

DAY XXVII OF THE "HIDDEN DEBT" SCANDAL TRIAL

António Carlos do Rosário says that estimates of ProIndicus' revenues ranged between 350 million and one billion dollars per year

- On the third day of the hearing of António Carlos do Rosário, the first questions from the Public Prosecutor were related to the feasibility study done within the scope of the project for the monitoring and protection of the Exclusive Economic Zone. The defendant explained that it was him who led the team that made the study, and it included two Defense and Security staff, one linked to a consulting company operating in the Country and two foreign technicians. Asked to talk about the sources of the project income, he explained that for ProIndicus the main sources of income were the protection services to companies that operate in the Exclusive Economic Zone and beyond.



Some ProIndicus vessels

“There are operators that use infrastructures located at the Exclusive Economic Zone, but they extract resources from the interior. I am talking about companies that use railway lines and pass through sensitive areas that need protection. This is to say that we were not only looking at the oil companies, but also at the coal ones. In the research and prospecting phase in the Rovuma Basin, the oil company Eni alone paid 200,000 dollars a day for security services. We did the calculations and figured out that in Angoche we would have Exxon Mobil and Rosneft, in the Zambezi Delta we would have Eni and other multinationals, and further south we would have others. Therefore, the risk of having private military companies guaranteeing security in the country was greater. For ProIndicus we were looking at a revenue of USD 6 million per month from each operator. The revenue estimates indicated that ProIndicus would have, at worst, USD 350 million per year and, at best, around USD 1 billion per year.”

Regarding EMATUM, António Carlos do Rosário pointed to tuna fishing and “accompanying fauna” (swordfish) as the main source of income for the company. “The information we had from the Fisheries Research Institute indicated that the existing tuna biomass in the Mozambique channel represented up to 60 per cent of the existing biomass in the world. In Memba and Pebane, even small-scale fishermen were able to catch tuna. The revenues per year varied: At worst between 90 and 98 million dollars and at best 200 million dollars. We fished tuna from December 2014 to late 2016. We were not operating at full capacity and in a first phase we launched five vessels. In the first year, we had about four million dollars with only five vessels. In the second year, in 2015, we were able to license four more vessels and we started fishing with nine boats. We had 24 boats for tuna fishing, but there was a lot of sabotage and that made it difficult to license the boats”.

MAM’s sources of revenue would be shipbuilding and repairs, logistics to the hydrocarbon industry and providing iron and steel services to any private and state-owned commercial operator. “There are clients operating on land who have equipment whose structure resembles naval means. For example, amphibious metal structures, movable bridges to be used in times of flooding or inundation. Logistics work in the hydrocarbon industry.

To the question whether when they prepared the feasibility study they already knew that the project would be implemented by a means called ProIndicus, the defendant replied positively. “The feasibility study was done in 2011 and we al-



António Carlos do Rosário

ready had the name ProIndicus on paper” Confronted with the feasibility study the Public Prosecutor’s Office received from the Ministry of Finance and from defendant Teófilo Nhangumele, António Carlos do Rosário said he did not recognise that study. “This is a study of the project to protect the Exclusive Economic Zone, but the study we did is for the Integrated Monitoring and Protection System (SIMP) project. I do not recognise this study. I am not from the Ministry of Finance and I refrain from responding on this study.” The Prosecutor said the only study it received was that one and asked the defendant to submit his study. “Now I can’t deliver it. I am not in a position to do it, because the study is the property of SISE and is classified information.”

Asked who indicated Credit Suisse as the financier of the project, he said that it was the then Minister of National Defense, Filipe Nyusi, through a letter he sent to the former Minister of Finance, Manuel Chang, requesting the signing of the terms of the financing agreement with the bank. The Public Prosecutor said that the reply from the defendant is different from what is in the files: “Teófilo Nhangumele said that it was Jean Boustani who indicated at least three banks that were willing to finance the project. In addition, the defendant is saying that it was the then Minister of National Defense. Do you have any way of proving that?” António Carlos do Rosário replied, “There is a letter from the then Minister of National Defense addressed to the Minister of Finance indicating that the

bank that will finance the project had already been identified. That letter was delivered to the Public Prosecutor’s Office, but here I am being confronted with statements from a defendant who said what he said in order to defend himself - which is legitimate on his part.”

The Public Prosecutor’s Office read the letter dated 3 December 2012 that Iskandar Safa wrote to the then President of the Republic Armando Guebuza and which shows that it was that business group based in Abu Dhabi (United Arab Emirates) that identified the financing bank. In the letter, Iskandar Safa thanked the Mozambican state for having accepted, on 31 December 2011, the Privinvest proposal for the protection and monitoring of the Exclusive Economic Zone, and also said he had already sent a letter to the Finance Minister to inform him that he had already identified Credit Suisse as a potential financier of the Mozambican authorities. Asked if he was aware of that letter, he said that it was the first time he had heard of it. “I as coordinator of SIMP have never seen this letter. It is the first time I have heard of this letter.”

The letter from Iskandar Safa to the then President of the Republic Armando Guebuza was delivered to the Attorney General’s Office by Teófilo Nhangumele. When asked on the letter content, he said he was not able to explain it, as he was not the head of the person who handed it to the Public Prosecutor. António Carlos do Rosário said it was always clear that the projects would be financed by internatio-

nal commercial banks. "I never discussed with the Minister of Finance the possibility of the projects being financed by the State Budget. I was never informed that the budget limits for indebtedness had been exceeded. The projects of the three companies had a commercial component, so they should be financed by commercial banks."

Concerning ProIndicus' budget, which

went from USD 302 million to USD 622 million, the indicted said the amount had always been USD 622 million. "At the stage of entering into the financing agreement we had to parcel out the amounts, the first being of USD 372 million and the second one of USD 250 million. Credit Suisse did not have the USD 622 million available to pay in one lump sum, so we split the amount." It is stated in the files

that USD 50 million, coded as "50 chickens of the same breed", were added to the initial budget of USD 302 million, allegedly for the construction of a SISE training institute, another USD 13 million for the partnership and cooperation between ProIndicus and the contractor, and USD 1 million whose purpose was not disclosed. The respondent said he has no knowledge of the facts.

António Carlos do Rosário says he does not know Cipriano Mutota's role in the project

As coordinator of the SIMP project, António Carlos do Rosário said that he did not know the role of defendant Cipriano Mutota in the project for the monitoring and protection of the Exclusive Economic Zone. "He just handed me the envelope saying that he had instructions to get some 'inputs' to me. Now I do not remember exactly what information it contained. But he was not part of my team." The defendant did not comment on Teófilo Nhangumele's statements that he had done a lot of work for the success of the project since 2011.

On 25 February 2013, Nhangumele wrote a letter to the then PCA of ProIndicus, Eugénio Henrique Zitha Matlaba, through which he delivered the relevant project documents and requested a payment of USD 500,000 in recognition of his individual effort for the success of the project. The request was rejected in the first extraordinary session of the ProIndicus general meeting, with the argument that the responsibility for that payment did not belong to the company, as it was constituted after the work done by Nhangumele. On this matter, António Carlos do Rosário said that he attended that session of the ProIndicus general assembly, but he does not remember discussing the payment to Teófilo Nhangumele.

As the defendant António Carlos do Rosário was the project coordinator, the Public Prosecutor's Office asked him how he explains that the ProIndicus CEO requested documents related to the project from Teófilo Nhangumele, a person who, in the defendant's words, had no role in



António Carlos do Rosário with his lawyer Alexandre Chivale

the project. The defendant responded by saying that he had no explanation. Asked whether he handed over any documents related to ProIndicus to the company's then CEO, Eugénio Henrique Matlaba, António Carlos do Rosário said that he handed over the necessary documents for the management of the company.

In the documents attached to the case, it was Teófilo Nhangumele who reserved the name ProIndicus. On the matter, the defendant said he was surprised with the situation. "I have mandated someone to deal with the company's registration." António Carlos do Rosário said it was the then

Minister of National Defense who appointed the chairman of the general assembly, the chairman of the supervisory board and the PCA of ProIndicus. The managers were appointed by the then SISE General Director (Gregório Leão) and by the then Minister of the Interior (Alberto Mondlane). "I cannot say what was the criterion for the nomination of the members of the governing bodies of ProIndicus. But the PCA positions were rotational." The indicted also said that it was Filipe Nyusi who announced the resignation of Eugénio Henrique Matlaba from the position of PCA of ProIndicus and appointed António Carlos do Rosário.



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