

DAY XLIX OF TRIAL IN THE "HIDDEN DEBT" SCANDAL

Silvina de Abreu says that under normal conditions, the Central Bank of Mozambique should not have authorised loans from ProIndicus, EMATUM and MAM

● Today, Tuesday, the court will hear the former Governor of the Bank of Mozambique, Ernesto Gove. He would be the last Central Bank official with direct involvement in authorising the external loans of the three companies to be heard by the Court as a declarant, but the Mozambique Bar Association (OAM), an assistant in the case, requested the hearing of the former Director Waldemar de Sousa, who has been mentioned several times in recent days



Silvina de Abreu

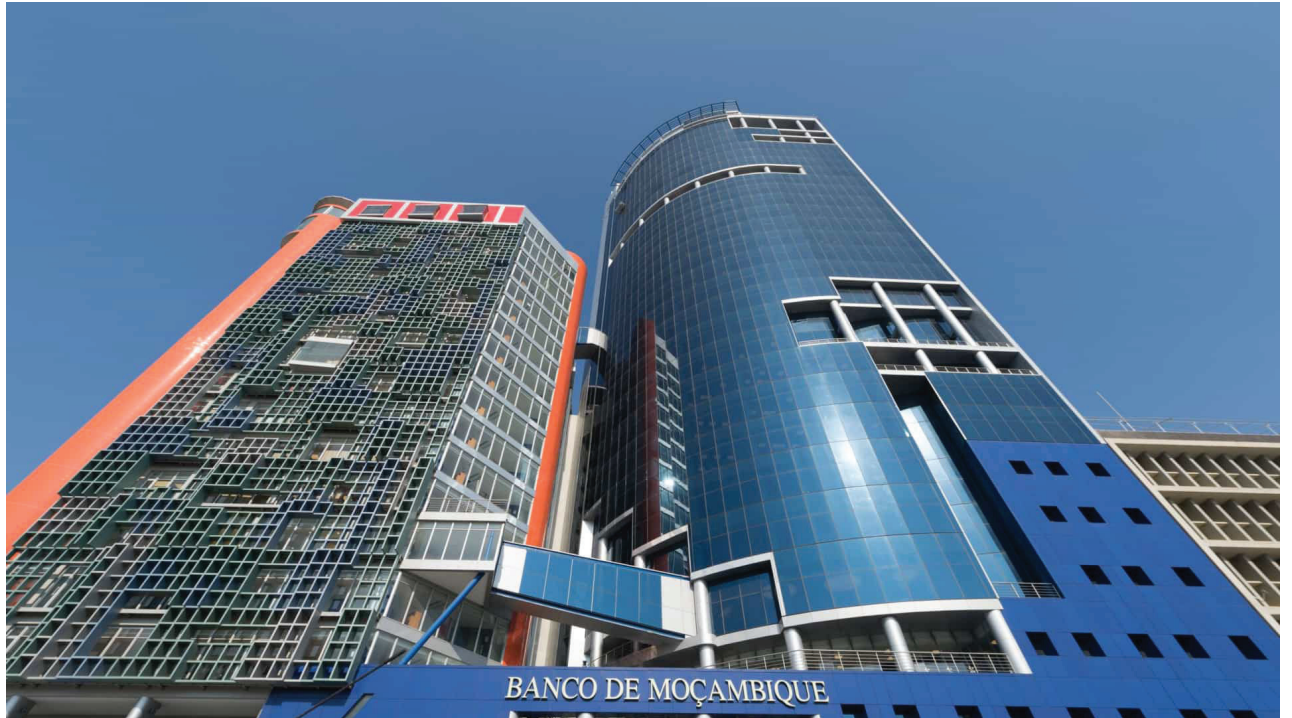
Silvina de Abreu has been an official of the Central Bank of Mozambique since 1992, and is currently an Administrator for Monetary Stability Area. However, at the time of the facts, she was the Director of the Foreign Department, now the Foreign Exchange Licensing Department. She confirmed that the State debt management at central level is done by the Ministry of Finance. In the case of the State business sector, companies should submit applications for contracting external loans to the Bank of Mozambique for proper authorisation. The same procedure applies to private companies, whenever the external loan value exceeds five million dollars.

The declarant said that in March 2013 she was informed by the former Governor of the Central Bank of Mozambique, Ernesto Gove, that the Central Bank would receive an intelligence services expedient. "He said I should only work with the management collective (the management assistant, Elsa Chambal, and the head of service, Telma Gonçalves). I should not involve the technicians, because the file involved State security and sovereignty matters." Silvina de Abreu appointed the management assistant, Elsa Chambal, to be the interlocutor and the person who should receive the ProIndicus file.

In August 2013, she was contacted by Waldemar de Sousa, who informed her that there was a new file coming from the secret services that should be treated in the same way as ProIndicus. It was the process of contracting an external loan of 850 million dollars for EMATUM, which was presented to the declarant by António Carlos do Rosário. She says that at that time she did not realise that EMATUM had another activity besides tuna fishing.

Silvina de Abreu said that in all the processes, her role was limited to issuing opinions. She was not involved in the MAM process. Asked what the correct procedure of the Bank of Mozambique would be regarding the ProIndicus, EMATUM and MAM cases, she replied that since the companies were private, although they had provided a State guarantee, it was up to the Central Bank to decide to authorise the contracting of the external loan.

On the merits of the decision, Silvina de Abreu said that, given that the Foreign Exchange Law prohibits the authorisation of loans, the disbursements of which are conditional on the issue of a State guarantee, the Central Bank should not have authorised the contracting of external loans for ProIndicus, EMATUM and MAM. In other words, the former Director for the Foreign Department assumed that the Central Bank of Mozambique violated the legislation by authorizing the contracting of loans, the disbursements of which are conditioned to the issuance of a State guarantee.



Banco de Moçambique

To the question whether ProIndicus, EMATUM and MAM recorded the capital inflow in the form of equipment, through the submission of the single import document with the Bank of Mozambique, the declarant said she was not in a position to answer whether or not this procedure was complied with by the companies. The justification is that the declarant was no longer assigned to the Foreign Department.

Regarding the reimbursement of capital by ProIndicus, EMATUM and MAM, Silvina de Abreu also has no information of the debt repayment process of the three companies. The repayment of capital abroad is done through commercial banks, using the foreign exchange operations module. It is through this module that the Bank of Mozambique learns that the companies are making disbursements to service their debt.

In the event that the companies do not generate revenue to service the debt, the State guarantee is activated and the Ministry of Finance instructs the Bank of Mozambique to make payment through its account domiciled at the Central Bank.

Regarding the approval of ProIndicus loan agreement amounting to USD 372 million, the Public Prosecutor questioned whether the declarant had enough time to analyse all the documents submitted to the Central Bank. In response, Silvina de Abreu acknowledged that the time was quite short given the urgency required and that it was a challenge for her to analyse the process.

"I did the analysis of the essential elements that the Bank of Mozambique uses to evaluate the company's debt repayment capacity, such as the amount of debt, the currency, the interest rate, the purpose of the loan, the deferment as well as the amortization period. I also remember reading the terms and conditions of the financing and the opinion of Dr. Telma Gonçalves.

After obtaining authorization for the USD 372 million external loan in March 2013, ProIndicus returned to the Bank of Mozambique with a new request for a USD 250 million loan, in less than three months. The Public Prosecutor asked the declarant if this request did not cause her any strangeness, since it passed shortly after the first external loan authorization, to which she replied in the affirmative.

"Their explanation was that the project was to cover other land areas and as such, they needed to buy other equipment. In the foreign exchange area we were receiving addendum requests to add amounts due to additional needs. But I found the second request from ProIndicus strange and I exchanged some thoughts about it with the administrator of the area, Waldemar de Sousa. In his dispatch, he suggested to the Governor to exchange views with the Minister of Finance about the extent of the increase in debt. But I don't know if there was that conversation."

On the motivation that led her to give favourable opinions to the requests from ProIndicus and EMATUM, Silvina de Abreu explained that it was a set of factors: "we were facing strategic requests for defense and State security and, in the case of EMATUM, we were informed that there was a need to replace the foreign vessels that fished tuna off our coast with Mozambican flag vessels; the processes were accompanied by State guarantees signed by the then Minister of Finance (Manuel Chang).

She also said that, in her understanding, the fact that the Minister of Finance signed the State guarantees ensured that the requests were in compliance with all legal norms. "Another factor is that the terms and conditions of financing were already signed. The financing banks conditioned the disbursement on the authorization of the loan by the Bank of Mozambique."

The declarant confirmed that she suffered psychological pressure from António Carlos do Rosário to treat the requests with greater urgency. "I noticed his impatience regarding deadlines, he made psychological blackmail to speed up the response, and he made appeals to patriotism and economic nationalism. I took that as pressure. From the point of view of deadlines, for example, he assumed that when he got to the Bank of Mozambique he would soon have the answer to the request.

Silvina de Abreu went on to say that during the meeting with António Carlos do Rosário, she started to ask questions about the EMA-

TUM project, to which he responded that they were delaying the process. "He showed us a photograph of Afonso Dhlakama and another white man standing next to a helicopter and said that this was happening in the Gorongosa forests and that people had entered the country due to the lack of control capacity at our borders. He explained that we had to have the appropriate equipment to stop the violation of the borders and the political-military tension in the central zone.

According to the declarant, the indicted António Carlos do Rosário explained to the employees of the Bank of Mozambique that they should be patriots and understand that

Mozambique should move forward with the Mozambicans and that the EMATUM project was very important, so they should avoid placing constraints. "I reported to the administrator Waldemar de Sousa and we had a meeting with Mr. António Carlos do Rosário where we discussed the viability of the project. After this meeting, he continued to put pressure on my person, saying that we ran the risk of losing the financing from Credit Suisse. I reported back to the administrator Waldemar de Sousa, and he said that we should urgently finish the evaluation, adding that, after all, it is a state project and they have the conviction of what they are doing it."



EDITORIAL INFORMATION

Property: CDD – Centro para Democracia e Desenvolvimento
Director: Prof. Adriano Nuvunga
Editor: Emídio Beula
Author: Emídio Beúla e Dimas Sinoia
Team: Emídio Beula, Julião Matsinhe, Dimas Sinoia, Américo Maluana
Layout: CDD

Address:
 Rua de Dar-Es-Salaam Nº 279, Bairro da Sommerschild, Cidade de Maputo.
 Telephone: +258 21 085 797

Twitter: CDD_moz
E-mail: info@cddmoz.org
Website: http://www.cddmoz.org

PROGRAMMATIC PARTNER



FINANCING PARTNERS

