

MOZAMBIQUE News reports & clippings

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Big donors cave in

In order to spend \$2.5 bn, donors accept government line of no grievance behind Cabo Delgado war

After eight months of confrontation, the big donors collapsed and stopped trying to push the government to accept that local grievances play a big role in the Cabo Delgado civil war. In October last year the World Bank, EU, ADB and UNDP tabled a proposed Strategy for Resilience and Development in the North (ERDIN) with promises of \$2.5 bn attached. The proposal put substantial emphasis on local grievances - poverty, inequality, marginalisation, and no gains from local resources - as one of the major roots of the current civil war. President Filipe Nyusi has always rejected this, and government refused to even submit the ERDIN to the Council of Ministers, leading to a stand-off.

On 17 May the EU ambassador to Mozambique, António Gaspar, signalled that donors had backed down. He announced €65 mn for development in the north "for this year alone" and it was not conditional on the government agreeing to ERDIN. (Lusa 17 May) On 21 June, the Council of Ministers approved a new version of the document which dropped almost all references to poverty, inequality, and grievances. It is now called PREDIN (Programme for Resilience and Integrated Development in the North) and it has not yet been formally released, but copies are in circulation.

Two factors are behind the surrender. First the big donors and lenders such as the World Bank and European Union in Washington and Brussels approve outline budgets a year or more advance, and the pressure is on Maputo offices to disperse it. In the end, pushing money out the door is the priority. It is a total reversal of a decade ago when donors could withhold money to pressure government for policy changes; now government has the whip hand.

The other linked factor is that gas and minerals and the potential for huge contracts led the international community to throw their full backing behind Frelimo as people they could deal with. This had been stressed by the EU two months earlier when the EU 2019 election observation mission returned for a follow up. The 2019 report was damning: the elections commission did not follow the law, the voters register was inflated, "an unlevel playing field was evident throughout the campaign" with violence and illegal limitations on the opposition, and a wide range of irregularities.

The head of the 2019 EU Electoral Mission, Nacho Sanchez Amor, led the follow up mission in March in Maputo. His report showed that none of the 20 recommendations had been acted on. "To guarantee the fundamental political freedoms of citizens," Sanchez told the press on 22 March, some changes were "absolutely imperative", adding "if there is the political will, it can be done".

But the message to Frelimo was very different. On 21 March he met with Foreign Minister Verónica Macamo, said he told her "if would be nice" if some of the reforms suggested might be implemented. (AIM 21,22,23 March)

That message was loud and clear: the EU will allow Frelimo to steal the next elections.

Links:

PREDIN (Programa de Resiliência e Desenvolvimento Integrado do Norte de Moçambique) as approved by the Council of Ministers 21 June but apparently not yet published, an unofficial copy in circulation is on <https://bit.ly/Moz-PREDIN>. (The value of PREDIN is \$2 bn in one place in the report and \$2.5 bn in another; ERDIN was for \$2.5 bn.)

ERDIN (Estratégia de Resiliência e Desenvolvimento para o Norte) as proposed by donors in October 2021 is on <https://bit.ly/Moz-ERDIN>

Links: EU elections

2019 final report: https://www.eeas.europa.eu/sites/default/files/eueom_moz2019_final_report_en.pdf

2022 follow up mission: https://www.eeas.europa.eu/eeas/eu-election-follow-mission-mozambique-2022-final-report_en

ERDIN to PREDIN

'Rebuild the social contract' replaced with 'strengthen the authority of the state'

The change in tone of the report is shown most clearly in the second of three "pillars" of the plan. In the original ERDIN pillar 2 is to "Rebuild the social contract between the state and the population" and the section aims to "reinforce the capacity and legitimacy" of the government.

In PREDIN this pillar is about "strengthening the authority of the state", which is done by increasing the ability of the state to provide services. No longer is there a sense of a "social contract" between state and people, only of strengthening the state to supply goods and services to the people.

The ERDIN underlines the issues of poverty, inequality, exclusion and marginalisation, lack of services in the north including low education levels and poor health, corruption, violence by security services, and people thrown off land. It highlights the belief that only outsiders, particularly from Maputo, are benefitting from local resources. This is largely missing in the PREDIN.

ERDIN has more of a focus on decentralisation to people in Cabo Delgado, while PREDIN stresses central control in Maputo.

Three concessions are made to donor concerns. Artisanal mining received a serious discussion by ERDIN, which is dropped in PREDIN, but one sentence is kept: "Additionally, artisanal mining, mainly carried out by youth, suffers from a lack of assistance and regulation to promote its exercise in a safe and licit manner."

Second, although educational inequality is no longer mentioned, there is a large \$173 mn budget item "to increase regional equity in education spending."

Finally, one key paragraph survives, in isolation: "PREDIN aims to respond to a myriad of factors underlying armed violence. In the endogenous dimension, the main factors identified include phenomena of socio-economic inequalities and expectations related to the exploitation of natural resources, particularly among local youth. This comes in addition to factors of perceived political exclusion, limited participation and few economic opportunities, particularly affecting young people."

There is a perception among youth that they lack the opportunity to participate in decision-making at community, district and provincial levels in an effective manner."

One paragraph to gain \$2.5 bn and end pressure to accept grievances as an important cause of the war.

The latest World Bank Country Economic Memorandum (CEM) is dated October 2021, the same time as the ERDIN. It says "there is a widespread consensus that among the driving forces behind the insurgency is the systematic sense of exclusion and grievances that were capitalized by extremist groups." But that publication was delayed until June, two months ago, when the Bank decided to continue to fund a government that rejects the consensus.

Climate emergency

African Union accepts global heating and says go for gas

The African Union will call for massive investments in fossil fuels in Africa at the COP27 summit in Egypt in November, reports the *Guardian* (2 Aug). The AU draft document says that "in the short-to medium-term, fossil fuels, especially natural gas, will have to play a crucial role in expanding modern energy access." Africa must be allowed to benefit from its reserves, and the developed countries, which have already benefitted from fossil fuels, will have to make the cuts.

Africa has been under huge pressure from the European Union and from the gas and oil industry to produce more and to exploit reserves that before the Ukraine war would have been left in the ground. TotalEnergies, which is leading the Cabo Delgado area 1 gas project, announced \$36 bn in before tax profits for the first half of 2022. The oil and gas industry has delivered \$2.8bn **a day** in pure profit for the last 50 years, a new analysis has revealed. (*Guardian* 21 July)

In practice, the AU is accepting that African development requires abandoning the 1.5°C global heating target, which would keep environmental damage in check. Using this gas and oil is likely to mean 2°C heating, which in the next decade in Mozambique will mean worse cyclones and flooding, droughts in the south, and irregular rains in the north. Rains will increasingly be more intense and concentrated in short periods, causing landslides and flash floods.

The problem for Mozambique is that significant income from the gas is not expected until all the initial costs are paid, around 2035, according to the World Bank. By the mid 2030s Mozambique could be earning \$2 bn to \$5 bn per year from the gas. But the worst cyclone so far, Idai in 2019, cost Mozambique \$1 bn in damage, and global heating will cause several more major cyclones before 2035. In the next decade Mozambique must spend billions on upgrading roads, buildings, flood barriers, irrigation, urban water supplies, etc just to respond to global heating. All of this is before Mozambique is earning that much from gas - and donors are not offering the funding.

The final threat is stranded assets. Europe, the US and Asia will see massive damage from global heating in the next decade and could force such a severe cut that Mozambique has no buyers just when it expects to start earning.

Developing countries get a bad deal. The environmental debt owed by the developed countries will never be paid. But the financial structure of the gas industry means that Mozambique and other African countries seem unlikely to make enough profit to compensate for their own increased costs of global heating.

Fossil fuel companies and the banks that finance them "have humanity by the throat", the UN secretary general António Guterres said, in an attack on the industry and its backers, who are pulling in record profits amid energy prices sent soaring by the Ukraine war. He compared fossil fuel companies to the tobacco companies that continued to push their addictive products while concealing or attacking health advice that showed clear links between smoking and cancer. He

was speaking 17 June at the Major Economies Forum on Energy and Climate, organised by the White House. (*Guardian* 17 June)

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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.

Important external links

Minimum wage & exchange rate charts, tables 1996-2022 <https://bit.ly/MozMinWage2022>

TSU_Tabela-Salarial-Unica - law, decrees, points system (2 Mb) <https://bit.ly/Moz-TSU>

Daily debt trial press clippings in English: <https://bit.ly/Moz-Debt-Map-Trial>.

Trial hearings over, judgement postponed to 30 November 2022.

Covid-19 daily <https://covid19.ins.gov.mz/documentos-em-pdf/boletins-diarios/>

Daily flood and monthly dry season reports - <https://bit.ly/Moz-Flood-2022>

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

Previous editions of this newsletter: <https://bit.ly/MozNews2022> and <http://bit.ly/MozNews2021>

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

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

Cabo Delgado

Cabo Ligado weekly report on civil war <https://www.caboligado.com/>

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>

Cabo-Delgado-Free-for-all. 20 Apr 2022. <https://bit.ly/Moz-593>

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/2H066Kq>

Ten 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)
Civil War Civil Peace (2006): <https://bit.ly/Civil-War-Civil-Peace>
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) <https://bit.ly/Peace-wo-Profit>
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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