



CENTRO DE INTEGRIDADE PÚBLICA
Anticorrupção - Transparência - Integridade

MOZAMBICANS, THIS DEBT IS NOT OURS! WE SHOULD NOT ACCEPT TO PAY IT!

Press Release

With the revelations in the indictment of the Grand Jury of the District Court of New York, United States of America, it is clear that:

- The debt of more than USD 2 billion contracted by the Mozambican companies ProIndicus, EMATUM, and Mozambique Asset Management (MAM), with government guarantees, was not in the national interest of guaranteeing national security through a coastal protection program.

The debt was the result of a corruption scheme engineered by employees of Credit Suisse - the main creditor bank - and Privinvest - the main supplier of equipment to Mozambique, in collusion with a group of senior Mozambican public officials and politicians;

- The Mozambican Government had no plan or interest in contracting such debt because it did not even have plans to develop a coastal security program. It contracted loans motivated by the opportunity to receive bribes of millions of dollars. The indictment states that the amount of bribes demanded by the Mozambican party negotiating the loan and to be paid to members and officials of the Mozambican Government was USD 50 million, just regarding the ProIndicus debt. Only by agreeing to this amount of bribes would the Government accept signing debt-generating contracts, subsequently inventing the Integrated Monitoring and Protection System (*Sistema Integrado de Monitoria e Protecção*, SIMP) that would be operated with money from this borrowing. SIMP has never operated to this day;

- Approximately USD 200 million out of Credit Suisse's total loans (about USD 1.5 billion), representing more than 13%, was spent on bribes and illegal commissions paid to officials and members of the Mozambican Government (borrower), employees of Credit Suisse (lender) and Privinvest (provider of coastal safety equipment).

- The Credit Suisse bank (creditor), despite not being accused by the US court, has enormous responsibilities in granting the illegal debt to Mozambique. As an example, it removed from its conditions for obtaining the credit the requirement that the borrowing should be subject to the opinion of the Attorney General of the Republic of Mozambique (Procuradoria Geral da República, PGR). It also removed the requirement that the borrowing to Mozambique be communicated to the International Monetary Fund. This means that the Credit Suisse Bank accepted that the Mozambican companies' debt would be secret and therefore illegal in Mozambique, and, above all, the basic rules of the internal compliance control procedures were ignored with approval by the highest decision makers of this bank, one of the largest

investment banks in the world.

In light of the above, the Center for Public Integrity (Centro de Integridade Pública, CIP) demands that:

- The Mozambican Government immediately suspend the restructuring of the debt of the three companies, which means suspending all agreements with international creditors holding titles to the hidden debt. The charges of the Grand Jury of the New York District Court are serious enough so that no debt repayment should be made until the case is fully clarified;
- All officials and members of the Mozambican Government accused by the US court of receiving bribes in connection with the borrowing immediately cease their functions until the case is fully clarified. CIP recognizes that all defendants are innocent under the Constitution until there is a final sentencing, but given the seriousness of the allegations and the evidence presented by the US court, conditions do not exist for public servants implicated in this case to continue to exercise their functions;
- The PGR use the available cooperation mechanisms to obtain relevant information from the US court about Mozambicans accused of receiving bribes, so that they are held liable domestically. The assets of these citizens must be confiscated, so that they are not scattered while the investigation and prosecution continue.

CIP is amazed by the silence of the national sovereign organs, such as the Presidency of the Republic, the Government of the Republic of Mozambique and the Assembly of the Republic, and even of the Frelimo party, in the face of such serious revelations about top leaders of the country. CIP interprets the silence as revealing the level of promiscuity and unwillingness to resolve in a transparent way this entire imbroglio that has the Mozambican people as the victims most affected.

For Mozambicans, doubly hurt by debt and the fact that the Government has already reached an agreement in principle involving payment of debt with gas revenues, CIP issues the appeal: **This debt is not ours, we should not accept to pay it!**

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