

LXXIII DAY OF THE "HIDDEN DEBTS" SCANDAL TRIAL

Guebuza counterattacks and says Filipe Nyusi is the person who can best explain

- The former President of the Republic returns today to the B.O (maximum security prison) to answer questions from the Bar Association and the defense. Yesterday, the "last declarant" started his counter-attack as soon as the judge gave the floor to the Public Prosecutor, the "executioner" of the Guebuza family. Several times, Guebuza referred the answers to his former Minister of National Defense (Filipe Nyusi), in his capacity as the former Chief of the Operational Command. Nyusi is in Belgium where he is participating in the European Union - Africa Summit, but he is certainly already informed about the statements of his predecessor.



- Given the unpreparedness of the Public Prosecutor's Office representative, Guebuza took advantage of the poorly structured questions to send messages to Nyusi's government and the Attorney General's Office (PGR). For example, he said that even the SISE was outsourced, in reference to the hiring of Kroll - a company he described as a foreign spy company - to audit the "hidden debts". He also said that Mozambique's economic situation at the time he was in power was much better compared to the current scenario.
- He challenged the Court by stating that he would not talk about matters of sovereignty, when asked why it was not chosen to empower the Defense and Security Forces than to create a private company. "I think too much has been said about the issue of defense and security in this Court of ours. It should not be done, it should not be done. We have to defend our sovereignty and one of the ways to do that is to solve our problems ourselves."
- He assumed without reservation that as Commander-in-Chief of the Defense and Security Forces, he decided on the creation of EMATUM and MAM. "I assume that responsibility. I was President of the Republic and I wanted to defend the whole country, and you too at the time," referring to Judge Efigénio Baptista. Guebuza also stated that the two companies were part of the SIMP project. A position which is a relief for the defendants Gregório Leão (former Director of SISE) and António Carlos do Rosário (former number two of SISE), the only ones who until now defended that EMATUM and MAM were created in the context of the SIMP project.
- In addition to the shooting at the front of the B.O. early Thursday morning, the power cuts that delayed the beginning of the session and interrupted the questioning twice, the reinforced security, the large team of journalists, the presence of the Attorney General was notorious. Beatriz Buchili arrived disguised at the B.O., didn't take long, and everything indicates that she was going to confer with the Public Prosecutor's representative in the case that is judging the "hidden debts". She left before the beginning of the session.





It was 09h25 when Armando Guebuza arrived at the B.O. in a car driven by his son, Mussumbuluko Guebuza. A large team of security guards and advisors accompanied him to a waiting room, where he would remain for about two and a half hours. Such a long waiting time was due to the constant power cuts in the tent where the discussion hearing and trial sessions take place. The session was scheduled to begin at 10:00 a.m., but it would only start at about 11:45 a.m.

When conditions were finally created for the beginning of the session, Guebuza went to the tent, watched by security guards and advisors. Always with firm steps, the “last declarant” was listening to the last advices before settling down in the office chair, different from the usual chairs of the defendants and other declarants that passed by the Court. Curled up in his wide-cut suit, Guebuza followed attentively the judge’s order that applied a fine of 15,000 meticaís to the defendant Renato Matusse for having appointed Teodoro Andrade Waty as his lawyer, contrary to the previous Court’s decision that prohibited him from appointing that renowned lawyer as his mandatary.

“Good morning” - were the first words that Guebuza pronounced, before being invited to explain the genesis and motivation for the creation of the Integrated Monitoring and Protection System (SIMP) of the Exclusive Economic Zone. In response, he spoke of the threats to the country’s sovereignty, such as the massive influx of illegal immigrants, drug trafficking, piracy, and Renamo attacks in the central and northern regions.

The question that arose at the time was how to solve the problem. “At the level of the Defence and Security Forces, we studied and concluded that, in addition to the usual activities of defending the homeland with the resources that we had at the time, we needed reinforcement, and that reinforcement should take into account the situation at sea and, naturally, the land borders in the north and a little bit in the west of Mozambique. This is what explains the reason for the creation of the SIMP project.

The Prosecution’s indictment says that SIMP encompassed only ProIndicus. But to a question from Judge Efigénio Baptista, the declarant replied that SIMP encompassed, in the conception phase, the three beneficiary com-

panies of the “hidden debts,” namely ProIndicus, EMATUM, and MAM. “In the execution phase there were different moments, of course.” The judge asked how one could conclude from EMATUM’s social object that the company was linked to the Defense and Security Forces. Guebuza answered categorically: “Of course we could not say that we were going to have boats to spy on maritime activities. We could not do that.

The judge retrieved the declarants’ statements that worked with the EMATUM boats, according to which the vessels did not have any equipment related to defense and security. “Naturally, I’m not going to get into a technical debate about the vessels. What I will say is that I don’t need special objects to observe, but the ability to observe and to move,” the declarant reacted.

When asked why the Government did not conclude SIMP concession contracts with EMATUM and MAM, as it did with ProIndicus, the former President of the Republic replied in the following terms: “It was concluded with ProIndicus, but there were also other (companies) that would later be integrated. It was felt that it was better that they be integrated

later in SIMP.

And because the financing and means supply contracts for ProIndicus were discussed and signed before the creation of SIMP, the judge asked if this project had been created only to formalize something that had already been conceived. And Guebuza reacted with a rhetorical question, "Is SIMP illegal?" And he himself replied, "It was not illegal. I don't see anything illegal about it. I see processes. Processes don't always occur at the same moment. An enterprise like SIMP going forward, would have to create new companies and naturally those that already exist would be integrated. I don't know of any project that has appeared with all the components."

The judge insisted on the issue by asking whether ProIndicus had legitimacy to defend Mozambique's sovereignty when it signed supply contracts with Prinvest, since it did so before entering into the SIMP concession contract. "It depends on the point of view. The Defense and Security Forces have always had the legitimacy to defend Mozambique. And when they acquire resources to do so there is no question of legitimacy."

From the answer, the judge asked whether or not ProIndicus was a state company. And,

once again, Guebuza started the answer with a rhetorical question: "Don't you think that ProIndicus is for defense? I don't have an answer either. My position is that, yes. But you have to know that the State does not function in the same way everywhere. I see the issue in a dynamic way. ProIndicus was represented by the State in the search for resources. It was the state that went looking for resources."

The questioning entered a new phase, with the judge asking the declarant whether or not he knew Teófilo Nhangumele. The former President of the Republic used the question to send a message to his "comrade" Óscar Monteiro, a historical figure of Frelimo, who, in a meeting of the Central Committee of the ruling party, questioned how Armado Guebuza let himself be deceived by Nhangumele. "After someone said in a party meeting that there was a person called Nhangumele, I became interested in the person. I didn't know Teofilo Nhangumele until after he was arrested with my son in the LÍngamo."

Regarding Jean Boustani, the negotiator of the Prinvest group and the figure responsible for the payment of bribes, the declarant said that he met him from the moment negotiations began on the protection of Mo-

zambique's Exclusive Economic Zone. "They came to Mozambique. It was at that time that I began to know Boustani. It was in the Presidency of the Republic. I also know Iskandar Safa (president of the Prinvest group), but I don't remember the place."

When the judge asked if the former President of the Republic had received from his son (Armando Ndambi Guebuza) a Prinvest brochure containing the proposal for the protection of the Exclusive Economic Zone, lawyer Isálcio Mahanjane protested, arguing that the question is prohibited by law, since there is a family relationship between the declarant and the defendant. In fact, neither the Court nor any other procedural intervenor can ask questions to the parent or child about facts that are imputed to the other.

The judge accepted the protest and said that Armando Ndambi Guebuza's lawyer was right. With a sarcastic smile, Guebuza questioned the Court, "If you knew it's wrong, why are you asking me?" The judge did not hold back and, amid laughter, said that the Court did not know it was wrong. And right away he passed the word to the Public Prosecutor's Office, the executioner of the Guebuza family.

"I don't know if there will be a member of the Operational Command who will be here to explain better"

The first question posed by Prosecutor Ana Sheila Marrengula was to know by what means the declarant established contacts with Messrs. Iskandar Safa and Jean Boustani. "I met them at the time when this issue of creating conditions for the protection of our coast was being dealt with. I met them because they showed up and we talked. I contacted people to encourage them to work. The rest that happened I don't know."

It did not take long for Guebuza to start blaming the former Minister of National Defense, as Chief of the Operational Command. And the first time he did so was when the Public Prosecutor asked him to explain the creation of the Exclusive Economic Zone protection project and the entities involved in it. In response, he said that the economic and financial part was studied, evaluated and then proposed by the Defense and Security Forces through the Operational Command. He added: "I don't know if there will be a member of the Operational Command who will be here to explain further. Maybe another time"

It was the first reference to the current President of the Republic, Filipe Nyusi, a figu-



re well protected by the Public Prosecutor's Office and by the Court, which several times rejected the requests of the defense and the assistant in the case (Mozambique Bar Association - OAM) for the former Minister of National Defence to be listed as a witness.

Guebuza knows that Nyusi enjoys the protection of the Attorney General's Office (PGR) and the judiciary, and for that reason will never be brought up on charges in this case. That is why he came to the B.O. with a well-studied lesson: defend his honour and go on

the counter-attack, targeting his former Minister of National Defence and his successor in the Presidency of the Republic.

When the Public Prosecutor's asked who had been the proponent of the project to protect the Exclusive Economic Zone, the declarant again quoted the former Minister of National Defence. "We functioned as structured bodies that presented proposals and were discussed and, when approved, could move forward. Usually in such cases the one who responds is the chief who is chairing

the meeting. In this case, the Operational Command had its head, who was the Minister of National Defence."

The Public Prosecutor's representative insisted on the question, seeking to know which entities were involved in the design of the project for the protection of the Exclusive Economic Zone. "I don't have the memory for that. But it's in the documents. It was headed by the Minister of National Defence, the Minister of the Interior, the General Director of SISE and his staff."

Guebuza says SISE was outsourced with the hiring of Kroll to audit the "hidden debts"

Another tension moment was when the Public Prosecutor asked whether the declarant did not think that, by involving private companies in the protection of the Exclusive Economic Zone, the Defence and Security Forces were outsourcing their function of defending Mozambique's sovereignty. Guebuza was caustic in his reply: "The State has already outsourced many things. It has even outsourced SISE, with Kroll. It has taken a foreign company of spies... I am referring to Kroll".

The defendant António Carlos do Rosário liked the answer, as during his long hearing he always defended that the company hired by the Attorney General of Mozambique and paid by the Swedish Embassy in Maputo to do the forensic audit of the "hidden debts" was made up of former British spies.

With each question, the Public Prosecutor seemed to be giving the declarant an opportunity, on the one hand, to blame the current President of the Republic, and on the other, to express his dissatisfaction with the way the case was conducted, including the trial itself. And that is what was seen, when the prosecutor Ana Sheila Marrengula asked why it was not chosen to strengthen the Defence and Security Forces rather than create a private company.

"That is a defence and security matter. And although we are in Court where we must speak the truth, which is what I have been doing up to now, I don't think this is the moment that I should speak about matters of sovereignty. I will not speak. In fact, I think that the issue of defence and security has already been discussed too much in this Court of ours. We should not do that, we should not do that. We have to defend our sovereignty and one of the ways to do that is to solve our problems ourselves", explained Guebuza.

To a question from the Public Prosecutor about the moment when the conclusion was reached that the protection of the coast should be done by ProIndicus, the declarant



again mentioned the Operational Command, in a clear allusion to the current President of the Republic. "From the moment the Operative Command analysed the issue and came to the conclusion that that was the solution. That was that moment. There was no other specific moment."

As he continued with his answer, a power cut interrupted the questioning for five minutes. When the power was restored, Prosecutor Ana Sheila Marrengula resumed the questioning and the question was whether the funding of ProIndicus had been discussed by the

Government or the Joint Command. And the answer was: "That raises several questions, but the most important is that we thought that was the best solution. We didn't think there was any other solution better than that one. It was the 2010s, and we didn't think as we do today".

Faced with the insistence of the Public Prosecutor, Guebuza once again blamed his former Minister of National Defence and successor in the Presidency: "We thought like that and we wanted to resolve the issue that concerned us at the time, and our concern was

the defence of sovereignty. That was dealt with through the Operational Command to which I delegated to seek resources." Another power cut interrupted the questioning for

three (3) minutes.

In light of the answer that had been given by the declarant, the Public Prosecutor asked what means were used for the delegation of

powers to the Operational Command. And the answer was: "Normally we did it by order, but I don't remember. I don't have that here with me."

"The decision to seek resources was taken by me, delegating the Operative Command, through its leaders"

Asked whether it had been appreciated at Government or Joint Command level that Mozambique had already exceeded the limits set by the Budget Law and the International Monetary Fund for the issuance of State guarantees, Guebuza said he did not recall anyone raising the issue. "The Finance Minister (Manuel Chang) did not share that question with you," Ana Sheila Marrengula insisted, with the declarant also insisting in his reply, "It is what I say, nobody put it."

Then, asked the Public Prosecutor, whose decision was it to put the country into debt? "The decision to seek resources was taken by me delegating the Operative Command, through its leaders," replied Guebuza, who said he could not remember whether at the time he was presented with the proposal to protect the Exclusive Economic Zone using an SPV (Special Purpose Vehicle) the Prinvest group was already indicated as the pro-

ponent of the solution.

"When and how did the declarant become aware of the availability of the Prinvest group to offer the solution?", asked the Public Prosecutor, in a way of insistence. In his reply, Guebuza again pointed to the Operational Command at the time headed by Filipe Nyusi as the entity responsible: "These are details that are difficult to remember... but we work based on studies and proposals that were presented by the Operational Command. The Operational Command was the one that had the delegation to work with whoever it was and then brought the proposals to us," Guebuza said.

Regarding the letter of 3 December 2012 that Iskandar Safa sent to the former President of the Republic informing him of the progress of the process of seeking financing from Credit Suisse, Guebuza made it clear that he saw no relevance in the document. And when the Public Prosecutor asked what

the context of the letter was, he was incisive: "I don't have to define the context of the letters that others write to me".

When asked what position he took in the face of the letter, the answer was that he handed it over to the responsibility of whoever was delegated the functions (Operational Command). "I don't remember the order. The essence is that who should handle the matter is the team that was delegated."

On the gratuities to people who were committed to the success of the project, the declarant said he was not aware. Asked if he had any memory of meetings he had led in which decisions were taken to create EMATUM and MAM, he replied in the following terms: "I made an order in which I delegated the negotiating powers to the heads - Minister of National Defence, Minister of the Interior and the General Director of SISE. So I assume that they discussed those aspects."

"As Commander-in-Chief I decided on the establishment of EMATUM and MAM. I assume that responsibility."

The Prosecutor wanted to know if the order was in the declarant's possession, but Guebuza replied in the negative. "That document must be in your possession. I do not go out with documents from the Presidency of the Republic". Faced with the judge's insistence on who and where the creation of EMATUM and MAM was decided, Guebuza took responsibility. "I as Commander-in-Chief decided for the creation of EMATUM and MAM. I assume that responsibility. I was President of the Republic and I wanted to defend the whole country, and you too at the time," referring to Judge Efigénio Baptista.

Armando Guebuza does not remember the figures that were needed for the implementation of SIMP. "I did not enter into those discussions. We need ministers for that and sometimes we delegate powers to them. That is exactly what happened. If I went into the details of 23 ministries it would be mismanagement, in my view."

Still on the financing of SIMP, the Public Prosecutor wanted to know how and whe-



re the project implementers would get the amount, considering the magnitude of the undertaking and the country's economic situation. Another opportunity for Guebuza to criticize the Government of Filipe Nyusi: "The economic situation was not as it is today. It was much better. There was a group delegated to negotiate. Who knows, perhaps the Head of the Operational Command could clarify better".

To the question whether he sought to know how revenues would be raised to pay off the debt, the declarant gave the following

answer: "Don't forget there was the feasibility study. The feasibility study said it was feasible and I did not think beyond that." He also said that he did not attend the meeting where it was decided that the State would be the guarantor of the loans of more than two billion contracted by the three companies.

Regarding facts imputed to his former direct collaborators, Guebuza said he had no knowledge. For example, he has no knowledge that Renato Matusse, his former political adviser, received money from the Privinvest group for the purchase of real estate. "We

heard it here in the trial." Regarding his former private secretary Maria Inês Dove, he only learned that she received money from Privinvest regarding the sale of a plot of land on Avenida da Marginal, Maputo City. "She informed me before the trial started".

As for the financing from Privinvest for the production of books on the achievements of his governance, a fact alleged by the defendant Renato Matusse, he said he had no knowledge. He was also unaware of the more than eight tons of wine that Privinvest sent to the Presidency of the Republic during his consulate.

The first day of Guebuza's hearing was marked by gunfire at dawn and power cuts

In the early hours of this Thursday morning, the Maximum Security Prison (B.O) registered an unusual environment. It was the day of Armando Guebuza's hearing, the most important witness in the trial of the financial scandal of the "hidden debts". For the first time in Mozambique's history, a former President of the Republic will be heard as a declarant in a case in which his son (Armando Ndambi Guebuza) is answering in pre-trial detention after being arrested in February 2019.

The disused movement in the B.O is of journalists and above all of the security men, namely the prison guards and police officers. Uniformed and others in plain clothes. The security alert was raised following the incident that took place in the early hours of the morning, when unknown men fired several shots against the electricity transformer that feeds the tent where the trial sessions take place. Smoke grenades were also thrown at the site.

It is believed that the attack repelled by prison guards aimed to prevent the hea-

ring of Armando Guebuza, with live broadcast in the media and social networks. True or not, the fact is that a few days before the hearing, the judicial authorities tried to "stop" Guebuza from going to the B.O, arguing that his status as former President of the Republic and member of the Council of State gave him the prerogative to be heard in his office or by correspondence, as it happened during the instruction phase of the case.

But the former President of the Republic refused the offer to answer the Court away from the press spotlight. He maintained his position of addressing the B.O. so that his version of the facts and his defence of honour could also be broadcast live on television. Just like the versions that for many years defined him as the person most responsible for the financial scandal of the "hidden debts". To wash his image live and in the last days of the hearing of declarants is half a political victory in the undeniable open war with his successor, Filipe Nyusi.

The session started at 11.45am, more than two hours late. In between, two power cuts interrupted the questioning, raising suspicions of sabotage. Later in the day, state-owned utility company Electricidade de Moçambique (EDM) issued a statement explaining that there were disturbances in the distribution network that caused power supply interruptions in several points, including Machava, where the maximum security prison is located.


This Thursday's session was interrupted at around 5pm, just after the conclusion of the questioning of the Public Prosecutor. Guebuza returns to court today (Friday) to answer questions from the assistant in the case (Bar Association of Mozambique - OAM) and the defence. Another day for the former President of the Republic to consolidate his narrative that the main person responsible for contracting the loans was the former Minister of National Defence and current President of the Republic, Filipe Nyusi.



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