

MOZAMBIQUE News reports & clippings

577 7 November 2021

Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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Armed police stop diplomats cycle tour of Quelimane

Quelimane is bicycle city. The city is flat and compact; even the taxis are bicycles with an extra seat. So when the Swedish ambassador, and representatives of the Canadian High Commission, UNESCO and the United Nations Fund for Population Activities (UNFPA) visited the city Wednesday 3 November, they asked Mayor Manuel de Araújo for a bicycle tour. But when they set off they were stopped by heavily armed national police. The senior officer said he had "higher orders" to stop the group cycling. After Araújo made phone calls to higher levels, including a discussion with the foreign minister, the provincial police commander ordered that the tour could go ahead, and it did. (STV 4 Nov, *O País* 5 Nov)

Policeman who killed musician in Quelimane election celebrations finally tried in absentia. Max Love, the young musician Jaime Paulo, was shot in the head on 21 November, 2013, by an agent of the police VIP protection unit in front of the official residence of the governor of Zambézia during the celebrations of the victory of Manuel de Araújo in mayoral elections. Eight years after the event, Manuel Jose, the police officer who opened fire on the crowd, killing Max Love, is missing and cannot be found. So at a one day trial on 20 October Jose was tried in absentia. Judge Natércia Geronimo will give her verdict and sentence on 9 November.

Comment: Quelimane is a city well run by Renamo. Araújo has a strong personal support base and has won three elections. Frelimo uses the state apparatus to harass and block opposition municipalities, through late payments and other bureaucratic means, as well as police action up to the level of the Max Love killing when police tried to stop Araújo victory celebrations. So common, such petty use of power is normally not noted, but this one was on national television and involved

diplomats. Meanwhile, despite cuts elsewhere, central government is spending \$500,000 to rehabilitate the provincial governor's official residence. (*Savana* 19 June 2020) The governor is Frelimo. It appears Frelimo wants to show very publicly that it still controls municipalities that elected opposition mayors. *jh*

Gas & climate

Mozambique will expand gas and coal unless rich pay to curb use, PM Rosário tells COP26

Mozambique will increase the production of coal and gas to finance its development until the developed countries provide alternative funding, Prime Minister Carlos Agostinho do Rosário told the COP26 in Glasgow. He was clearly referring to the failure of the developed countries to meet the promise of \$100 bn per year in climate funding for developing countries by 2020.

"We will not make the transition to clean energies to the detriment of the ongoing development process," the Prime Minister said. "And we do not have financing and technologies to massify energy, wind, water and solar power."

"We want to use our energy resources in a less polluting way. So they [the developed countries] should give us more money to change or mitigate these resources."

(The 2009 Copenhagen COP15 Agreement promises that developed countries will by 2020 provide \$100 billion per year to developing countries in "new and additional resources... balanced between adaptation and mitigation." (paragraph 8) Efforts to reduce emissions and enhance carbon sinks are referred to as "mitigation". "Adaptation" is adapting to the impact of the climate emergency. (paragraphs 3 and 8) <https://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf> The pledge has never been met.)

ExxonMobil redesigning gas project with carbon capture, but start depends on security

ExxonMobil is redesigning its LNG project in Cabo Delgado to cut costs and add carbon capture technology to make the project "cleaner", ExxonMobil's head of upstream oil and gas, Liam Mallon, told President Filipe Nyusi Thursday (4 Nov), according to energy minister Max Tonela.

But there was no firm commitment to go ahead. Security is a key issues, and Mallon stressed that "there is still much to be done."

Exxon has done extensive research into carbon capture, which will probably involve drilling deep holes to fill with CO₂. Interestingly Mallon did not commit to "net zero", but market forces and his own board will surely force that. However even net zero for production, liquification and transport only removes one-third of the CO₂; two-thirds comes from turning the LNG into electricity. That may be enough to maintain the pressure to stop use of gas as well as other fossil fuels.

Cost cutting will include closer cooperation with TotalEnergies on gas liquification on the Afungi peninsula.

ENI Delegate Claudio Descalzi met president Nyusi Friday (5 Nov) to confirm the progress of the Coral Sul floating LNG platform, expected to start production next year. He also briefed the president on ENI's REDD+ project approved in August. This involves conserving 3 mn hectares of the Limpopo Transfrontier Park, and use the carbon credits as part of its efforts to reach "net zero". ENI is also promoting biofuels, Descalzi said. (*Carta de Moçambique* on-line 6 Nov)

Coral Sul is 40 km from the coast, in water 2 km deep. The six wells have been drilled. Energy Minister Max Tonela expects production to start in the middle of next year (2022). (AIM 7 Nov)

But forest carbon credits do not work, because estimates of carbon capture are hugely inflated. The London *Guardian* (4 May, <https://bit.ly/3kckPZc>) warned that "although many forest projects were doing valuable conservation work, the credits that they generate by preventing environmental destruction appear to be based on a flawed and much-criticised system, even though these credits were being used to back up claims of 'carbon-neutral flying' and net-zero commitments."

A *Guardian* investigation of the carbon offsets used by major airlines showed they are based on flawed systems. Each used a different system to predict deforestation, but all predicted a massive increase. Of 10 investigated, two had modelled deforestation and land use change using a tool that allows them to assume a massive rise in the rate of deforestation compared with the historical rate. One predicted the rainforest would be gone without the project. One in a remote, inaccessible part of the jungle was basing its predictions on the rate of deforestation along a major road. Another was looking after an area which had been converted into a national park and where there had been no illegal deforestation for years. Despite this, it predicted a huge increase in deforestation if the project was not there.

Margaret Kim, the CEO of Gold Standard, an organisation that certifies carbon offsets, told the *Guardian* that her organisation did not certify Redd+ projects because she believed the way it was set up did not work.

Mangrove and other coastal wetlands absorb more carbon than forests, and their restoration and preservation could be a much better way for Mozambique to generate carbon credits. Mangroves and other coastal wetlands suck up carbon dioxide from the air to store in their roots and branches, but also in the sediment that collects around them. They do this so well that they can store up to 10 times more carbon than forests. Also "green carbon" rainforests store carbon in biomass, and therefore release it when the trees die. On the other hand, mangroves, salt marshes and sea grass store most of the carbon in their soil and sediment. If undisturbed, it stays there for millennia, explains the London *Guardian* (4-6 Nov, <https://bit.ly/3ESc26p>)

Gas-fuelled electricity generator in Nacala OKed. The British company GL Energy agreed Thursday (4 Nov) to finance and operate a 250MW gas-fired power plant in Nacala. The first phase will be 50MW, projected to be up and running in 16 months. GL will add 200 MW more within within 24 months. The whole project will cost \$400mn. The project will be a 30-year Public-Private-Partnership (PPP), with the state electricity company, EDM, holding the initial public interest in the project. The project will use LNG, but nothing has been said about the regasification facility or about how much the power will cost EDM. (Lusa 4 Nov, Zitamar 5 Nov)

Secret debt

Credit Suisse cuts down bank unit that made secret loans, but no suggestion of compensation for victims of fraud

The secret debt and other scandals have finally forced Credit Suisse (CS) to clean up after billions of dollars have been lost. Its share price fell from \$57 in 2007 to \$20 in 2012 when bankers were under pressure to lend even at high risk and the Mozambique secret debt was negotiated. It has fallen to \$10 now. CS drafted in seasoned banker Antonio Horta-Osorio as chairman in April to stop the rot. On 4 November CS announced the almost total closure of its investment bank, responsible for the Mozambique secret debt fraud and other fiascos. Instead CS is moving into

wealth management for ultra high wealth clients from China and elsewhere in Asia. The announcement said nothing about the people harmed by CS misconduct, which is subject to legal actions in London.

Secret debt fines should be given to Mozambique, either as aid or debt relief, argues the Budget Monitoring Forum (FMO), in letters to a range of enforcement agencies involved in successfully prosecuting Credit Suisse (CS) in the US and UK. On 19 October CS admitted guilt and was fined \$475 mn and agreed to cancel \$200 mn of debt in a joint US, UK, and Swiss settlement. FMO had a meeting with the UK Financial Conduct Authority (FCA) on 25 October and the FCA indicated that it would be willing to support FMO's plea to the national government of the United Kingdom to repatriate the funds it has received through the penalties against CS. In the US, the Mandatory Victims Restitution Act of 1996 requires compensation for those directly harmed by the defendant's criminal conduct, and this might be applied to Credit Suisse, opening a possibility of compensation in the US.

The secret debt trial has moved on to witnesses (*declarantes*) and Thursday and Friday heard how SISE officials were made company directors and signed documents that they had not read and which were sometimes fake, on "higher orders" - from accused Antonio do Rosario, the former head of economic intelligence of the State Security and Intelligence Service (SISE) who apparently negotiated the deal and set up the three companies. Lucas Ponderane was the General Director of GIPS, a fourth company set up by SISE to control the other three companies. He never saw viability studies for any of the three companies. The structure was a fiction, and GIPS put in no investment. Raufo Ira had been Executive Director of the SISE Social Services, which was the majority shareholder in the company GIPS. The contract with Privinvest - which he had signed - did not give an itemised breakdown of the goods to be acquired, and Ira admitted that there was no comparison between the prices charged by Privinvest, and the world market price. Kroll did the comparisons and found that Privinvest had over-invoiced Mozambique by more than \$700 million. Accused fixer Teofilo Nhangumele, who denied a key role in the scheme, turns out to have been present at many key meetings, according to witnesses.

Follow up on Cabo Delgado

No senior officers are among the 30 detained for the sack of Palma and its banks, reports *Carta de Moçambique* (5 Nov)

The Dutch ministries of finance and foreign affairs ignored warnings from the Dutch embassy in Maputo over the security situation in Cabo Delgado, and gave the go-ahead for an insurance policy worth almost €1bn (\$1.2bn) for Dutch dredging company Van Oord to work on TotalEnergies' LNG project. The policy took effect just as Palma was attacked by insurgents, which caused the project to be halted. The Dutch embassy in Maputo doubted whether the Mozambican army could contain the violence in northern Mozambique. However, the finance ministry said it had "no reasons" to "doubt the capacity of the project and the Mozambican security forces" to ensure security. (NRC 1 Nov in Dutch, <https://bit.ly/3kcycbQ>, investigation by Bram Vermeulen who has been a correspondent in southern Africa for many years; Zitamar 2 Nov in English)

And a note on history

Portugal started and led African slave trade, launching the development of modern capitalism

"The first impetus for the Age of Discovery was not Europe's yearning for ties with Asia, as so many of us learned in school, but rather its centuries-old desire to forge trading ties with legendarily rich Black societies hidden away in the heart of "darkest" west Africa. Iberia's most famous sailors cut their teeth not seeking routes to Asia, but rather plying the west African coastline. This is where they perfected techniques of mapmaking and navigation, where Spain and

Portugal experimented with improved ship designs, and where Columbus came to understand the Atlantic Ocean winds and currents well enough that he would later reach the western limits of the sea with a confidence that no European had previously had before him, of being able to return home," writes Howard French, author of the new book *Born in Blackness*, which changes how we think about Africa, Portugal, and the age of exploration.

"European expeditions to west Africa in the mid-15th century were bound up in a search for gold. It was the trade in this precious metal, discovered in what is now Ghana by the Portuguese in 1471 ... that helped fund Vasco da Gama's later mission of discovery to Asia. This robust new supply of gold helped make it possible for Lisbon, until then the seat of a small and impecunious European crown, to steal a march on its neighbours and radically alter the course of world history." By the 1530s "Portugal overwhelmingly dominated Europe's trade in Africans, and slavery was beginning to rival gold as Portugal's most lucrative source of African bounty."

George Monbiot writes that "Capitalism was arguably born on a remote island. A few decades after the Portuguese colonised Madeira in 1420, they developed a system that differed in some respects from anything that had gone before. By felling the forests after which they named the island (madeira is Portuguese for wood), they created, in this uninhabited sphere, a blank slate - a terra nullius - in which a new economy could be built. Financed by bankers in Genoa and Flanders, they transported enslaved people from Africa to plant and process sugar. They developed an economy in which land, labour and money lost their previous social meaning and became tradable commodities.

"A small amount of capital could be used, in these circumstances, to grab a vast amount of natural wealth. On Madeira's rich soil, using the abundant wood as fuel, slave labour achieved a previously unimaginable productivity. In the 1470s, this tiny island became the world's biggest producer of sugar. Madeira's economy also had another characteristic that distinguished it from what had gone before: the astonishing speed at which it worked through the island's natural wealth. Sugar production peaked in 1506. By 1525 it had fallen by almost 80%: Madeira ran out of madeira."

"In what was to become the classic boom-bust-quit cycle of capitalism, the Portuguese shifted their capital to new frontiers, establishing sugar plantations first on São Tomé, then in Brazil, then in the Caribbean, in each case depleting resources before moving on."

Further reading:

+ ***Born in Blackness: Africa, Africans, and the Making of the Modern World, 1471 to the Second World War*** by Howard French, a former *New York Times* Africa correspondent, published in October, is an already influential book. It puts Portugal as the true engine of modernity through its exploitation of sub-Saharan Africa. French has a fascinating long article "How Africa was erased from the history of the modern world" in the London *Guardian* (12 Oct, <http://bit.ly/French-Africa>)

+ George Monbiot's *Guardian* article (6 Oct) is on <https://bit.ly/3o9CfXt>

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\$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)
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).
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