
From: Jean Boustany <jean.boustany@>
Sent: Monday, November 14, 2011 3:48 PM
To: 'teofilo nhangumele'
Subject: RE: Way Forward

Hi brother,

What is the size of the fund we are talking about? What about the budget of the Mozambique Authorities for EEZ ?

Brother,

The mechanism is simple:

- The delegation is invited by us to Abu Dhabi
- Contract negotiations are on in Abu Dhabi
- The most critical points are: budget which Mozambique Authorities will allocate for the Project + "success fees" of MULEPE to be added on top of the budget
- Delegation returns to Maputo with a draft EEZ Contract (between Mozambique Gov and ADMAR) and a draft "success fees" Contract (between ADMAR and MULEPE)

The Project will start with an advance payment from the Mozambique Gov to ADMAR.

From this advance payment, the "success fees" will be disbursed.

Brother, nowadays in all international contracts "success fees" are paid proportionally to the installments in order to ensure a true partnership between the partners.

Nevertheless, a clear "success fees" agreement HAS TO BE signed BEFORE the EEZ Contract to protect MULEPE and other Project Stakeholders.

I want to add a very important element: the EEZ Project will include massive civil and infrastructure works in Mozambique. These must be undertaken by MULEPE. These works constitute a very substantial part of the total Project (excluding the "success fees").

So please, I beg you to educate the various parties in Mozambique to build our endeavor on a "medium to long term basis" and not as a "hit and run" exercise.

From: teofilo nhangumele [mailto:teo.nhangumele@]
Sent: Monday, November 14, 2011 5:28 PM
To: Jean Boustany
Subject: Re: Way Forward

Brother,

We are making a steady progress. I also agree with your approach of cementing the relationship with MULEPE. This has to be concluded as soon as possible. I want you brother to agree that the project go-ahead is a crucial milestone, and therefore, all the effort has to be remunerated. Are we in agreement on this point?

MULEPE will continue to represent your best interest in Mozambique until the completion of the project implementation. Brother, I am being frank and open with you . We have people to pay to ensure that the project is given a go-ahead. I am begging you to undertand this and come in my support. I am talking to you as a partner now, we have to release funds to ensure that the go-head is given.

You and me will continue to work on the budget of the entire operation in Mozambique, until the completion of the project. But, for this stage, some payments have to be made.

Best regards

T

From: Jean Boustany <jean.boustany@
To: 'teofilo nhangumele' <teo.nhangumele@
Sent: Monday, November 14, 2011 9:52 AM
Subject: RE: Way Forward

Good morning brother,

This is good news.

However, there is an element of "marriage" between us which must be cemented.

Brother Teo, I want MULEPE to be our local partner in Mozambique. Ultimately forming a Joint Venture between ADMAR and MULEPE for the execution of the Project.

MULEPE imperative and paramount role is to ensure that it acts as a "the one and only hub" for the disbursement of all "success, lobbying, and other Projects related fees".

We will not and simply can not deal with various parties in Mozambique for this subject. It has to be managed and controlled by MULEPE as the sole interface between ADMAR and the Mozambique Authorities / different Project actors.

So the "success fees" agreement has to enclose from now all actors.

I am sure that you will fully endorse this issue.

Awaiting the delegation list and passport copies ASAP.

Take care brother,

Jean

From: teofilo nhangumele [mailto:teo.nhangumele@
Sent: Monday, November 14, 2011 9:40 AM
To: Jean Boustany
Subject: Re: Way Forward

Dear brother,

Fabulous, I agree with you in principle.

Let us agree and look at project in two distinct moments. One moment is to massage the system and get the political will to go ahead with the project. The second moment is the project implementation/execution.

I agree with you that any monies can only be paid after the project signing. This has to be treated separately from the project implementation. I will tell you why. Because for the project implementation there will be other players whose interest will have to be looked after e.g ministry of defense, ministry of interior, air force, etc ... At the present moment, all these people are not directly involved. Our task as MULEPE is to ensure that the project is given a formal go-ahead, and a success fee for that has to be guaranteed. Of course we will not walk out of the project, as we will continue to offer our support and ensure that nothing is compromised. You will agree with me if I say that in democratic governments like ours people come and go, and everyone involved will want to have his/her share of the deal while in office, because once out of the office it will be difficult. So, it is important that the contract signing success fee be agreed and paid in once-off, upon the signing of the contract.

The project implementation fees/commissions can be paid as monies are being paid to your organization. We will still be in the system to facilitate communication and managing the stakeholders to ensure the success of the project execution.

I trust this is fine and acceptable to you.

Best regards,

T

From: Jean Boustany <jean.boustany@
To: 'teofilo nhangumele' <teo.nhangumele@
Sent: Friday, November 11, 2011 7:38 PM
Subject: RE: Way Forward

Dear brother Teo,

I am very glad that we are now talking openly.

Our Group operates with the principal of "success fee" in favor of our local Partners which will be added to the final Project value.

A very important issue which needs to be clear: we had various negative experiences in Africa. Especially related to the "success fees" payments. Therefore, we have a strict policy in the Group consisting of not disbursing any "success fee" before the signature of the Project Contract.

The "success fee" disbursements will be also divided proportionally to the Project payment installments.

A detailed "success fees" agreement will be signed between us before the Project Contract signature to make all things clear.

Meanwhile, our Group will be gladly inviting your to Abu Dhabi and taking care of all the related expenditures.

I trust the above is logical and comfortable for you brother.

Take care,

Jean

From: teofilo nhangumele [mailto:teo.nhangumele@]
Sent: Friday, November 11, 2011 5:13 PM
To: jean.boustany@
Subject: Way Forward

Dear brother Jean,

This is between you and me, and in confidence. You will agree if I say that the success of this project will depend, in a considerable degree, on the level at which we communicate openly and accommodate the interest of the parties involved. You will also agree that closing a deal of this size is not an easy task for both of us, since there are a few interests involved.

There is increasing expectation in the upcoming visit to Abu Dabi, given the new impetus that has been given to the deal. The team that I am assembling is very crucial for the success of the deal since we are the ones who will produce the report which will determine whether or not the project will take off. To secure that the project is granted a go-ahead by the HoS , a payment has to be agreed before we get there, so that we know and agree, well in advance, what ought to be paid and when.

Whatever advance payments to be paid before the project, they can be built in the project, and recovered. We see this advance payment as an investment and not a cost to the project. In the end of the day whatever monies paid will be recovered.

I trust this should be fine with.

Best regards,