

AFRICA RISK CONSULTING

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Constitutional council on 24 November overturns the outcome of four municipal elections and orders partial or full re-runs of four others. This ruling has highlighted the widespread irregularities which marred the 11 October municipal elections. The Conselho Islamico de Mocambique (CISLAMO) (Islamic council of Mozambique) announces on 24 November that it plans to try and initiate dialogue with the Ahlu Sunnah wa Jama'ah (ASWJ) militant group in the first real step towards peace negotiations to end the insurgency. Officials report on 8 November that the Coral Sul offshore floating LNG (FLNG) platform has exported over \$1 billion worth of LNG in the first year of operation. Issues around Mozambique's 2024 general election and the ASWJ insurgency are expected to dominate developments in 2024.

Constitutional council reverses election results in four municipalities

Mozambique's apex court, the constitutional council, on 24 November, released the final results for the 11 October municipal elections, notably overturning the results of four of the municipal elections and ordered that a further four must be re-run either entirely or in part due to widespread irregularities.¹ This is a clear acknowledgement by the country's highest court that the **Comissão Nacional Eleitoral (CNE)** (electoral commission) failed to ensure a free, fair, and transparent election. Although this ruling did not allege that voter fraud took place during the municipal election, the fact that the constitutional council – which has generally been viewed as sympathetic to the government and the ruling party, **Frelimo** – ruled to overturn at least four elections will bolster the opposition's claims that the elections were stolen (*see ARC Briefing Mozambique Nov 2023*).

The four municipalities which the constitutional council has ruled were actually won by the largest opposition party, **Renamo**, are **Quelimane (Zambezia Province)**, **Alto Molocue (Zambezia)**, **Vilankulos (Inhambane Province)**, and **Chiure (Cabo Delgado Province)**. As aforementioned, the court also ruled that new elections are required in the municipalities of **Marromeu (Sofala Province)**, **Nacala (Nampula Province)**, **Milange (Zambezia)**, and **Gurué (Zambezia)**. Only Marromeu will have an entirely new election while the other three will only hold votes in districts deemed to have been substantively impacted by irregularities. These fresh elections will take place on 10 December.² Following the constitutional council's ruling the results of the 11 October municipal elections are that Frelimo won 56 of the 64 municipalities, Renamo won four, the **Movimento Democrático de Moçambique (MDM)** won 1 (**Beira**) and four remain undetermined.³

Renamo, however, remains dissatisfied with this outcome. The party believes that it had its best electoral performance yet during the 11 October election and that if the vote counting had been transparent, it would have won control of several additional municipalities including the major urban areas of **Maputo**, **Matola**, and **Nampula City**. The opposition party's claim is further supported by independent watchdogs such as the **Centre for Public Integrity (CIP)** which conducted a parallel count which found that Renamo should have won those municipalities.⁴ Renamo has called on its supporters to continue to protest the election results – especially in Maputo and Matola. Renamo's mayoral candidate for Maputo, **Venâncio Mondlane**, on 28 November called for the capital to be shut

¹ VOA, 24 Nov 2023

² Club of Mozambique, 29 Nov 2023

³ VOA, 24 Nov 2023

⁴ Club of Mozambique, 22 Oct 2023

down.⁵ These demonstrations have been well-supported with hundreds of pro-Renamo backers attending the various marches.

Under Mozambican law the constitutional council's rulings cannot be appealed or challenged; however, Renamo has pledged it will file applications with international courts to further challenge the results.⁶ This measure is unlikely to be successful as Mozambique will probably not recognise a supranational court's jurisdiction over this matter.

The constitutional council has been widely criticised for failing to be transparent about the reasoning underpinning its decision and why it did not address other municipalities where widespread irregularities took place, with civil society consortium, **Mais Integridade**, calling on the apex court to provide clarity on its reasoning.

Regardless of the constitutional council's reasoning, the fact that the court was willing to overturn at least four municipal election results makes it clear that the CNE failed in its duty which has undermined the agency's legitimacy in the eyes of the electorate. CNE's apparent incompetence or even outright bias towards Frelimo is particularly concerning given that Mozambique's general election is scheduled to be held on 9 October 2024.⁷ Following the controversial municipal elections, opposition parties and civil society groups are calling for wholesale electoral reform and changes at the CNE. In the absence of such reforms, the general election will be under intense scrutiny from both domestic and foreign observers. Should similar levels of irregularities and alleged electoral fraud take place, Renamo will embark on an even larger protest campaign as what occurred following the disputed 11 October election.

The constitutional council's ruling will also have alarmed Frelimo as it is clear that the ruling party can no longer rely on the apex court to side with it no matter how egregious the issue at hand is. As such there is a real possibility that Frelimo will lose control of at least one province in 2024 either legitimately or following a court order.

Religious group to try and open dialogue with insurgents

The **Conselho Islamico de Mocambique (CISLAMO)** (Islamic council of Mozambique) announced on 24 November that it is hoping to initiate talks with the **Alhu Sunnah wa Jama'ah (ASWJ)** insurgency in January.⁸ CISLAMO is seeking to form an international commission comprising members from Mozambique, **Southern African Development Community (SADC)** member states, and the **European Union (EU)**. This could be a significant development as ASWJ is currently in a weakened state and may be willing to engage in such discussions. An Islamic organisation is also the group best suited to make such overtures to the Islamist militant group.

However, it should be noted that any such initiative faces major obstacles. ASWJ remains a secretive organisation and it is currently unclear who leads the organisation following the death of its former leader **Bonomade Machude Omar** in August.⁹

Should CISLAMO succeed in contacting the group's hierarchy, any resulting dialogue will need to focus on the feasibility of actual peace talks rather than the actual negotiations themselves. The Mozambican government has not formally endorsed CISLAMO's planned overtures and the state itself will need to be convinced that such talks are the best way forward to end the conflict. The ongoing insurgency remains the country's most pressing security concern and is believed to have cost Mozambique \$7.75 billion to date.¹⁰

The announcement is also very timely, as ASWJ has continued to carry out attacks targeting civilians in Cabo Delgado. On 16 November, insurgents attacked the town of **Mapate** in the province's

⁵ Club of Mozambique, 28 Nov 2023.

⁶ RFI, 3 Dec 2023

⁷ Club of Mozambique, 7 Aug 2023

⁸ AIM, 4 Dec 2024

⁹ Reuters, 25 Aug 2023

¹⁰ Carta Mozambique, 16 Nov 2023

Muidumbe district killing two people, kidnapping several people, and razing an estimated 30 homes.¹¹

The militant group retains the capacity to carry out such attacks despite the efforts of Mozambican and regional forces. ASWJ is a much more reduced version of its former self and is largely contained to a few districts in northeastern Cabo Delgado, yet, the difficulty in dealing a decisive blow to the militant group is a serious concern for Mozambican authorities especially given that the **SADC Mission in Mozambique (SAMIM)** is expected to withdraw before the end of 2024.¹² As such, the government is actively trying to rebuild the capacity of the **Forças Armadas de Defesa de Moçambique (FADM)** (Mozambican armed defence forces) before this takes place. In the latest effort to shore up the FADM's capabilities, the assembly of the republic has adopted a bill to expand the minimum military service term from two years to five years for normal soldiers and to six years for those in the special forces.¹³ It is hoped that this will help retain experience and skills within the military and bolster the military's capabilities. Mozambique does have mandatory conscription; however, not everyone is called up to the armed forces due to resource constraints

Latest statistics highlight the importance of the LNG sector

Ending the insurgency in Cabo Delgado is increasingly important for the government as the value of the province's liquified natural gas (LNG) industry grows. On 8 November, it was revealed that the **Coral Sul** offshore floating LNG (FLNG) platform had exported over \$1 billion worth of LNG in the first year of operation.¹⁴ The project – which is operated by a consortium led by **Italy's ENI** – actually boosted Mozambique's GDP growth by 6.5% over the past year.¹⁵ Notably, the project is one of the smaller developments planned in Cabo Delgado but its success highlights the economic potential of the major developments such as French energy giant **TotalEnergies'** \$20 billion onshore project located on Cabo Delgado's **Afungi Peninsula**. TotalEnergies suspended development at this project after ASWJ's March 2021 attack on **Palma** which is located just north of the project.

Furthermore, on 14 November, **Instituto Nacional de Estatística (INE)** (national institute of statistics) released a report titled, 'Oil and Gas Investment Statistics in Mozambique 2018-22' which revealed that concessionaires had invested \$18.4 billion in gas and oil exploration in Mozambique.¹⁶ This does not include the additional capital invested in developing these projects or the revenue generated by taxes and dividends from the state's share of oil and gas projects.

Despite the setbacks caused by the Islamist insurgency, Cabo Delgado's LNG reserves remain Mozambique's most promising economic opportunity. The government is eager to attract further investment into the sector and for suspended projects to be brought online as it has become reliant on this future revenue to fund the country's budget and growing debt burden.

A look at 2024

Three interrelated issues will dominate developments in Mozambique in 2024. The first and foremost is the country's upcoming general election which is scheduled to take place on 9 October 2024. This election is expected to be highly contentious, especially given the disputed nature of the municipal elections which were marred by alleged mismanagement and corruption. The 2024 general election is expected to be marked by rival political demonstrations and protests as well as incidents of politically motivated violence. Economic matters are expected to focus on the ongoing development of Mozambique's gas resources in the insurgency-hit Cabo Delgado. In particular, the expectation is that TotalEnergies will resume development of its \$20 billion on-shore LNG project. TotalEnergies had halted the project following the March 2021 insurgent attack on the town of Palma. Securing further

¹¹ Expresso, 21 Nov 2023

¹² Club of Mozambique, 14 Jul 2023

¹³ BBC, 24 Nov 2023

¹⁴ Zitamar, 8 Nov 2023.

¹⁵ 360 Mozambique, 27 Oct 2023

¹⁶ 369 Mozambique, 15 Nov 2023

gains against the Islamist insurgency in Cabo Delgado is essential to convincing investors such as TotalEnergies to resume. The counterinsurgency is under pressure to decisively weaken the insurgents in the coming months as the SAMIM is expected to withdraw from Cabo Delgado at the end of 2024. As such, Mozambican forces need to bolster their capacity to assume SAMIM's security responsibilities over the coming 12 months.

Planner

9 Oct 2024 **(Mozambique)** National general election;

Chronology

5 Dec 2023 **Maputo (Mozambique)** *Macau Business*. Health officials reveal that over 1,100 new cholera cases since mid-November;

1 Dec 2023 **Dubai (United Arab Emirates)** *AIM*. President **Filipe Nyusi** uses his address before **COP28** to call on signatories to the **Paris Agreement on Climate Change** to honour their commitments;

1 Dec 2023 **Maputo (Mozambique)** *360 Mozambique*. The **World Bank** disburses \$15m to support small and medium enterprises in the agriculture sector;

1 Dec 2023 **Maputo (Mozambique)** *Zitamar*. The **World Bank** releases a report warning that the effects of climate change could result in Mozambique's economy shrinking by 2050;

30 Nov 2023 **Maputo (Mozambique)** *Club of Mozambique*. A gang attacks a teenager with albinism in **Ile (Zambezia Province)** and amputate his arm to sell on the Mozambican black market where there is demand for the body parts of people with albinism;

30 Nov 2023 **Maputo (Mozambique)** *360 Mozambique*. **Banco de Moçambique (BdM)** (central bank) and the **Associação Mocambicana de Bancos (AMB)** (Mozambican banking association) leaves the prime interest rate unchanged for a sixth consecutive month at 17.30%;

29 Nov 2023 **Maputo (Mozambique)** *AIM*. President **Filipe Nyusi** announces that police have arrested 31 suspected members of a kidnapping syndicate;

28 Nov 2023 **Maputo (Mozambique)** *360 Mozambique*. **Japanese** foreign affairs minister, **Yoko Kamikawa**, calls for increased security efforts around the gas sector developments in **Cabo Delgado Province**;

27 Nov 2023 **Maputo (Mozambique)** *Bloomberg*. Government approves an \$80 billion strategy to reduce reliance on fossil fuels by 2050, with the first step including the addition of 2,000MW of hydropower capacity by 2030;

27 Nov 2023 **Maputo (Mozambique)** *Al Jazeera*. Officials reveal that President **Filipe Nyusi** will unveil a \$80 billion energy transition plan at the ongoing COP 28 in Dubai;

23 Nov 2023 **Manica (Mozambique)** *Sunday Mail*. **Zimbabwe's** President **Emmerson Mnangagwa** arrives in Manica at the invitation of President **Filipe Nyusi** for the official commissioning of the 300-km **Machipanda** railway line, which will connect **Beira Port** (Mozambique) to the Machipanda border post;

23 Nov 2023 **Maputo (Mozambique)** *Club of Mozambique*. The government and the **Maputo Port Development Company (MPDC)** reveal plans to invest a further \$2 billion to increase handling capacity at Maputo Port;

22 Nov 2023 **Maputo (Mozambique)** *AIM*. The government signs financing agreements with the **European Union (EU)** for five projects in the areas of energy, digitalisation, the blue

economy, and technical and professional training on the sidelines of the **Mozambique-EU Global Gateway** forum in Maputo;

22 Nov 2023 **Maputo (Mozambique)** *Financial Times*. **Australia**-headquartered **Rio Tinto** agrees to pay a \$28m penalty to the **United States Securities and Exchange Commission** to settle a suit over a failed \$3.7 billion coal deal in Mozambique in 2011;

22 Nov 2023 **Maputo (Mozambique)** *AIM*. **Gabinete Central de Combate à Corrupção (GCCC)** (central office for the fight against corruption) announces that it has initiated criminal proceedings in 1,175 cases of corruption since January;

22 Nov 2023 **Maputo (Mozambique)** *Integrity*. Insurgents attack the town of **Antadora (Cabo Delgado Province)** and destroy several houses;

20 Nov 2023 **Maputo (Mozambique)** *AIM*. State relief agency, the **Instituto Nacional de Gestão e Redução do Risco de Desastres (INGD)**, reveals that it needs at least \$223.4m to finance its anticipated operations during the upcoming rainy season;

20 Nov 2023 **Maputo (Mozambique)** *Defence Web*. **China** donates \$100m worth of equipment to the **Southern African Development Community (SADC) Mission in Mozambique (SAMIM)**;

20 Nov 2023 **Maputo (Mozambique)** *Club of Mozambique*. **Instituto Nacional de Estatística** (national statistics institute) reports that GDP grew 5.92% in the third quarter, bring average GDP growth for 2023 thus far to 4.9%;

17 Nov 2023 **Maputo (Mozambique)** *Business Live*. Environmental organisations, including **ActionAid International** and **Greenpeace France**, encourage banks and other financiers to withdraw their support for **France**-headquartered **TotalEnergies** \$20 billion liquefied natural gas (LNG) terminal;

13 Nov 2023 **Maputo (Mozambique)** *Carta de Mocambique*. Economy and finance ministry reports a 92.3% reduction in dividend revenues for public and state-owned companies to 484.2m meticaís (\$7.58m) during the first nine months of 2023 compared to 6.3 billion meticaís (\$98.68m) in the same period in 2022;

10 Nov 2023 **Maputo (Mozambique)** *Energy Capital Power*. Officials confirm that the Mozambican and **Tanzanian** governments are in the final stages of reaching a gas utilisation agreement for hydrocarbon reserves that lie across the two countries' maritime boundary;

7 Nov 2023 **Maputo (Mozambique)** *Carta Mocambique*. Former first lady and education minister **Graca Machel** writes an open letter to the ruling party, **Frelimo**, in which she warns that the party has been captured by narrow interests.

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