

## AFRICA RISK CONSULTING

### Mozambique Monthly Briefing February 2022

---

#### Mozambique Summary 9 February 2022

*Insurgent group Islamic State's Central Africa Province (ISCAP) claims attacks in Cabo Delgado province. France-based TotalEnergies (formerly Total SA) CEO Patrick Pouyanne meets with President Filipe Nyusi (2019-present) and says the company will only resume gas development in the region once "normalisation of social life" is secured. Mocimboa da Praia governor Valige Tauabo says the government "cannot yet advise the population to return". Tropical storm Ana makes landfall in Nampula province, before moving west to Zambezia and Tete provinces, affecting more than 141,000 people, injuring 220 and killing 25. The health ministry reports that the Covid-19 positivity rate has fallen below 2% and that 64.6% of the adult population has been fully vaccinated against Covid-19.*

---

#### New attacks in Cabo Delgado claimed by ISCAP ...

A spate of recent violent attacks in **Cabo Delgado** province in northern **Mozambique** has claimed the lives of several residents. Despite recent advances by the joint forces, violent attacks seem to be escalating in the region which could have negative implications for future investment prospects and planned oil and gas developments (see below). Authorities have found bodies of civilians in **Nangade**, **Meluco** and **Ibo** districts, including those of 12 residents of **Iba** (Meluco district) on 31 January, and four in **Ngalonga** and **Unidade** villages (Nangade district) on 4 February, believed to be a week old.<sup>1</sup> On 2 February, two people were killed, several houses burned down and shops looted on the island of **Matemo** (Ibo district).<sup>2</sup>

**Forças Armadas de Defesa de Moçambique (FADM)** (Mozambican armed defence forces) arriving in Matemo on 3 February found six stolen motorboats, along with food and medicine. The insurgent group had left messages scribbled on the walls saying "*Don't ask who they are. I am a soldier of God*". Referring to the members of the **Southern African Development Community (SADC) Mission in Mozambique (SAMIM)** and the **Rwanda National Defence Force (RDF)** who have been in Mozambique since July to help the Mozambique government deal with the insurgency, the group warned:

*"Don't think that these pigs who are protecting you will help you. Not even those from SADC and Rwanda."*<sup>3</sup>

The self-proclaimed **Islamic State's Central Africa Province (ISCAP)** claimed credit on 4 February for the attack on Matemo, referring to the burning of 60 houses owned by "*infidel Christians*".<sup>4</sup> **South Africa-based Institute for Security Studies (ISS)** warned in January 2020 that the local insurgent group **Al Sunna wa Jama'a**, known locally as **al-Shabaab**, might have links with ISCAP.<sup>5</sup>

SAMIM and RDF declared in January that they would extend their mission in Mozambique (see *ARC Briefing Mozambique January 2022*). On 3 February, South Africa's president **Cyril Ramaphosa** (2018-present) visited the joint forces at the **Mueda** military base with Mozambique's President **Filipe Nyusi** (2019-present) to commemorate **Día de los Héroes Mozambiqueños** (Hero's Day),

---

<sup>1</sup> Club of Mozambique, 7 Feb 2022

<sup>2</sup> Carta de Moçambique, 4 Feb 2022

<sup>3</sup> Carta de Moçambique, 4 Feb 2022

<sup>4</sup> Club of Mozambique, 7 Feb 2022

<sup>5</sup> ISS, 10 Jan 2020

saying that South Africa and Mozambique must strengthen their partnership to pursue peace and security.<sup>6</sup>

According to the **United States (US)**-based **Armed Conflict Location & Event Data Group (ACLED)**, the conflict has claimed more than 3,700 lives since October 2017,<sup>7</sup> while the Mozambican government estimates that more than 820,000 people have fled their homes.<sup>8</sup> However, despite continuing attacks on villages in Cabo Delgado, some districts are deemed secure and ACLED reports that the number of schools closed in the region has been reduced from 219 at the end of 2021 to 183 in January 2022.<sup>9</sup> The **World Food Programme (WFP)** returned to **Quissanga** district (Cabo Delgado province) in December for the first time in two years. Provincial secretary of state of **Niassa** province **Dinis Vilanculo** urged people to return to their homes in the province after people fled the spread of the insurgent groups (see *ARC Briefing Mozambique December 2021*).<sup>10</sup>

### ... as Total demands normality before resuming LNG projects

**France**-based **TotalEnergies** (formerly **Total SA**) chief executive officer (CEO), **Patrick Pouyanne** stated after meeting with President Nyusi in **Maputo** on 31 January that the company will resume gas development in the region once “*normalisation of social life*” is secured.<sup>11</sup> Insurgent attacks on the town of **Palma** in March 2021 disrupted the \$20 billion liquefied natural gas LNG project in Cabo Delgado, which had aimed to produce its first cargo in 2024. TotalEnergies withdrew all staff and declared a *force majeure* to halt work until security is restored (see *ARC Briefing Mozambique April 2021*). Pouyanne acknowledged the progress of the joint armed forces against the insurgent groups, particularly in **Mocimboa da Praia** and Palma, but stressed that the LNG project will only resume when there is “*sustainable security*”, which involves “*villagers coming back to villages*” and having state services in place.<sup>12</sup>

Pouyanne said Total aimed to restart the LNG project in 2022. The company signed a memorandum of understanding (MoU) with the Mozambican government on 31 January to train 2,500 young people for Total projects, promising to create employment in the region.<sup>13</sup> Pouyanne said on his next visit to Mozambique he hopes to visit Mueda, Palma and Mocimboa da Praia to see that “*life is back to normality*”.<sup>14</sup> Addressing the media on 4 February, Mocimboa da Praia governor **Valige Tauabo** said that the return of people to the town is “*complex*” due to the occupation of insurgent groups, and that the government “*cannot yet advise the population to return*”.<sup>15</sup> Insurgent groups occupied the port town for over a year and destroyed almost all public infrastructure, water, communications, energy and hospital systems. According to official figures, approximately 62,000 people have fled their homes during the last four years of conflict, almost the entire population.<sup>16 17</sup>

Despite the possible delay in the LNG megaproject, TotalEnergies continues to pursue oil and gas investment opportunities in Mozambique. On 31 January, the company signed an agreement with **United Kingdom**-based oil and gas company **British Petroleum (BP)** to acquire its assets in the fuel business, retail network and logistics assets in Mozambique, including 26 service stations and BP’s

<sup>6</sup> AFP, 4 Feb 2022

<sup>7</sup> ACLED, 1 Feb 2022

<sup>8</sup> AFP, 4 Feb 2022

<sup>9</sup> ACLED, 1 Feb 2022

<sup>10</sup> ACLED, 1 Feb 2022

<sup>11</sup> Reuters, 31 Jan 2022

<sup>12</sup> Reuters, 31 Jan 2022

<sup>13</sup> Reuters, 31 Jan 2022

<sup>14</sup> Reuters, 31 Jan 2022

<sup>15</sup> Lusa, 4 Feb 2022

<sup>16</sup> The population of Mocimboa da Praia town was estimated at 61,800 by the national census in 2007. The entire population of Mocimboa da Praia district was estimated at 127,705 by the 2017 national census.

<sup>17</sup> Lusa, 4 Feb 2022

50% stake in **SAMCOL**.<sup>18</sup> SAMCOL is a joint venture logistics company established by TotalEnergies and BP that operates the **Nacala, Matola** and **Beira** fuel-import terminals.<sup>19</sup>

The **European Commission (EC)** announced on 2 February that it will classify natural gas as a “sustainable investment”.<sup>20</sup> This will benefit Mozambique, which is expected to become one of the world’s largest producers of natural gas (see *ARC Briefing Mozambique January 2022*). UK-based **Open University** political commentator **Joseph Hanlon** notes that this transition ensures future financing for Cabo Delgado gas developments and “an economic future for fossil fuels”.<sup>21</sup>

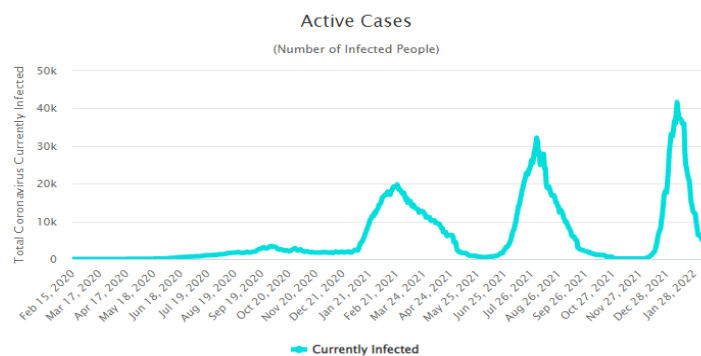
### Tropical storm Ana kills 25...

Tropical storm **Ana** made landfall in **Nampula** province on 24 January, before moving west to **Zambezia** and **Tete** provinces, affecting more than 141,000 people, injuring 220 and killing 25 people.<sup>22</sup> The **United Nations Population Fund (UNFPA)** reports that in Zambezia province alone, the storm damaged 17 health centres and destroyed almost 3,000 houses.<sup>23</sup> **Cyclone Batsirai**, which hit **Madagascar** on 5 February and is estimated to have displaced more than 55,000 people and killed 20,<sup>24</sup> was set to hit Mozambique but changed course and tracked south before dissipating.<sup>25</sup>

During his visit to **Brussels (Belgium)** for a working visit to the **European Union (EU)** on 7-9 February, President Nyusi met with EU Commissioner for International Partnerships **Jutta Urpilainen** on 7 February to discuss EU support for Mozambique.<sup>26</sup> In an interview following the meeting, deputy minister of foreign affairs and cooperation **Manuel Rodrigues** claimed that a priority topic was natural disasters, which often affect Mozambique.<sup>27</sup>

### ... as Covid-19 positivity rate falls below 2%

Mozambique’s health ministry reported on 7 February that the number of daily new cases of Covid-19 has dropped to single figures and that the percentage of those tested with positive results has fallen below 2%. For the third consecutive day, no Covid-related deaths were reported.<sup>28</sup> As of 8 February, Mozambique has recorded 224,434 cases of Covid-19 in its population of approximately 31.5 million, with 2,185 Covid-19 related deaths and 217,479 recoveries. There are currently 4,770 active cases of Covid-19 in the country.<sup>29</sup>



Source: *Worldometer Coronavirus*, accessed 9 Feb 2022

<sup>18</sup> TotalEnergies, 31 Jan 2022

<sup>19</sup> TotalEnergies, 31 Jan 2022

<sup>20</sup> European Commission, 2 Feb 2022

<sup>21</sup> Joseph Hanlon, 3 Feb 2022

<sup>22</sup> UNFPA, 4 Feb 2022

<sup>23</sup> UNFPA, 8 Feb 2022

<sup>24</sup> Al Jazeera, 7 Feb 2022

<sup>25</sup> AIM, 6 Feb 2022

<sup>26</sup> Club of Mozambique, 8 Feb 2022

<sup>27</sup> Club of Mozambique, 8 Feb 2022

<sup>28</sup> AIM, 7 Feb 2022

<sup>29</sup> Worldometer Coronavirus, accessed 9 Feb 2022

UK-based data access project **Our World in Data**, run by non-profit organisation **Global Change Data Lab** and the **University of Oxford**, estimates that Mozambique's health authorities had administered 19.8 million doses of Covid-19 vaccines by 28 January, with 28.9% of the population fully vaccinated and 34.4% having received at least one dose.<sup>30</sup> According to the ministry of health report on 7 February, 9.8 million people have been fully vaccinated, which makes up 64.6% of the adult population above 18 years old.<sup>31</sup>

Mozambique remains under a **State of Public Calamity**, which it transitioned to from a **State of Emergency** on 7 September 2020 (see *ARC Briefing Mozambique September 2020*). Entry requirements to Mozambique include a valid residency, business or tourist visa, where the latter can be issued at the border.<sup>32</sup> Travellers must present a negative Covid-19 test which has been issued 72 hours prior to arrival, even if they have proof of vaccination. Public beaches are now open from 5am to 4pm, and areas for physical activities such as swimming pools and gyms are allowed open at 50% capacity.<sup>33</sup> There is a mandatory curfew in all provincial capitals between 12pm and 4am.

## Planner

2023 **(Mozambique)** Local elections;  
 2024 **(Mozambique)** Provincial and presidential elections;  
 2025 **(Mozambique)** Area 1 LNG production expected to commence;

## Chronology

3 Feb 2022 **Maputo (Mozambique)** *News24*. **South Africa's** President **Cyril Ramaphosa** visits northern **Mozambique**, supporting the government's latest effort to reassure neighbours and investors that an **Islamist** uprising is under control;

1 Feb 2022 **Brussels (Belgium)** *Bloomberg*. **European Union (EU)** officials familiar with the discussion say several member states are resisting signing onto an EU strategy to respond to **China's** clout in **Africa** before a high-profile summit on 17 February;

31 Jan 2022 **Cabo Delgado (Mozambique)** *Reuters*. **France-based** energy major **TotalEnergies** CEO **Patrick Pouyanne** says the company aims this year to restart a \$20 billion liquefied natural gas project in the north of **Mozambique** that was halted by an insurgent group with links to Islamic State almost a year ago;

30 Jan 2022 **(Africa)** *Financial Times*. Dozens of tech executives including the founders of **Klarna**, **Skype**, **Delivery Hero** and **Flutterwave** start a \$200m venture capital fund aimed at finding the next \$1-billion-plus companies in **Africa**;

26 Jan 2022 **Maputo (Mozambique)** *Reuters*. Authorities say the death toll from tropical storm **Ana** has risen to at least 12 in **Mozambique** and **Malawi**, although officials and aid agencies are still assessing the full impact of the storm;

25 Jan 2022 **(East Africa)** *News24*. Tropical storm **Ana** kills at least 34 people in **Madagascar** and two people in **Mozambique** in recent days while knocking out power in **Malawi**;

21 Jan 2022 **Maputo (Mozambique)** *CentralBanking.com*. External auditors express "reservations" about the **Banco de Moçambique's** (central bank) 2019 financial statements, saying the government is not paying a \$600m debt to the central bank;

<sup>30</sup> Our World in Data, accessed 9 Feb 2022

<sup>31</sup> AIM, 7 Feb 2022

<sup>32</sup> UK Government travel advice, accessed 9 Feb 2022

<sup>33</sup> UK Government travel advice, accessed 9 Feb 2022

20 Jan 2022 **Nacala (Mozambique)** *Engineering News*. Energy supplier **Great Lakes (GL) Africa Energy** finalises a concession agreement with the **Mozambique** government to finance and operate a 250 MW liquefied natural gas power plant in **Nacala** district, **Nampula** province in northern Mozambique;

20 Jan 2022 **Nacala (Mozambique)** *The East African*. **Mozambican** defence and security forces say they have arrested a senior leader of terror gang **Al-Shabab**, named **Ali**, from **Tanzania**;

19 Jan 2022 **Maputo (Mozambique)** *BBC News Africa*. Judges in **Maputo Province** find leader of poaching gang **Admiro Chauque** guilty of illegal possession of weapons and numerous poaching offences in southern **Mozambique** and in **South Africa's Kruger National Park**, sentencing him to 30 years in prison;

13 Jan 2022 **Geneva (Switzerland)** *WHO*. **World Health Organisation** says, after a six-week surge, **Africa's** fourth pandemic wave driven primarily by the **Omicron** variant is flattening, marking the shortest-lived surge to date in the continent where cumulative cases have now exceeded 10 million;

13 Jan 2022 **Maputo (Mozambique)** *Mozambique*. **Tribunal da Policia da Cidade de Maputo** clears the former head of **Standard Bank Group's** local unit, **Adimohanma Nwokocha**, of accusations made by the **Banco de Moçambique** (central bank) that he was involved in manipulating the foreign-currency market.

### About Africa Risk Consulting:

**Africa Risk Consulting (ARC)** is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

**ARC's** core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### About ARC Briefing:

**ARC Briefing** is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

**ARC Briefing** is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### Getting in touch

Please contact us by email [info@africariskconsulting.com](mailto:info@africariskconsulting.com) or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)