

# MOZAMBIQUE 183

## News reports & clippings

### 13 July 2011

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**Catching up:** This is the last newsletter catching up on news missed over the past three months. Normal (irregular) service will now be restored.

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NOTE OF EXPLANATION:

This mailing list is used to distribute two publications, both edited by Joseph Hanlon. This is my own sporadic "News reports & clippings", which is entirely my own responsibility. This list is also used to distribute the *Mozambique Political Process Bulletin*, published by CIP and AWEPA, but those organisations are not linked to "News reports & clippings"

Joseph Hanlon

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Attached file: This newsletter in pdf.

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*In this issue:*

## Crime & corruption

Drug profits, lynchings

New laws needed says attorney-general

## Bigger budget

## News briefs

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# Crime and corruption

## Drug profits build hotels

Organised crime is directing its profits to real estate, warned Attorney-General Augusto Paulino on 20 June. He noted that the Mozambican economy is too small "to support buildings of the size of those that are springing up in the major cities, particularly in the capital". <COMMENT: Some of us have pointed for more than a decade at the large number of new hotels, big office blocks, and private mansions being built in Maputo and Nampula, and suggested that some are being funded by drug profits. jh>

Paraguayan authorities on 1 June seized 865 kg of cocaine disguised as bags of rice being sent to Mozambique. In January South African authorities seized 312 kilos of cocaine hidden in sacks of rice unloaded in Durban, in a container on its way by road to Mozambique; three Mozambicans were arrested. The container had been shipped from Surinam, in South America. And in April South African police charged a man alleged to be a former Cuban intelligence officer with shipping 160 kg cocaine from Paraguay to Mozambique, disguised a Canola oil.

## Attorney-general says update corruption laws

Mozambique's laws on corruption and the theft of state funds and assets are inadequate and out-of-date, Attorney-General Augusto Paulino told parliament on 27 April, according to AIM. Issues include:

- + The existing 1979 law cannot be used against officials "who use fraudulent tricks to register state-owned houses in their own names".
- + It is difficult to punish theft of funds by state officials who do not sign the cheques or have direct access to the money, leading to the unjust situation whereby officials who order theft receive lesser penalties than their subordinates.
- + Legislation only covers corruption in the public sector, and does not cover areas like football match fixing (the subject of recent claims).

Paulino also called for legislation to protect whistle-blowers, AIM said. "We are beginning to see cases of citizens who are harassed because they have denounced crimes of corruption or the theft of state funds, or because they have testified as witnesses".

He also called for laws to punish "illicit enrichment". If somebody displayed wealth that could not be explained by their salary, they would be obliged to prove that they had acquired the goods legally.

In his statement to parliament Paulino also reported:

- + Prisons were holding 15,303 people on 31 December, even though the official capacity is only 6,674 prisoners. Of those, 67% were serving sentences, and 33% were on remand, awaiting trial. This is an improvement; several years ago most prisoners were pre-trial detainees. But he said that only 4,792 prisoners were serving sentences longer than two years and 5,491 were petty offenders given jail terms of up to two years, and he called for the use of penalties such as fines and community services instead of imprisonment.
- + 256 people were detained during the riots against price increases on 1 and 2 September last year in the cities of Maputo (139), Matola (62) and Chimoio (55). Of these, 178 people have been sentenced to prison terms ranging from three days to two years, 64 have been acquitted and the other 14 are awaiting trial. An 11 year old boy was killed by a police bullet on 1 September as he was returned from his Maputo school, which had been closed because of the disturbances, and criminal proceedings are under way against the policemen involved in this shooting.

## Lynchings and cholera riots

Paulino also told parliament that in 2010 there were 49 cases of citizens taking the law into their own hands and lynching people they believed to be criminals, down from 78 lynchings in 2009, AIM reports. The worst incidents involved mob attacks on health or agricultural workers accused of spreading cholera:

- + In Chiure district, Cabo Delgado, agricultural technicians came under attack, when they were explaining to local farmers how rat poison should be used in the fields. The mob stoned the police unit that went to their protection, killing one policeman and injuring three others.
- + In Moma district, Nampula, a crowd attacked two health centres, assaulted health workers and destroyed hospital equipment. 15 of the ringleaders were convicted at a trial in March, and sentenced to jail terms of 4 to 5 years.
- + An earlier attack against a health centre in Pebane, Zambezia province, came to trial in July 2010, and 18 rioters were sentenced to eight years imprisonment.

Paulino's report also gave details of crimes connected to witchcraft.

- + In Mossurize, Manica, three people murdered a man and cut off his genitals for use in black magic rituals. In September 2010, the three were sentenced to 20 years imprisonment.
- + In Mecanhelas, Niassa, in August two people murdered a 14 year old boy and hacked off his genitals. One of the men confessed, and said that he had been contacted by the other with promises of money.

+ In February this year, two men murdered a night watchman in Sussundenga, Manica, harvested his blood, and took it to a local witch-doctor, for purposes of “traditional treatment”.

## Former minister finally jailed

Former Minister of Transport and Communications, Antonio Munguambe, has finally been jailed for his part in a 91 million meticaís (\$3 mn) corruption case at the publicly owned airports company, ADM. Last year he was sentenced to 20 years by Maputo City Court judge Dimas Marroa, but he appealed, and on 23 May the Supreme Court reduced the jail term to four years; as he had been out on bail, he was sent to prison.

Former ADM board chair Diodino Cambaza had his sentence reduced from 22 to 12 years. Former ADM financial director Antenor Pereira had his sentence cut from 20 to 4 years. Antonio Bulande, former head of Munguambe’s office, had been sentenced to four years, but the Supreme Court cut this to a suspended sentence of two years. Deolinda Matos, former chief executive of the Mozambique Services Company (SMS), the catering company 50% owned by ADM, had her 2 years and 15 days sentence cut to time served and was released.

## Other corruption

**Five people were jailed** for between 3 and 16 years for diverting cheques for 1.4 million meticaís (\$47,000) for tax payments which several Nampula companies had deposited with the tax authority’s Large Taxpayers’ Unit, and depositing them in personal accounts. The five included two tax officials and two workers at the country’s largest commercial bank, Millennium-BIM (International Bank of Mozambique),

**76 officials of the government’s National Traffic Institute** (INAV) have been accused of corruption in the issuing of new, biometric driving licences. A statement from the Transport Ministry said that the 76 were detected during an internal audit. Meanwhile, according to a report by the Public Integrity Centre (CIP), foreigners are bribing immigration officials to obtain biometric identity documents. CIP estimated that corrupt staff in the civil identification directorate are making a minimum of \$50,000 a month by selling the documents to foreigners.

**Agriculture Minister Jose Pacheco suspended the head of forestry** in Zambezia, Antonio Chibite, due to strong suspicions that he is linked to illegal logging, according to *Noticias* (8 July). He ordered the suspension at a meeting of the Community Consultation Forestry Forum in Quelimane. There have been regular complaints from local communities of illegal logging, and Pacheco said that illegal loggers have even murdered one forestry inspectors and severely injured several others who stood in their way.

## Budget up 7%

A 7% increase in the 2011 government budget, 9.4 billion meticaís (\$307 mn), has been approved by parliament. The budget increased from the 132.4 bn Mt approved in December to 141.8 billion meticaís. Funding for the budget will be:

- + 79.2 bn mt taxes and other state revenue,
- + 2.6 bn mt domestic debt,
- + 35.3 bn mt foreign aid grants, and
- + 24.7 bn mt foreign loans.

State revenue finances 56% of the amended budget, foreign aid 42%, and domestic debt 2%.

The amended budget:

- + increases expenditure on goods and services by state institutions by 1.3 bn mt
- + increases spending on road building and rehabilitation by 1.13 bn mt.
- + includes 3.6 bn mt to compensate fuel distribution companies for the \$110 mn they lost in 2010, because of the government’s general subsidy on liquid fuels, particularly diesel.

- + includes 335.6 mn mt for the food basket, which was later cancelled.
- + increases spending on the All-Africa Games, due to be held in Maputo in September, by 391 mn mt.
- + raises transfers from central government to municipalities from 912 mn mt to 1 bn mt. In addition, a fund of 140 mn mt has been allocated to the municipalities to create jobs, under the government's Strategic Plan for the Reduction of Urban Poverty – the new urban equivalent of the "7 million" district development fund.

Meanwhile, Education Minister Zeferino Martins warned that budget cuts at the country's two public universities, the Eduardo Mondlane University and the Pedagogical University, will compromise the quality of education in both institutions. Eduardo Mondlane University's budget was cut by 38% "because, effectively, there is no money. The country is trying to survive a difficult international crisis".

Deputy Education Minister Leda Hugo said that the number of higher education institutions had increased from 11 in 2000 to 38 in 2010 and the number of students on degree courses increased from 13,200 to 82,000. She added that government is seeking practical and sustainable solutions to make higher education more effective and efficient, and has warned that it may order the closure of sub-standard higher education institutions.

## **Comment:** **Is Unicef exaggerating?**

A correction circulated by UNICEF on 15 June said: "On June 13 we sent out a media advisory reminding about the Day of the African Child, which is celebrated on June 16. In the advisory, we mentioned that there are 200,000 unaccompanied children in Mozambique. There are some problems with the definition of this number, however, and we would like to ask you to not use it. It is basically not clear what 'an unaccompanied child' means. What we can say is that there are 24,000 households in Mozambique that are headed by children and that there are at least 5,000 children living 'on the street'. We apologize for any confusion caused."

Despite this correction, Unicef continues to produce numbers which seem inflated. Unicef Mozambique's new report *Child Poverty and Disparities in Mozambique 2010* (posted on my website [tinyurl.com/mozamb](http://tinyurl.com/mozamb)) highlights that "There are an estimated 1.8 million orphans in Mozambique, 510,000 of whom have been orphaned due to AIDS." Only on page 155 of the report do they give a definition, which is "children are considered Orphaned or Vulnerable Children (OVC) if one or both of their natural parents is dead, if there was an adult death in their household during the previous 12 months after a prolonged illness." Unicef headquarters website gives the official definition as "orphans are children both of whose parents are known to be dead," which is what most of us think of as "orphans". The Mozambique National Institute of Statistics (INE) 2008 *Multiple Indicators Cluster Survey* notes that only 1.6% of children have lost both parents and 12.2% have lost one parent.

The numbers of children need help are significant, but does Unicef help by exaggerating those numbers 10-fold? *jh*

## **Other news**

**Another World Bank imposition bit the dust** in May, when the state railways company Caminhos de Ferro de Moçambique (CFM) resumed training of permanent way (railway line) maintenance staff. (Savana 27 May) The World Bank had forced privatisation and railway maintenance and the dismissal of all the experienced staff who had done this work.

**A privately built and run hospital** will be established in Nampula. The \$175 million hospital will be built by the South African group BluPearl Investments (which also has interests in

agriculture and mining) and a charity, "Our Children Our Future" (INCF), based in the office of the First Lady, Maria de Luz Guebuza. Construction will start in November. AIM quotes a source in the First Lady's office to say that "payment will be by means of joint management of the investors for 15 years, after which the hospital will pass into the ownership of the INCF and the Ministry". Details are unclear, but this suggests some form of government funding for the hospital over the next 15 years.

**Stop giving money or food to elderly beggars** and street children, because it merely encourages them to stay on the streets, said the First Lady, Maria de Luz Guebuza, speaking in Matola on 23 June.

**Burqa ban in schools.** Teachers at the Fraternidade Secondary School in Pemba refused to teach Fatima Khalifa, who insisted on wearing a burqa to her classes. Education Minister Zeferino Martins visited Pemba and suspended Khalifa from the school. He told reporters that wearing overt religious clothing such as a burqa violated the fundamental principles governing state-run schools. AIM reports he was backed up by Justice Minister Benvinda Levi, who declared that religious freedom means that citizens can freely practice the religion of their choice, without interference from the state – but it does not mean that they can impose that religion on the state. A burqa is an enveloping outer garment with only the woman's eyes exposed, and is rarely seen in Mozambique.

**New polymer banknotes** will replace paper banknotes of the three lowest values, 20, 50 and 100 meticaís (\$ .70, \$1.70 and \$3.40). The new banknotes will last longer. There are also new 200, 500 and 1,000 metical notes, paper but with improved security elements. Old banknotes remain valid.

**Businesses must improve the quality** of their goods if they were to take advantage of market liberalization, Minister of Science and Technology, Venancio Massingue, said on 10 June. Much of what is produced in Mozambique does not meet international quality standards, he said. Companies must stop looking at themselves and instead look at their potential customers, particularly consumers in the regional and international markets.

**Post bank.** Correios de Moçambique (Mozambique Post Offices) will start a new postal bank this year, aiming at rural and low income urban areas, according to the Chair of the Board of Directors, Jose Luis Rego. Correios de Moçambique was transformed into a publicly owned company in 1992. Rego also stated that his company intends to build its distribution capacity to ensure reliability and to speed up the delivery of parcels and mail, and establish an express mail delivery service capable of competing with private operators. The company employs 621 workers, of which over half work in Maputo, AIM reports.

**Maputo receives 300,000 tourists** each year, bringing in revenue of \$95 million, according to Minister of Tourism, Fernando Sumbana. This creates 4116 jobs, including in accommodation (1,804 jobs), bars and restaurants (1,288 jobs) and handicrafts (800 jobs).

**The All-Africa Games will be in Maputo** 3-18 September.

**Inspections should be educational, not punitive**, according to businessmen who complain that government inspectors merely impose fines or other forms of sanctions, rather than advising businesses how to adopt better practices. These concerns were expressed in regional meetings with leaders of the Confederation of Mozambican Business Associations (CTA), AIM reports.

**The Nacala military air base** is to be converted into a commercial airport, with the construction of passenger and cargo terminals and a new control tower, as well as resurfacing the runway. The airport will have the capacity to handle between 500,000 and 600,000 passengers a year, and receive class D aircraft, such as Boeing 757s and 767s. A contract was signed in April between the Mozambican government and the Brazilian Development Bank (BNDES). The Mozambican government has already provided \$40 million, with the total cost estimated at \$120 mn. Work will

be carried out by the Brazilian company Odebrecht, with 650 Mozambican workers and 50 Brazilians.

**100,000 houses are to be built** by the Mozambican government and sold to young people and to those working in the public administration – but only if they have the financial capacity to pay off a mortgage, according to Public Works Minister Cadmiel Muthemba

**94 million meticaís (about \$3 million)** has been distributed to 717 communities since 2005 from the 20% of the taxes paid by companies for the exploitation of natural resources that is supposed to go back to local communities. But the National Director of Lands and Forests, Dinis Lissave, admits this figure should have been higher. A total of 1,089 communities have enrolled with the scheme, and 814 have the necessary management committees. Problems include a lack of identity documents and the lack of rural banks where communities can each open a bank account to receive the funds.

**Malaria** remains the main cause of death in Mozambique, despite a reduction last year in the number of cases, Health Minister Alexandre Manguuele said on 26 April. In 2010 the country registered about 3.3 million cases of malaria, a 21% reduction compared with 2009. Deaths fell 25%. Manguuele promised that mass distribution of bed nets in the provinces would soon start, prioritizing areas that had not benefitted from spraying.

**Mine clearance** is still not complete, and mines from three wars continue to kill. In 2010, land mine explosions killed seven people and maimed a further 24. UNDP estimates it will cost \$21 million to complete mine clearance.

**Foreign NGOs are operating illegally** in Zambezia and governor Itae Meque has threatened to expel them. Not only are they operating improperly, but they are not helping the people. At least 10 national and foreign NGOs have been found working illegally, under the cover of foreign religious organisations, but with considerable funds granted by donors. AIM reports that these claims are supported by the Forum of Non-Governmental Organisations in Zambezia (FONGZA). According to Marcos Amaral, FONGZA coordinator, the socio-economic impact of these NGOs is negligible. "There are a number of districts with NGOs doing the same thing, while in other districts there are none", adds Amaral.

**No new Mercedes.** Members of the Standing Commission of parliament have turned down the offer of brand new Mercedes Benz cars as part of the country's cost cutting measures. All 17 members of the Standing Commission are entitled to receive a new Mercedes Benz to replace the current fleet made up of Peugeot's. However, Standing Commission member Manuel Tome told reporters that "we have decided to continue using our current cars, because we think it's our duty to contribute to spending cuts", reports AIM.

**\$30 million will be spent to buy medicines** to clean up the severe shortage that hit the country last year, resulting from the collapse of the medicines distribution system under the previous health minister. AIM reports that the purchase comes just after the recent find of large quantities of expired medicines in a warehouse hired by the Ministry of Health in the southern city of Matola – with nobody able to explain who was responsible for allowing drugs worth millions of dollars to deteriorate in this way. Health units across the country have been complaining bitterly about shortages of medicines, yet medicines had been allowed to lie in a warehouse until they passed their expiry dates. Some of the medicines had expired five years ago.

**Pirate rescue.** The 12 Mozambican crew members of the fishing vessel the "Vega 5", rescued from Somali pirates by the Indian navy in March, returned on 2 April. The Vega 5, with a crew of 19 Mozambicans, three Indonesians and two Spaniards, was hijacked by pirates in the Mozambique Channel on 27 December. The pirates took it to Somalia, where it was modified to become a pirate "mother ship", used for attacks against shipping in the Arabian Sea. An Indian fast attack craft, the "Kalpeni" fought a gun battle with the pirates on 12 March, during which the "Vega 5" caught fire.

The Indian sailors rescued from the water 61 pirates and 13 “Vega 5” crew members (12 Mozambicans and one Indonesian). The other seven Mozambicans and two Indonesians are missing, feared dead. It is believed that the pirates are holding the two Spaniards somewhere in Somalia.

**Riot police savagely beat non-violent strikers** on 6 April in Maputo. About a hundred angry off-duty security guards demonstrated outside the offices of the London-based security company Group Four Securicor (G4S), claiming that they had suffered unjust deductions from their wages and were not paid overtime, as required by law. In the full view of TV cameras, the demonstrators were attacked by the riot police (Rapid Intervention Force, FIR). STV reported that the injured were detained for 24 hours before being allowed medical treatment, and that one of those beaten and detained had died. A Commission of Inquiry set up by the Interior Ministry found that the riot police “acted in bad faith in the use of excessive force”.

**GDP grew 6.5%** in 2010, Finance Minister Manuel Chang said on 6 May. Inflation over the year was 12.7% and the metical depreciated by 19% against the US dollar. Taxes collected in the year were equivalent to 19.6% of GDP, well above the target figure of 18.5%. State expenditure was less than budgeted for, AIM reports. Expenditure (both running and capital costs) based on domestic resources reached 95.8% of the target. But expenditure based on foreign grants and loans was only 63.6% of what had been planned. Putting the figures together, the state only executed 86.4% of budgeted expenditure. The budget deficit fell from 45.6% in 2009 to 41% in 2010.

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## **Do bicycles equal development in Mozambique?**

by Joseph Hanlon & Teresa Smart

is now available in **paperback**, for £17.99 (+ p&p)

from the publisher <http://www.boydellandbrewer.com/store/viewItem.asp?idProduct=13503>

and on

Amazon.com for \$27.95

Amazon.co.uk for £17.99

## **Just Give Money to the Poor: The Development Revolution from the Global South**

by Joseph Hanlon, Armando Barrientos, and David Hulme

Most of this book can now be **read on the web**

<http://tinyurl.com/justgivemoney>

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## **Two working papers on the web**

### **Poverty is not being reduced in Mozambique**

LSE Crisis States Research Centre Working Paper No. 74 (series 2)

Benedito Cunguara and Joseph Hanlon, June 2010 t

<http://www.crisisstates.com/download/wp/wpSeries2/WP74.2.pdf>

Tambem em Portugues:

<http://www.crisisstates.com/download/wp/wpSeries2/WP74.2portuguese.pdf>

### **Mozambique’s Elite – Finding its Way in a Globalized World and Returning to Old Development Models**

Joseph Hanlon and Marcelo Mosse September 2010

WP/105 UNU-WIDER: The Role of Elites in Economic Development project

[http://www.wider.unu.edu/publications/working-papers/2010/en\\_GB/wp2010-105/](http://www.wider.unu.edu/publications/working-papers/2010/en_GB/wp2010-105/)

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**Mozambique media websites:**

Noticias: [www.jornalnoticias.co.mz](http://www.jornalnoticias.co.mz)

O Pais: [www.opais.co.mz](http://www.opais.co.mz)

Savana: [www.savana.co.mz](http://www.savana.co.mz)

Canal de Moçambique: [www.canalmoz.com](http://www.canalmoz.com)

AIM Reports: [www.poptel.org.uk/mozambique-news](http://www.poptel.org.uk/mozambique-news)

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