal protection project, Proindicus.

Nhangumele had worked for five years at the British embassy in Maputo. He was also deputy director of the Olympic Games Organising Committee.

Nhangumele also confirmed that he travelled with Armando Ndambi Guebuza and Bruno Langa to a Privinvest shipyard in Germany in December 2011 and to the Privinvest headquarters in Abu Dhabi in January 2012, where they visited the company's shipyards. In Abu Dhabi he opened bank accounts to deposit the \$50 mn paid by the company for himself, Ndambi Guebuza, and Bruno Langa.

Nhangumele was part of the team that presented the project to Defence Minister (now President) Filipe Nyusi in 2011. But in December 2012, at a second meeting, Nyusi ordered him to be removed, on the grounds that only members of the defence and security forces should be involved. His distrust was wise, because Nhangumele had already signed a contract as a consultant with Privinvest in January 2012. He admitted that he had never told the Mozambican authorities that he was now employed by the very company they were negotiating with.

Asked what Ndambi did to earn his \$33 mn, Nhangumele said: "Whenever I noticed any slowness in the process, I would talk to Ndambi so that things would speed up." Mutota gave a bit more detail: Nhangumele told him that if the project was not moving forward, and he would contact Bruno Langa, who, in turn, should talk to his friend Ndambi Guebuza, so that he could intercede with his father (then President Armando Guebuza).

The testimony shows how the project was steadily inflated. The original Proindicus project was budgeted at just \$302 mn, and was then raised to \$360 mn to include the fees and bribes. The \$360 mn was approved by Nyusi, but was then increased to \$600 mn and then up to \$900 mn - and eventually to \$2.2 bn.

The tuna fishing company Ematum was not part of the original package, but was added as an entirely new \$850 mn loan as part of the inflation of the loan. Indeed, Nhangumele told the court that the then fisheries minister Vítor Borges opposed the creation of Ematum.

The hidden debts trial is a novel of the falling out of a gang of swindlers, by Marcelo Mosse, editor of *Carta de Moçambique*, is worth reading. This is a gang of politicians, governors, two-bit lobbyists, and secret service employees in collaboration with tycoons and boat salesmen from the Beirut and Paris (sponsored by François Holland, who stayed behind the scenes), plus

Credit Suisse and its bankers, not to forget VTB, the Russian banker. They all profited from a process of fraudulent indebtedness, ruining the utopia of the Mozambicans and the dreams of creditors who bought a pig in a poke. Now, they are all shooting at each other, and there will be blood on the floor. The full article (in English) is on <https://bit.ly/Mosse-swindlers>

Comment: The trial shows the enormous and growing gaps between rich and poor in Mozambique and underlines how ostentatious wealth has become normalised. Nhangumele said his \$8.5 mn payment was for "facilitation" work and that he could easily earn more than that. He used the money to buy five houses and flats in Maputo and in Nelspruit, South Africa and at least three cars.

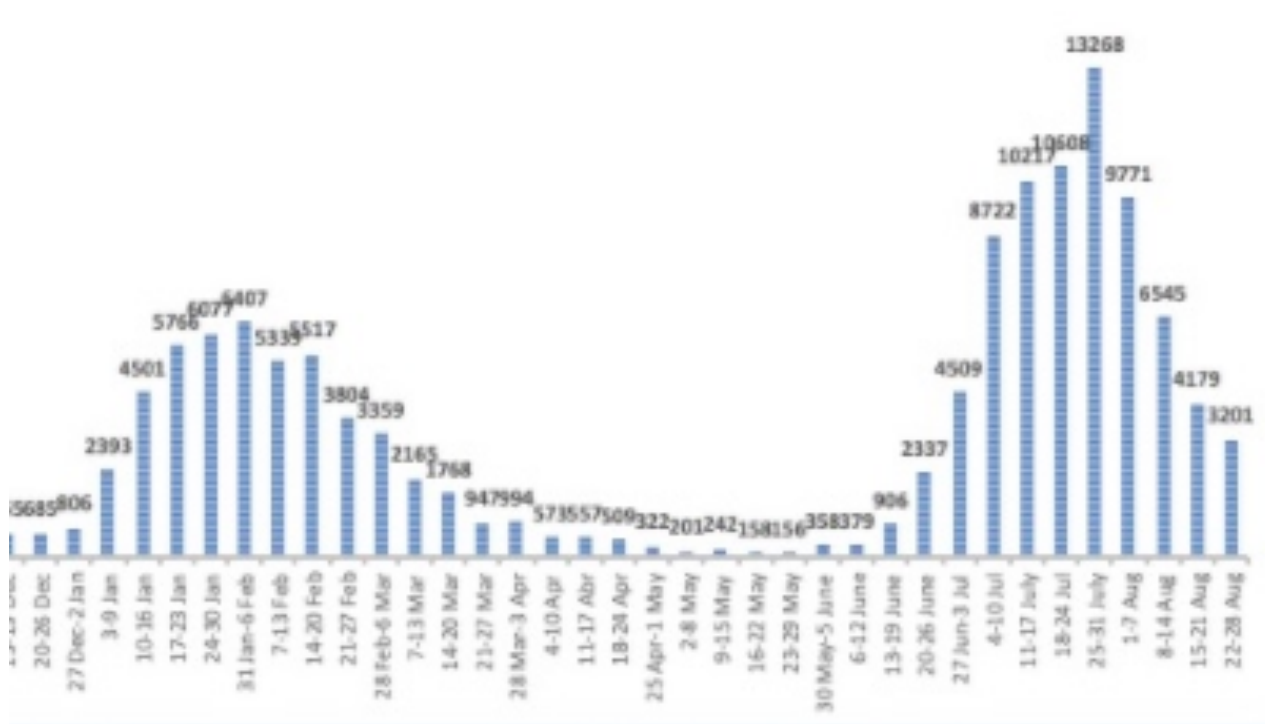
Ndambi Is accused of using his money to buy real estate in South Africa and Mozambique, and to buy 15 cars to give as gifts to friends.

Mutota received \$980,000, of which \$600,000 was in cash. Asked how he used it, he said he could not remember. "I spent it because the money came in tranches. ... I would withdraw five thousand, three thousand dollars. I spent most of it on my sesame and corn farm in Mocuba."

Former Finance Minister Manuel Chang remains in South Africa, following the decision of the Gauteng High Court on 27 August to hear the challenge by Mozambique Budget Monitoring Forum (FMO). Both Mozambique and the United States filed extradition requests with South Africa, and SA Minister of Justice Ronald Lamola on 20 August ruled in favour of Mozambique. Before Chang could leave South Africa, both FMO and the US filed objections. The case will be heard on 17 September. Meanwhile in Maputo, on 24 August Judge Efigenio Baptista added Chang to the list of witnesses (declarantes) to be heard.

Covid-19 wave receding in Maputo but rising in the north

Covid-19 has been a disease of Maputo city and province and the third wave appears over. New cases fell from a peak of 13,268 nationally in the last week of July to 3201 last week. Deaths are also falling, from a peak of 181 in the last week of July to 57 last week.



Weekly new cases of Covid-19, Miguel de Brito graph.

Maputo new cases have dropped dramatically, from 5557 in the peak week of July to one-tenth that, 563 last week. But on Friday (27 Aug) the Health Ministry reported that of the 731 new cases diagnosed the previous day, 72% came from the four provinces north of the Zambezi – 269 from Niassa, 156 from Nampula, 73 from Zambézia and 32 from Cabo Delgado. The seven provinces south of the Zambezi supplied only 28% of the cases – 70 in Inhambane, 61 in Maputo city, 32 in Gaza, 25 in Maputo province, six in Tete, five in Sofala and two in Manica.

President Filipe Nyusi on Friday (27 Aug) eased Covid-19 restrictions. The overnight curfew in force in most cities and towns now begins at 22.00 rather than 21.00. Shopping hours have been extended by two hours. Face-to-face classes throughout the country's education system, with the exception of pre-school institutions, resume today (30 Aug).

All religious ceremonies remain suspended. All private social events are banned with the exception of weddings. A maximum of 20 people can attend a wedding, but there can be no parties or receptions afterwards. (AIM 28, 28 Aug)

Update: My textbook *Civil War, Civil Peace* is [only available new in the United States](#). Used copies are available in the UK on amazon.

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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 TV; STV <https://play.stv.co.mz/> (click **Assista aqui**) and TVM <http://online.tvm.co.mz/site/emdirecto/tvm1>

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)

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)

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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