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Mozambique Still At Risk

Despite the Peace Process, A Serious Crisis Looms

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In early August 2019 the president of Mozambique and the leader of the largest opposition party signed a new peace agreement. This has revived the peace process between the Mozambican National Resistance (RENAMO) and the Mozambique Liberation Front (FRELIMO), which has been in power since 1994. Great challenges remain, such as the disarmament and reintegration of RENAMO fighters.

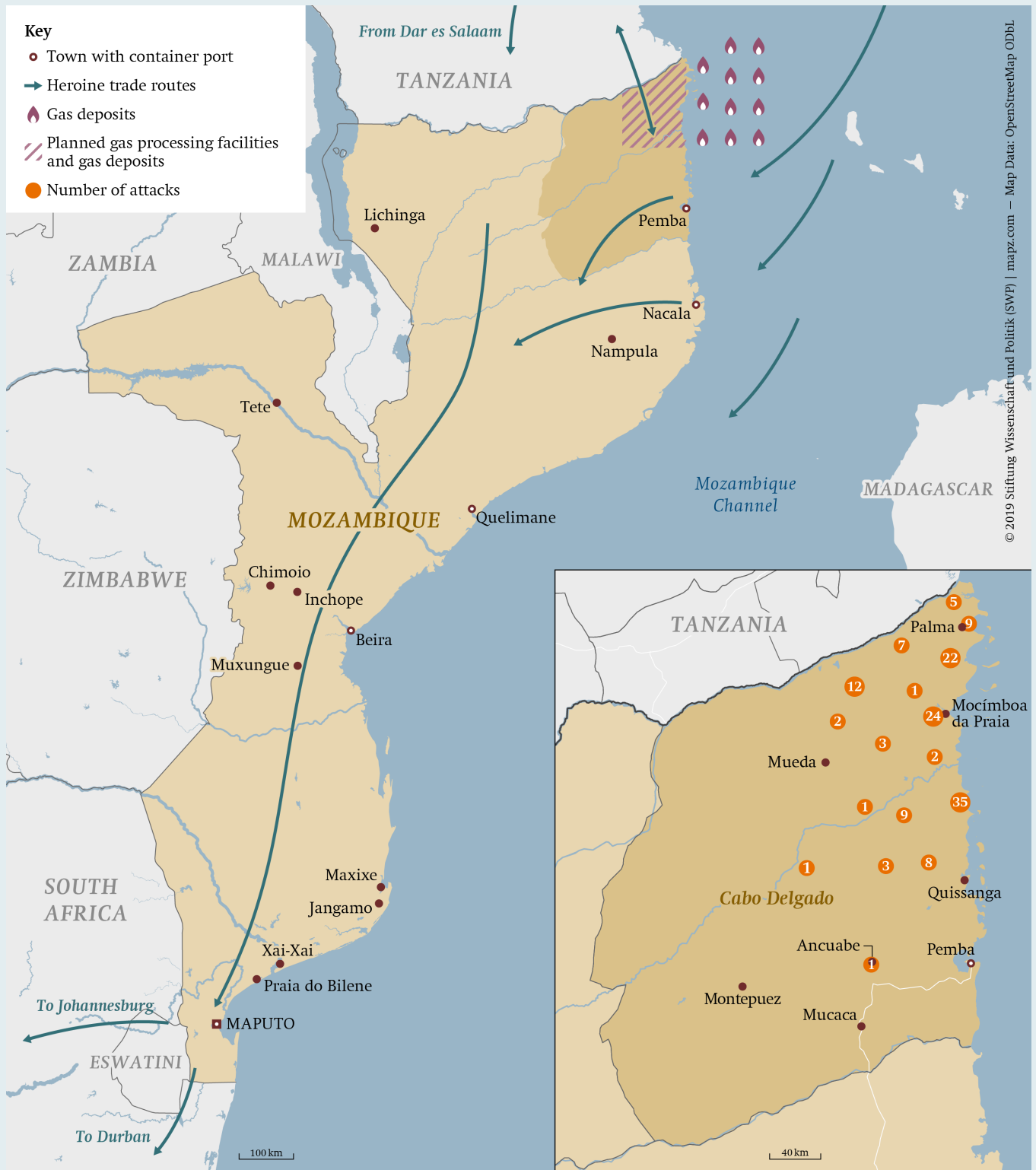
Furthermore, new trouble spots have emerged: Since October 2017, a wave of violence has cost the lives of well over 300 people in Cabo Delgado Province. Although “Islamic State” (IS) has claimed responsibility for some of the attacks, the motives and structures of the group responsible remain unclear. Its occurrence points to profound social cleavages and alienation between the population and the political elite. At the same time, the north of Mozambique has become a hub for the illicit economy. Criminal transactions are above all symptoms of state neglect and extensive impunity. Experience from other conflict regions shows that this constellation can have fatal consequences. For this reason, international actors including the German government should press for rapid and far-reaching measures that go beyond the official peace process.

The civil war between FRELIMO and RENAMO lasted fifteen years and cost the lives of about one million people. It officially ended in 1992 with the Rome General Peace Accord (GPA). This appeared to resolve a proxy war of the Cold War, which had pitched the liberation movement FRELIMO with its links to the Soviet Union against RENAMO, whose main supporters were South Africa and the USA. The subsequent process of democratisation was long regarded as successful. RENAMO took part in most elections as a political party during a longer period of calm. In 2013,

however, the conflict broke out again after FRELIMO had been repeatedly accused of electoral manipulation.

Yet the causes run deeper. Ultimately, the elite pact based on the Rome GPA crumbled because FRELIMO was able to prevent the development of a more inclusive political system by controlling state structures. The peace process has progressed once again since a ceasefire agreement in December 2016. In February 2018, Mozambican President Filipe Nyusi and RENAMO opposition leader Afonso Dhlekama made significant progress in nego-





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Sources: for heroin routes, Simone Haysom, Peter Gastrow and Mark Shaw, *The Heroin Coast: A Political Economy along the Eastern African Seaboard*, ENACT Research Paper 04 (June 2018); for acts of violence: Zitamar News, 13 June 2018, based on processed data from the Armed Conflict Location and Event Data Project (ACLED) from October 2017 to July 2019; for gas deposits and processing, BankTrack.

tiating a peace agreement. Dhlakama died a short time later, but his successor Ossufo Momade maintained the course of a peaceful settlement. The new peace agreement was finally signed in August 2019, after parliament had already passed an amnesty law.

Two aspects in particular are key for implementation. First, the deconcentration of political power, which is to be achieved primarily by decentralising administrative structures. Parliament has already adopted corresponding measures, including the election of governors by majority voting, when they had previously been appointed directly by the central government. However, whether these measures actually facilitate more participation for the opposition parties ultimately depends on the credibility of the electoral processes.

The disarmament and integration of RENAMO fighters into the Mozambican security apparatus, as stipulated in the peace agreement, is also at stake – a particularly delicate task. It was essential that Nyusi and Momade were able to agree on setting up a military commission to deal with the technical issues of the integration process. They also arranged further concrete steps towards demilitarisation, which has already begun.

Although such progress points to a positive development, Mozambique's stability remains at risk. If civil society and the opposition accuse FRELIMO of manipulating the registration of candidates for the parliamentary and presidential elections in July 2019, this is evidence of continuing mistrust. What is particularly alarming, however, is that other sources of insecurity have opened up alongside the old lines of conflict.

Diffuse Extremism and New Violence in the North

In October 2017 a police station in Mocímboa da Praia was attacked. This event is commonly seen as the beginning of a new wave of violence in Mozambique. Until early 2017, acts of violence could predominantly be attributed to RENAMO, and took

place mostly in the centre of the country. During the past two years though, assaults and killings have been recorded regularly in the northernmost province of Cabo Delgado. Initially, it was mostly attackers and security forces that died during clashes, but in 2018 and 2019 most casualties were civilians. The common pattern that has become established is for lightly armed groups to attack villages and partially or completely burn them down. In the more than 100 attacks on civilians, there have been repeated beheadings, kidnappings and rapes. Exact figures are not available, but conservative estimates put the number of civilians killed as of July 2019 at over 280.

Security forces reacted to the violence with harsh, sometimes arbitrary actions. After the first attack, in which the police temporarily lost control of the town of Mocímboa da Praia, hundreds of people were arrested, including many who were apparently innocent. This practice seemed to continue: of the 189 people brought to justice in Pemba in October 2018 for various offences connected with the wave of violence, more than half had to be released for lack of evidence. During their counter-operations, security forces closed or destroyed mosques and reportedly killed dozens of people. Their actions are seen by many as a reason for the escalation of violence from 2018 onwards.

The government now restricts access to the region, apparently to prevent negative reporting. For this reason also, knowledge of the group held responsible for the violence remains sketchy. Internationally it is often called Ahlu Sunna wa Jamaa (ASWJ) or Ansar al Sunna. Locals call the group Al Shabaab ('the youth'), although no systematic links with the group of the same name in Somalia are known to exist. It is said to have an ideology that is directed against the state and has Islamic fundamentalist traits. However, the group's motives remain unclear, especially since it has not released public statements on them. Along with state institutions such as educational facilities, its actions have also targeted from early on the officially recognised Islamic

structures in the north, which it rejects as being too close to the state. Even though some of its leaders have been identified, the organisation does not seem to have a central command structure, consisting instead of relatively autonomous cells of 10 to 20 people. A total of between 350 and 1,500 men are thought to be organised in these.

Since June 2019 IS has claimed responsibility for several attacks in Cabo Delgado. Many regional experts doubt that there is a close connection, and assume, that IS is free-riding by making use of existing structures. Local and regional factors in particular appear to have contributed to the expansion of the group. Overall it seems that the Mozambican Al Shabaab is part of a regionally intertwined Islamist extremism which has cross-border connections, especially to Tanzania. The group's radicalisation is also founded on various cleavages in Mozambique, which have deepened.

The Symptoms of a Growing Divide

In Cabo Delgado, a largely Muslim province, Islamic fundamentalism is not a new phenomenon. However, preachers appear to have intensified their activities since 2015, specifically recruiting mostly young men. Some were lured into new mosques with the offer of loans, and were probably only later mobilised for acts of violence. According to reports, young people were also given scholarships to Koran schools and sent to military training in East African countries.

There are many reasons why such recruitment has been successful, including local tensions. Most of those mobilised from 2015 onwards probably belonged to the Mwani ethnic group; the Mwani feel discriminated against compared to the Makonde group, which dominates the province. Others came from neighbouring Tanzania or other East African states. Local ethnic groups often feel a stronger connection to southern Tanzania than to regions of their

own country. The rejection of established Islamic scholars points to a generational conflict. The majority of those recruited for military cells are young men affected by unemployment and marginalisation.

Moreover, almost all assessments of the acts of violence in Cabo Delgado refer to a connection with the exploitation of natural resources. The region is rich in raw materials: new oil and gas deposits have been discovered in recent years. Yet the award of concessions to companies has driven parts of the local population off their land. Only a small proportion of the profits from the extraction of raw materials flows back into the structurally weak north.

Cabo Delgado Province, located far from the capital Maputo, has long been neglected by the central government. This has led to high poverty rates, poor infrastructure and a lack of access to social services. FRELIMO has continuously lost support in Cabo Delgado, but RENAMO is not necessarily regarded as an alternative there either.

The wave of violence is therefore also an expression of tensions between the country's north and south. The harsh response of the Mozambican security forces to the violence seems to have further alienated the population from the state. It has also fuelled rumours in the north that the government and international companies are exploiting (or even causing) the insecurity to bring in foreign private security companies to protect the gas deposits discovered off the coast of Cabo Delgado in 2010. This interpretation may seem exaggerated, but it shows the extent of mistrust towards the central government. The illicit economy flourishing in the north has also repeatedly been associated with the wave of violence.

Illicit Trade and Organised Crime

Mocímboa da Praia and surrounding areas have become a hub of illegal activities and organised crime (OC). International attention has recently focused on the extremists' alleged income from poaching, and the illicit trade in timber and rubies in Cabo

Delgado. But there are doubts as to how relevant these profits are to the group, especially when compared to donations or rather protection money. There is little to suggest that the group, with its loose structure and simple means, has managed to reap high profits, let alone control illicit trade flows or routes. Moreover, some of these routes are long established, *inter alia* to transport drugs to Mozambique and on to South Africa and Europe. Heroin, for example, is usually brought from Pakistan to the East African coast by seaworthy motorised ships (dhows) and stored on land, where it is repackaged and transported onwards. Due to its largely uncontrolled coastal sections, northern Mozambique is an attractive transit point. Drugs are brought into the country at smaller landing sites or beaches as well as via container freight traffic, in particular through the port of Nacala. Like the port in Pemba, this port is also important for the illicit trade in timber and wildlife products such as ivory, all of which are mainly transported to Asia.

Some routes have also shifted to northern Mozambique because neighbouring countries such as Tanzania have intensified controls. Above all, however, the shaping of the illicit economy in the north is a symptom of the area's neglect by the state, the prevailing impunity, and the close intertwining of the legal and illegal economies. These conditions are not to be found in Cabo Delgado alone. However, in this region — at the border with Tanzania — they are concentrated and reinforced as in a pressure-cooker.

State actors are not completely absent, but in fact exert specific influence at economically important points. Especially in heroin trafficking and the illicit timber trade, the leaders and main beneficiaries of organised networks are often politically well-connected and protected. For example, the bulk trade of heroin intended for transit has long been controlled by a few actors of South Asian origin. They have the necessary international connections and at the same time operate various legal enterprises, especially in northern Mozambique. Mohamed

Bachir Suleman, on whom the USA has imposed sanctions since 2010 for drug trafficking, is regarded as the central figure in heroin smuggling. In Mozambique, however, he himself and leading figures operating under him have never been charged for links to drug trafficking.

Thus far, no high-ranking figure has been prosecuted in the country, and hardly any heroin has been confiscated. Yet the authorities in South Africa have repeatedly discovered heroin in cargoes of goods from Mozambique. This suggests either that confiscated heroin in Mozambique is being misappropriated or else that inspections are impeded from the outset. In their report, authors of the Global Initiative Against Transnational Organized Crime refer to the numerous links between FRELIMO and the drug traffickers in question. Protection from checks in the port of Nacala or on the road to the south enables the latter to pursue criminal business under cover of legal commercial activities.

Similar structures exist in the illicit trade in timber and ivory, which mostly Asian networks conduct on a large scale. Officially licensed Chinese companies apparently export large quantities of timber illegally. According to projections by the Environmental Investigation Agency, in 2012 up to 48 percent of Chinese timber imports from Mozambique were illegal. The report also revealed the close ties between Chinese timber companies and Mozambican officials. Similarly, the activities of the Shuidong Syndicate in Mozambique were exposed in 2017 as a result of undercover research. This network had increasingly smuggled ivory into Asia via the port of Pemba, where, according to a Chinese trader, the network was free to act because everyone had been bought. In 2015, 1.3 tonnes of ivory and rhino horn that had been discovered in the possession of a Chinese man in Maputo disappeared from police headquarters following confiscation — obviously with the help of several officials.

Naturally, illicit trade is subject to constant change. More recently, loosely organised networks also seem to be active in

heroin trafficking. In strategically less relevant places, non-state actors also exercise authority. Some of these figures play an important role in the illicit trade through the north and are influential locally. Activities such as illegal logging or mining for gemstones provide employment for the population and some investment in local infrastructure. According to the UN Office on Drugs and Crime, criminal groups are also benefiting from the precarious situation created by the devastating cyclones that happened in spring, and are increasingly recruiting among the population of the affected areas.

This constellation presents multiple dangers. “Al Shabaab” in the north probably generates part of its income via the illicit economy, but so far it does not appear to be linked to organised criminal networks. If it manages to expand its influence, this could change. And as elsewhere, increasing competition can lead to violent disputes over route control.

Corruption and Patronage

The starting point for action against trafficking and organised crime is not primarily in the north. Internationally well-connected illegal businesses that generate high profits are mainly protected by criminal-political connections in the country’s centre. In this nexus of protective arrangements, money has repeatedly flowed to high-ranking FRELIMO officials. The system that was built by the former liberation movement to remain in power is certainly comprehensive.

In the most recent survey of the Afrobarometer, just 27 percent of respondents said that they perceived a difference between FRELIMO and the state. Mozambique also ranks 158th out of the 180 countries listed on Transparency International’s Corruption Perceptions Index 2018. Corruption is also the determining factor in the biggest debt scandal in the country’s history. In 2016, it was revealed that Mozambique had taken on \$2 billion in officially undeclared debt through state guarantees. The loans granted

to three Mozambican companies came from Credit Suisse and the Russian VTB. According to a parliamentary commission’s investigation, this borrowing violated a variety of national laws. An independent audit by Kroll Associates revealed that the funds were to be used to buy boats for coastal protection and to build up a fleet for tuna fishing. The audit showed that the companies could not implement the projects and that a number of products were not delivered although invoices had been issued for them. The whereabouts of 500 million US dollars are still unclear.

Current findings suggest that both some bank executives and stakeholders on the Mozambican side benefited directly from the deal through illegal and undeclared kickback payments. The then Finance Minister Manuel Chang is said to have received seven million US dollars for his involvement. The United States has issued arrest warrants against him and seven other people. He is currently in custody in South Africa, awaiting a decision as to whether he should be extradited to the USA or Mozambique.

In Mozambique, the trial against other FRELIMO masterminds is eagerly awaited. A total of 21 defendants are on trial, including one of the sons of Armando Guebuza, Mozambique’s former president, and two high-ranking members of Mozambique’s secret service. Given FRELIMO’s far-reaching entanglement in the debt scandal, President Nyusi is in a difficult position. Since he needs the support of his party for the next steps in the peace process, dealing harshly with the masterminds of the debt scandal is politically risky. At the same time there is enormous pressure both in the country — especially in the run-up to the elections in October 2019 — and from abroad to deal effectively with the scandal.

More than Warning Signals: Fast Political Action is Needed

The signing of the peace agreement in early August was an important step. However, throughout the preceding peace process,

various problems have intensified. The circumstances behind the wave of violence in Cabo Delgado, and the intertwined nature of the illicit economy, offer disturbing parallels to other conflict theatres where far-reaching destabilisation has already become a reality. Mozambique may also well be a case of 'too late for an early warning'. This makes it all the more crucial to take countermeasures.

First, fundamental reforms must be initiated as soon as possible. The peace process cannot be confined to an elite pact between FRELIMO and RENAMO. Instead, governance must be improved and the democratic space expanded. A reform of the judicial system and the security sector is essential to resolve the entanglement of public and private interests and to address massive violations, as in the context of the debt scandal. These kinds of reforms take time, but they should be set out in the key aspects of the peace process.

Given the high level of donor dependence, President Nyusi is under pressure to ease the close ties between his party and state institutions. Apparently, the party's connections to certain heads of criminal networks have been loosened, at least to some extent. In the timber sector, there are tentative reform efforts and a Memorandum of Understanding with China aimed at stopping illegal logging has been signed. Germany and the EU should increase the pressure on the Mozambican government to tackle fundamental reforms as soon as possible. The personal envoy to Mozambique appointed by the UN Secretary-General in July 2019 can be a partner in this process.

Although about half of the population may no longer feel represented by the two major parties, it is essential for Mozambique to hold credible elections in October 2019. However, these are the beginning of a political process, not its end. The guarantee of freedom of expression and freedom of the press, which were restricted by a law adopted in July 2018, is key.

Second, new responses urgently need to be found against the wave of violence in

the north. However, these must not be limited to repressive measures or confined only to Cabo Delgado. The Mozambican and British governments signed a declaration in May 2019 expressing their intention to co-operate militarily to counter the extremists. Apart from that, the security forces should above all ensure that the population is better protected, rather than confine themselves to securing facilities for profitable gas production. Otherwise there is a risk that vigilante groups, which have already been set up in local communities, will increasingly take justice into their own hands.

At this point, it seems rather unrealistic for law enforcement authorities to take more targeted action against leaders of the movement that are active in the north. Given the group's decentralised nature, channels of communication should be explored as well as options to allow less radical members to leave. The government's cooperation with the Islamic Council of Mozambique, which is intended to counter radicalisation in the north, may be a first deviation from the harsh actions of the security forces. Yet the Council is a problematic partner as it is part of the conflict constellation. It would be important to hold comprehensive dialogues with local communities and civil society, which specifically take into account the problems of young people. There also needs to be trust-building between the police and citizens. Last but not least, the government must gain more detailed knowledge of the extremists' organisational structure in order to develop a more sophisticated strategy for Cabo Delgado.

Concrete information is also necessary for effective action against the illicit trade, which has thus far financed extremists only to a limited extent, but has overall caused massive economic and political damage to Mozambique.

The political influence of criminal networks must be curbed, for example by making the financing of political parties and election campaigns more transparent. In the short term, significant individual cases of corruption should at least be made

public to create a certain pressure to act. The debt scandal shows that law enforcement and justice abroad can play an influential role as well.

Mozambique's already difficult situation has been exacerbated by the damage caused by the cyclones this year. To improve the socioeconomic situation of the population in the north and the overall economic crisis, gas production must be successful. However, it is inevitable that the revenues – which can only be expected from 2023 onwards – will need to be used to repay debts. Germany and the EU could pick up on requests by civil society that repayments of the money misappropriated in the debt scandal flow directly into a fund for financing development projects in the country.

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