



Shipping Proposal – Tender Timing



Rationale

- ♦ LNG vessels building duration is 19 to 30 months; the onshore project will take typically 54 to 60 months
- ♦ Placing LNG vessel orders at FID can introduce higher levels of uncertainty in relation to forex, steel costs, labour costs
 - *Can inflate costs unnecessarily*
- ♦ Placing LNG vessel orders early risks having ships delivered in advance of plant start up. \$80k/day per ship is a significant sunk cost to the project
- ♦ At FID, we will have greater clarity of the project timeline (plant/vessel delivery)
 - ⇒ ship owners will then have confidence in the Project
 - ⇒ eliminate unnecessary “buffer” in cost base

Avoid excessive costs/risks on Project arising from timing mismatch

Position on issues (builds on eca note of march 2017)



Issue	Lender position	Project position
Acceptability of overall DSU	Need to ensure DSU is robust and credit enhancement for ENH	<ul style="list-style-type: none"> • Key risk of cost overruns is allocated through ENH Funding Agreement • Structure does not introduce credit/payment risk on the Government/ENH pre-completion
Backstop date	Backstop date for shipping contracts – 18 months	Project needs a maximum of 12-months post-financial close
Project Completion test	Project completion test	<ul style="list-style-type: none"> • Can be addressed to satisfy lenders requirements
Additional protection	Need for a “bring down” from shipping consultant	<ul style="list-style-type: none"> • Project is receptive to this • Proforma TCP can also be shared ahead of FID

Project is receptive to addressing these concerns adequately

Project



- ♦ Project is looking to adopt a prudent approach for all stakeholders
- ♦ Manage the risks that exist inherent to the LNG value chain
- ♦ Ship delivery is relatively low risk due to builds in controlled environment along with excess capacity in the market
- ♦ Excess capacity is also driven by changes in the LNG market (greater commoditisation)
- ♦ Charter rate assumptions

Lowest costs are in the interest of all parties

Project Position on Key Risks



- ♦ **Two key risks**
 - Shipping availability and cost
- ♦ **Why is the risk of each of these low?**

Availability

- ♦ LNGC vessel order book is healthy, but plenty room for new orders
- ♦ No new LNGCs on order for delivery post 2021, Project first delivery is 2023
- ♦ Very attractive order for the shipping community, much interest
- ♦ Expansion potential is also compelling

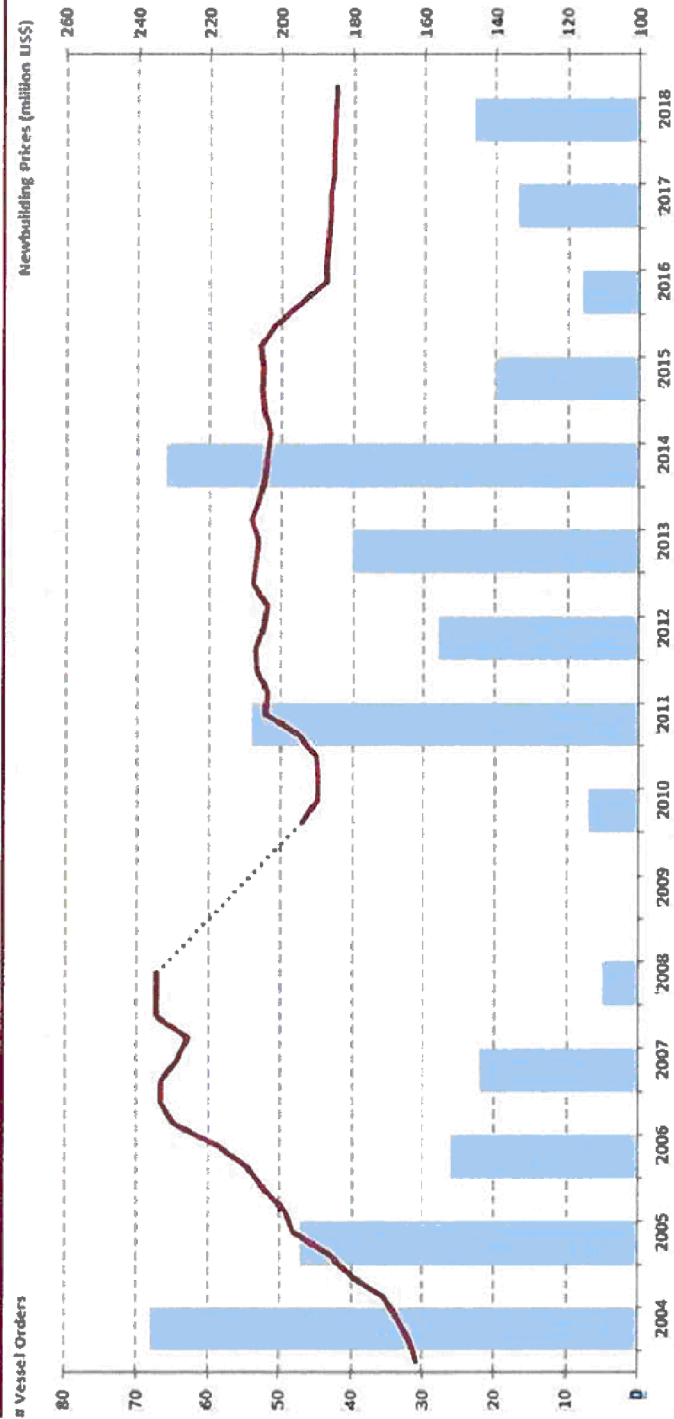
Cost

- ♦ Project has adopted a conservative assumption (~ \$1.07/mmbtu)
- ♦ Assuming a charter rate of USD 80k/day
 - Factors in timing for entry into shipping contracts
 - Conservative assumptions on fixed and variable cost
- ♦ **The sensitivity to material opex increases are immaterial**

LNG Newbuild Prices



LNG Vessel Newbuilding Orders and Historical Rolling Average of Korean LNGC Newbuilding Prices



To: [5.1.2.e]@atradius.com]; [5.1.2.e]@atradius.com]; [5.1.2.e]
Victor: [5.1.2.e]@atradius.com]
Cc: [5.1.2.e] [5.1.2.e]@atradius.com]
From: [5.1.2.e]
Sent: Fri 10/23/2015 5:11:23 PM
Importance: Normal
Subject: RE: ter info: Anadarko Mozambique
MAIL_RECEIVED: Fri 10/23/2015 5:11:24 PM

Hi [5.1.2.e] begrijpelijk dat dit een van de belangrijke aandachtspunten is/wordt. Van wanneer dateert het bericht overigens (dank voor doorsturen)?

Goed weekend. MvGr, [5.1.2.e]

Ps: ons bezoek aan Mozambique gaat voorlopig niet door.

Sent with Good (www.good.com)

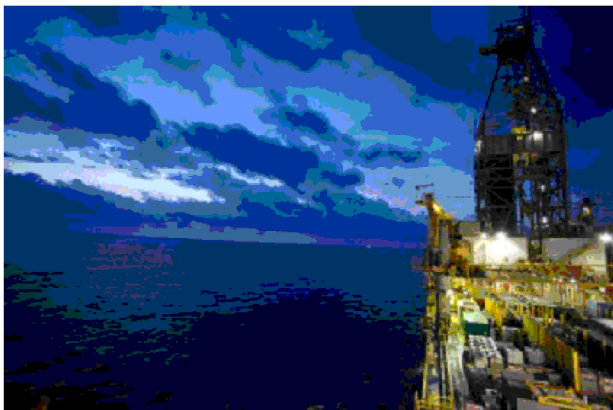
From: [5.1.2.e]
Sent: 23 October 2015 07:34:56
To: [5.1.2.e]
Cc: [5.1.2.e]
Subject: ter info: Anadarko Mozambique

Heren,

Met name de in het laatste stukje genoemde herhuisvesting van 'duizenden' Mozambikanen heeft mijn aandacht voor de milieu- en sociale beoordeling van dit project.

Groet [5.1.2.e]

Anadarko: Mozambique LNG FID depends on government



Woodlands-based Anadarko's final investment decision on its Mozambique LNG project is dependent on the development plan approval by the government.

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In an interview with Reuters, **John Peffer the country manager at Anadarko** said the company is close to submitting its development plan, but the final investment decision hinges on the government's approval of the plan.

Once the plan is submitted the government will have nine months to make its decision which could postpone the development and potentially add costs. However, Peffer added that Anadarko still targets first production by the end of the decade, although industry sources see this as an unrealistic target.

Peffer noted that Anadarko has no plans to sell its Mozambique assets, contrary to some media reports, adding that the company has already made non-binding deals with Asian customers for 8 million tons of LNG per year, which secures 90 percent of the contracts that are needed for the project to move forward.

Anadarko does face another possible issue once the development plans are approved. The company will have to relocate thousands of Mozambicans from the areas where the LNG facilities are to be constructed.

The company is also close to submitting the re-settlement plan to the government, Peffer added

5.1.2e

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Area 1 Mozambique LNG – Project Proposal to Defer Shipping Tender

Executive Summary

The sponsors propose to defer the issuance of the LNG vessel tender until after final investment decision (“FID”) and financial close for the Area 1 Mozambique LNG project (the “Project”). This means that the time charter parties to be entered into by Mozambique LNG1 Company Pte Ltd. as seller under ex-ship LNG SPAs (the “Seller”) would be executed approximately 12 months after FID/financial close. The sponsors propose to defer this process in order to achieve better alignment with the Project schedule and final marketing mix which will serve to reduce uncertainties and mitigate associated risks. The sponsors recognize that this strategy differs from the approach taken on a number of other LNG projects that have been the subject of limited recourse financings. The tender strategy for the Project is driven by a number of key factors that differentiate the Project from other LNG projects, including the following:

- Depending on the final portfolio profile, up to ≈16 LNG vessels of conventional size may be required.
- It is expected that the “Base Committed Quantity” (as defined in the financing term sheet) will be committed under a relatively high number of LNG SPAs (i.e., with smaller average volumes committed under each LNG SPA) with different buyers and a geographic spread of receiving terminals. The Seller will enter into the LNG SPAs at different times leading up to (and possibly after) FID.
- Deliveries of the chartered LNG vessels will be spread over a period of about 12-15 months from ready to lift 1st cargo (RLFC) of the Project’s first LNG train (“Train 1”) to full production from both LNG trains.
- The Project expects a timeframe of 54 months from FID to reach RLFC for Train 1. The Project has 6 months of contingency contemplated in the schedule, such that RLFC may occur between 54 and 60 months from FID.

Under the current Project timing, having the tender complete by FID/financial close would mean firm bids from ship owners 6+ years in advance of Project’s LNG vessel delivery requirements, which introduces unnecessary commercial complexity. By deferring the tender launch to post FID/financial close, there will be several tangible benefits:

- For the Project, the overall shipping requirements for the Project will be better defined, thus, reducing uncertainty:
 - LNG vessel requirements (number, size, etc.) can be tailored to the requirements of the buyer portfolio, including commercial flexibility requirements of LNG buyers (e.g., delivery point, multiple primary receiving terminals, diversions, terminal compatibilities, etc.) to help secure foundation customers of an appropriate financial standing.
 - LNG vessel delivery timing will be based on more mature plant construction and production ramp-up schedules.
 - A clearly defined bulk tender is more efficient and potentially more cost competitive than multiple smaller tenders.
- For the shipyards, there will be less risk in relation to berth allocation, forex, steel costs, and labour costs.
- For ship-owners and their financiers, there will be enhanced certainty in relation to interest rates, forex, inflation, and OPEX estimates.
- Overall, in the absence of significant shipbuilding market changes, tendering for chartered LNG vessels closer to the time they are required may also result in more competitive pricing as the aforementioned uncertainties and perceived risk exposures of yards/owners are reduced.

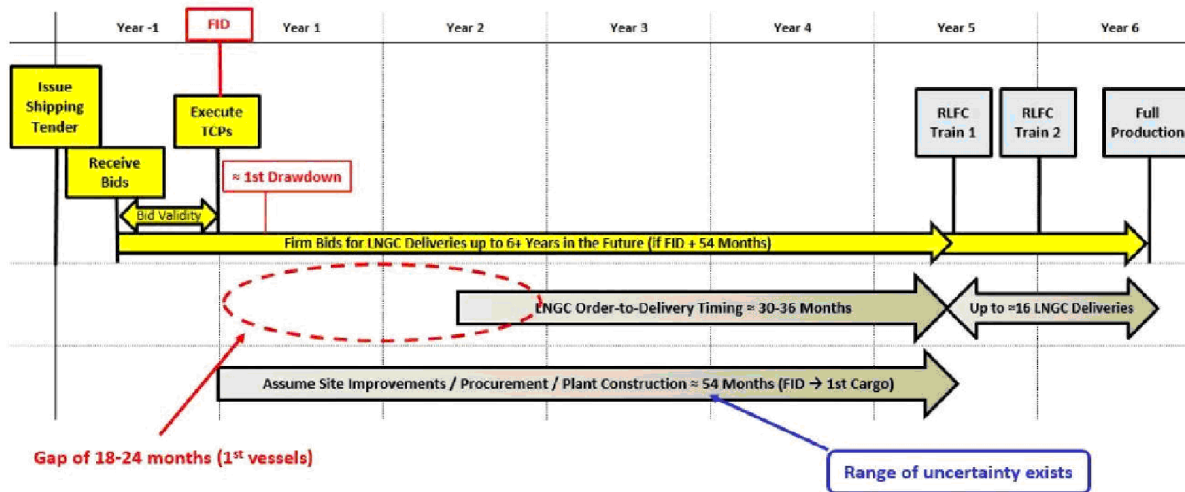
Further, while commencing the tender in the present market and having time charter parties executed at the time of the FID (or financial close) removes “tender risk” from the equation, we believe that, as the current shipbuilding market conditions are not expected to change adversely in the near future, the risk of LNG vessel unavailability due to a delayed (or unsuccessful) tender (i.e., tender risk) is low. In fact, this proposed tender timing aligns favourably with the ongoing depressed shipbuilding market and lack of major projects known to be in a competing position for LNG vessel delivery slots.

Analysis

Following considerable evaluation, the sponsors have reasoned that securing time charter parties by FID exposes the Project to unnecessary uncertainties. Since the tender process will take approximately 12 months to complete, the actual LNG vessel requirements (size, number, delivery timing, etc.) will not be clear when the invitation to tender

(ITT) is issued, and firm bids will be required from owners/yards up to 6+ years in advance of LNG vessel requirements (see below).

Issue Tender for TCP Execution by FID

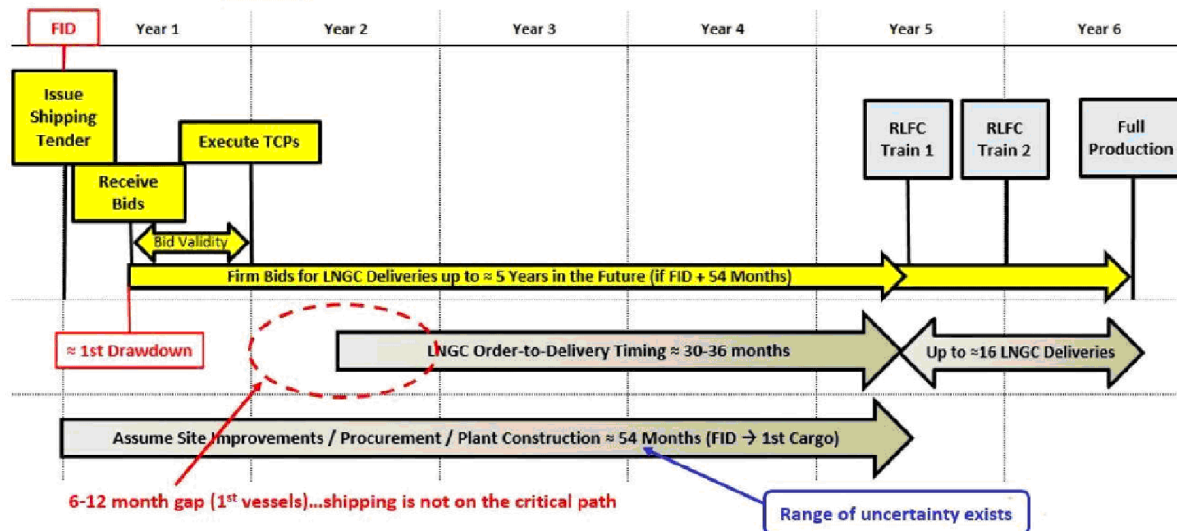


In the backdrop of a depressed shipbuilding market with the most recent LNG vessel new building order concluded in October for a 2019 delivery (along with the lack of known major competing projects for LNG vessel deliveries in the 2022/2023 period), issuing the tender post FID/financial close ensures better alignment with the Project schedule and results in benefits for the Project (without adding significant additional risk for the Lenders):

- Schedule considerations
 - The Project is expected to take 54 months after FID to achieve RLFC for Train 1, which may be up to ≈6 months longer than some other LNG projects due to the resettlement period and site preparation in advance of EPC construction.
 - LNG vessel order-to-delivery can be achieved within 30-36 months.
 - The Project's LNG vessel deliveries for 2 LNG trains will be based on the plant production schedule, which is currently projected to ramp-up to full production over a period of about 12-15 months from RLFC for Train 1.
- Issuing a shipping tender 12 months prior to FID requires owners/yards to submit firm bids up to 6+ years in advance of actual delivery requirements. From shipping industry discussions, firm bids up to:
 - 4 years in advance is "normal";
 - 5 years in advance is "manageable"; and
 - 6+ years in advance is not likely achievable without "additional risk buffer" pricing adjustments:
 - for shipyards in relation to berth allocation, forex, steel costs, and labour costs (due to long lead times); and
 - for ship owners and their financiers in relation to interest rates, forex, inflation, and LNG vessel OPEX estimates.
- Deferring the tender until post FID/financial close does not place shipping on the critical path.
 - A gap of ≈6-12 months would exist prior to the need for the first LNG vessel.
 - There is a low risk of late deliveries due to the conventional LNG vessel design, and Project requirement of experienced shipyards for new-build construction
- Financial uncertainty exists for the major yards due to the downturn in demand across all shipping sectors.
 - The proposal allows additional time to monitor yard restructuring efforts over the coming 12 months.
 - The Project will have a clearer view on the yards that have been able to weather their current financial difficulties.
- Delaying all ship orders until the Project's LNG vessel requirements are finalized will provide the added benefit of a better defined bulk order for all the ships. A staggered tender (i.e., multiple, concurrent tenders) is inefficient and may not provide the most competitive bidding environment/outcome for the Project.
- Over the past few years, the LNG shipping industry has embraced slow speed diesel (SSD) engines as the propulsion system of choice for new-build LNG vessel orders. SSD engines have been a preferred choice

in merchant vessels for years and almost 60 LNG vessel orders have been placed for one of the two dual fuel SSD designs (MEGI or XDF) due to significantly improved fuel consumption efficiency which results in lower shipping costs. Initial deliveries of the new-build LNG vessel dual fuel SSD designs are entering operation in 2016-17, and the deferral of the shipping tender may have the benefit of allowing owners additional time to compare the actual operations of these systems and develop preferences between the two systems, if any, for long-term application in their bid proposals to the Project.

Issue Tender at FID



While the risk of a delay or unsuccessful tender is low, the Project is actively monitoring and assessing potential changes in the market which may affect the supply dynamics of the shipyards, including availability of LNG vessel construction berth positions required, and will be ready to issue the tender prior to FID if warranted by a significant market upturn/change, which, in the view of the Project, might override the benefits of better scheduling alignment.

Items actively monitored by the Project include:

- Worldwide shipyard contracting activity;
- Potential shipbuilding capacity reductions; and
- Competing LNG vessel procurement projects.

Although the Project is not looking to proactively expose itself (or its lenders) to any unnecessary risk of the LNG shipping market, the Project also recognizes that in the unlikely event that a portion of the shipping requirement may not be available due to the delayed commencement of tender, the Project may at such time look to existing tonnage available from the market, which has in parallel with the LNG market evolved into a deeper, more dynamic market, to cover possible mismatches in delivery position availability. In addition, the Project has adopted conservative assumptions in relation to the charter rates taking into consideration a potential increase in market shipbuilding prices, and consequently, time charter rates, as a result of tender issuance delay, which provide significant additional comfort for lenders notwithstanding the low rates that presently prevail in the market.

Regardless of the tender timing, if, for some reason, RLFC for Train 1 is achieved faster than 54 months following FID and/or part (or all) of the required new-build LNG vessel fleet is foreseen to be unavailable, then the Project again retains the ability to pursue an interim solution by chartering existing tonnage as available from the market to cover such shortfall until dedicated LNG vessels are available.

Ultimately, of course, the lenders are protected by the debt service undertaking which the sponsors will provide on a several basis, and the completion conditions which will include a shipping component satisfactory to the ECAs and their advisors. However, the Project will continue to adopt a prudent approach and to the extent there is any significant change in the LNG shipping market, will revisit this set of assumptions if required.

It is in everyone's interest to ensure this component of the value chain is put in place in a timely manner. Given the explanation provided above, the Project would appreciate a formal agreement from the ECAs to defer the securing of the necessary shipping to post-FID/financial close.

To: [5.1.2.e] [5.1.2.e] [5.1.2.e] [5.1.2.e] [5.1.2.e]
Victor: [5.1.2.e] [5.1.2.e] [5.1.2.e]
Cc: [5.1.2.e] [5.1.2.e] [5.1.2.e]
From: [5.1.2.e]
Sent: Tue 7/4/2017 2:39:40 PM
Importance: Normal
Subject: RE: Verslag site visit Mozambique 18 -23 juni 2017.doc
MAIL_RECEIVED: Tue 7/4/2017 2:39:41 PM

....
>>>
Ha die [5.1.2.e],

Op zich heb je gelijk.

Er zitten echter nog een aantal flinke nuances bij dit bezoek die lastig zijn vast te leggen in zo'n verslag.

Ik leg ze graag aan je uit. Dit heb ik gisteren reeds aan [5.1.2.e] gedaan.

Verder hierbij een link naar mijn foto's:

[5.1.2i]

Groet

[5.1.2e]

From: [5.1.2.e]
Sent: dinsdag 4 juli 2017 08:58
To: [5.1.2.e]
Cc: [5.1.2.e]
Subject: RE: Verslag site visit Mozambique 18 -23 juni 2017.doc

Dankjewel [5.1.2.e] Als ik het goed begrijp dan:

1. Wordt er keurig conform standaarden gewerkt.
2. Kan bevolking niet wachten totdat project start
3. Accepteert bevolking resettlement
4. Zijn er geen major material negatieve MVO issues momenteel.

Klopt mijn begrip?

Gr, [5.1.2.e]

From: [5.1.2.e]
Sent: 03 July 2017 15:46:12
To: [5.1.2.e] [5.1.2.e]
Cc: [5.1.2.e]
Subject: Verslag site visit Mozambique 18 -23 juni 2017.doc

Beste mensen,

Hierbij mijn verslag van mijn site visit naar Mozambique.

Bij vragen en/of opmerkingen weten jullie me wel te vinden.

Groet

[5.1.2e]

To: 5.1.2.e; 5.1.2.e [mailto:5.1.2.e@atradius.com]; 5.1.2.e [mailto:5.1.2.e@atradius.com]
Cc: 5.1.2.e; 5.1.2.e [mailto:5.1.2.e@atradius.com]
From: 5.1.2.e
Sent: Tue 11/14/2017 1:03:45 PM
Importance: Normal
Subject: RE: Nieuw reisadvies voor Mozambique
MAIL_RECEIVED: Tue 11/14/2017 1:03:47 PM

.....
"In de omgeving van de stad Mocimboa in de provincie Cabo Delgado zijn in oktober 2017 incidenten geweest tussen gewapende burgers en de politie. Hierbij zijn slachtoffers gevallen."

Dit is de plek waar je op vliegt als je naar de projectsite gaat. Voorlopig geen site visit lijkt mij...

Het project zelf ligt hier 1,5 uur met de auto vandaan.

Ik ga wel informeren bij BuZa indien ze concreter gaan worden over die site visit.

Groet

5.1.2.e

From: 5.1.2.e
Sent: dinsdag 14 november 2017 12:55
To: 5.1.2.e
Cc: 5.1.2.e
Subject: RE: Nieuw reisadvies voor Mozambique

Hoi 5.1.2.e goed punt. Tijdens de NYC meetings (vorige week) werd aangekondigd dat project in Q1 2018 een nieuwe MVO & technical site visit wil aanbieden. Dit veiligheidsaspect moet natuurlijk eerst worden gecheckt.

Met vriendelijke groet,

5.1.2.e

5.1.2.e

Project Finance

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From: 5.1.2.e
Sent: dinsdag 14 november 2017 12:54
To: 5.1.2.e
Cc: 5.1.2.e
Subject: FW: Nieuw reisadvies voor Mozambique

Beste mensen,

Ik ontvang net deze update n.a.v. mijn site visit in juni.

Ons project ligt in Cabo Delgado. Ik het oude advies stond deze niet genoemd.

Wellicht zinnig om te informeren bij Buza wat de aanleiding voor deze aanpassing is.

5.1.2e

----- Doorgestuurd bericht -----

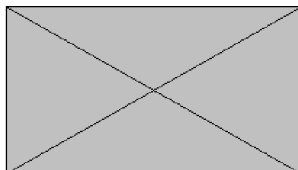
Van: <5.1.2.e@informatieservice.nederlandwereldwijd.nl>

Datum: 14 nov. 2017 12:47

Onderwerp: Nieuw reisadvies voor Mozambique

Aan: <5.1.2.e@informatieservice.nederlandwereldwijd.nl>

Cc:



24/7 BZ Informatieservice

Zojuist is een nieuw reisadvies gepubliceerd voor Mozambique.

☒ [Reisadvies](#)
[Mozambique](#)

Er zijn veiligheidsrisico's voor reizen naar Mozambique. Houd rekening met onvoorspelbare incidenten in het hele land. Vooral in de centrale regio's en in de provincie Cabo Delgado.

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To: [5.1.2.e]@atradius.com]
From: [5.1.2.e]
Sent: Wed 10/10/2018 5:20:31 PM
Importance: Normal
Subject: RE: Moz E&S call
MAIL_RECEIVED: Wed 10/10/2018 5:20:00 PM
[ECAs Presentation ES Subgroup October 10 2018.pdf](#)

.....
Hoi [5.1.2.e] Tijdens de call vandaag is bijgaande ppt doorgelopen. Je vragen heb ik per email laten beantwoorden door [5.1.2.e] Tav site visit. Project wil graag 1^e week december (USEXIM ook) vanwege Thanksgiving, maar ja wij hebben 5 december! ;-) Ik neem aan dat je voorkeur al bekend is bij project (zo niet, dan graag nog even doorgeven) en dat men bij iedereen terugkomt met de datum die voor de meesten schikt. Idee is om tijdens de week van de site visit op maandag te mobiliseren naar project site, dinsdag on site en wodag feedback. Donderdag TS meetings in Joburg en eventueel nog vrijdagochtend. MvGr, [5.1.2.e]

From: [5.1.2.e]
Sent: woensdag 10 oktober 2018 13:37
To: [5.1.2.e]@atradius.com>
Subject: Moz E&S call

Hi [5.1.2.e] ik zit sinds 13u in de call. Mocht jij alsnog inbellen, geef je mij dan een seintje.

Best Regards, Met vriendelijke groet,

[5.1.2.e]

[5.1.2.e]

[5.1.2.e] | Project Finance

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E-mail: [5.1.2.e]@atradius.com | Website: <http://www.atradiusdutchstatebusiness.nl>



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Cc: [5.1.2.e] [5.1.2.e]@atradius.com]; [5.1.2.e] [5.1.2.e]@atradius.com]
From: [5.1.2e]
Sent: Fri 12/7/2018 10:51:31 AM
Importance: Normal
Subject: Verslag site visit Mozambique
MAIL_RECEIVED: Fri 12/7/2018 10:51:33 AM
[Site visit Mozambique.docx](#)

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Beste mensen,

Zoals net besproken stuur ik hierbij mijn snel ik elkaar geknutselde verslag van afgelopen dagen zodat jullie er nog even naar kunnen kijken voor volgende week of hem mee kunnen nemen.

Goede reis, geniet van het mooie weer en ik hoor na volgende week graag hoe het bij jullie was.

groet

[5.1.2e]

To: 5.1.2.e @whitecase.com]; 5.1.2.e @ecic.co.za]; 5.1.2.e @ecic.co.za];
5.1.2.e @sace.it]; 5.1.2.e @standardbank.co.za]; 5.1.2.e
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From: 5.1.2.e
Sent: Wed 1/16/2019 9:03:08 AM
Importance: Normal
Subject: E&S update for Mozambique wanted
MAIL_RECEIVED: Wed 1/16/2019 9:03:09 AM

...
Dear all,

Just sending around a little note to get some update.

- At the end of November we heard the term sheet meeting was postponed to January. At this moment this month is halfway gone and I did not hear anything on a new meeting being scheduled.
- Halfway my trip to Mozambique we received an e-mail for a conf call in the two weeks after the site visit. I gave my availability but never heard about it again.
- As you all will now by now the site visit did not go as planned. And especially ECIC and ADSB put forward that we needed a new possibility for this. Recently I was approached by several tier 2 ECAs on the project and I understood they are planning a site visit at this moment. Would it be an idea to join them so the project does not need to organize a separate visit for us? That will lower the burden on the project I assume.

Can you please update me because my time is filling up very quickly and I would like to plan these important mile stones for this project as soon as possible because my colleagues are approaching the end of their process now.

Kind regards,

5.1.2.e

To: [5.1.2.e]@atradius.com]
Cc: [5.1.2.e]@atradius.com]
From: [5.1.2.e]
Sent: Mon 1/21/2019 10:27:35 PM
Importance: Normal
Subject: 19 01 16 S-RM Report.pdf
MAIL_RECEIVED: Mon 1/21/2019 10:27:00 PM
[19 01 16 S-RM Report.pdf](#)

;
Hoi [5.1.2.e] Zie bijgaand een rapport dat we recent ontvingen tav de veiligheidssituatie rondom het Area1 Anadarko project. Dit ter info. De inhoud is vertrouwelijk en kan, los van naar Staat ihkv de transactie, niet extern worden gebruikt, maar wellicht interessant ivm CAR notitie Mozambique tzt. MvGr, [5.1.2.e]

To: [5.1.2.e]@atradius.com]; [5.1.2.e] [5.1.2.e]@atradius.com]
Cc: [5.1.2.e]@atradius.com]; [5.1.2.e] [5.1.2.e]@atradius.com]; [5.1.2.e]
[5.1.2.e] [5.1.2.e]@atradius.com]
From: [5.1.2e]
Sent: Tue 2/26/2019 12:49:06 PM
Importance: Normal
Subject: Laatste Mozambique ontwikkelingen
MAIL_RECEIVED: Tue 2/26/2019 12:49:08 PM

.....
>>>>

Gunmen kill Anadarko contractor in Mozambique

Anadarko has informed that its contractors working on the Mozambique LNG projects were attacked last week in two separate incidents. One person was killed, six were injured.



The U.S. oil and gas company on Friday said it understood there had been two related attacks that occurred on the road from Mocimboa da Praia to Afungi at approximately 5 p.m. local time (9 a.m. Central) on Feb. 21.

"The attacks occurred approximately 20 kilometers from the construction site. The first involved a convoy where six contract personnel sustained non-life-threatening injuries and were either treated or are receiving treatment, and we have accounted for all personnel. Tragically, the second attack, which involved the firm contracted to construct an airstrip for the project, resulted in one fatality. We express our sincerest condolences and ask that any further inquiries about this second attack be directed to the contractor. [5.1.2e]"

"The safety, security, and well-being of our people is always the top priority, and therefore, the construction site remains on lockdown, and we will not discuss specific security measures. We are still working to gather information and continue to actively monitor the situation. We also remain in close contact with Government authorities to ensure appropriate measures are in place to protect our workforce," Anadarko said, adding it would not comment further until it has a full picture of the tragic events.

Anadarko is developing Mozambique's first onshore LNG facility consisting of two initial LNG trains with a total nameplate capacity of 12.88 MTPA to support the development of the Golfinho/Atum field located entirely within Offshore Area 1.

The company has [recently signed several LNG offtake agreements](#) in preparation for the Final Investment Decision for the project. Reuters has recently reported that the FID for Anadarko's massive offshore natural gas block in Mozambique was expected [to be ready by March or April, citing](#) the chairman of Mozambique's national oil company ENH. According to Reuters, this was the first time any of the seven partners in the block had given a specific timeline regarding an investment plan for the block.

According to the [Financial Times \(paywall\)](#), which cited a Verisk Maplecroft security consultancy, the attack involved 15 gunmen. It is not clear who the gunmen were.

Info on the UK Government's website shows that Foreign and Commonwealth Office (FCO) has advised against all but essential travel to the districts of Nangade, Quissanga, Ibo, Macomia, Mocimboa da Praia and Palma in Cabo Delgado province due to an increase in attacks by groups with links to Islamic extremism.

There has been an increasing intensity of attacks in Cabo Delgado since May 2018, with attacks reported in the districts of Palma, Mocimboa da Praia, Macomia, Nangade, Quissanga, Muidumbe, Meluco, and Ibo. Insurgents have used machetes and firearms to conduct lethal attacks, as well as burning vehicles and homes.

There are reports of an increased security presence in the region, including roadblocks, and there are regular clashes between insurgents, armed vigilante groups and Mozambican security forces.

It is unclear if the last week's attacks will have an impact on the expected Mozambique LNG FID.

Offshore Energy Today Staff

To: [5.1.2.e] [5.1.2.e]@atradius.com]; [5.1.2.e]@atradius.com]
From: [5.1.2e]
Sent: Tue 2/26/2019 1:51:58 PM
Importance: Normal
Subject: Mozambique
MAIL RECEIVED: Tue 2/26/2019 1:52:00 PM
[SPECIAL-REPORT -THE-MILITANT-THREAT-TO-MOZAMBIQUE'S-NATURAL-GAS-SECTOR-.pdf](#)

;
Interessant voor jullie!

Heb het zelf nog niet gelezen.

Groeten,

[5.1.2e]

To: [redacted] 5.1.2.e [redacted]@atradius.com]; [redacted] 5.1.2.e [redacted]@atradius.com]
Cc: [redacted] 5.1.2.e [redacted]@atradius.com]
From: [redacted] 5.1.2.e
Sent: Thur 3/7/2019 12:51:42 PM
Importance: Normal
Subject: Veiligheidssituatie Moz LNG
MAIL_RECEIVED: Thur 3/7/2019 12:51:00 PM
[Moz LNG - ECA Meeting London - Project Updates \(5 March 19\)-final.pdf](#)
[19 03 05 Cabo Delgado Incident Overview.docx](#)
[FW: Fwd: ECA questions](#)

.....
Hoi [redacted] 5.1.2.e en [redacted] 5.1.2.e fyi bijgevoegd deze week in London ontvangen extra updates/info van het Moz LNG project tav de specifieke veiligheidssituatie, incidenten en maatregelen.

Met vriendelijke groet,

[redacted] 5.1.2.e

[redacted] 5.1.2.e

Senior Project Finance Manager | Project Finance

Atradius Dutch State Business N.V.
David Ricardostraat 1, 1066 JS, Amsterdam | P.O. Box 8982, 1006 JD, Amsterdam | Netherlands
Phone: +31 [redacted] 5.1.2.e | Fax: +31 (0)20 [redacted] 5.1.2.e |
E-mail: [redacted] 5.1.2.e [redacted]@atradius.com | Website: <http://www.atradiusdutchstatebusiness.nl>



Atradius Dutch State Business N.V. is de uitvoerder van de faciliteiten voor exportkredietverzekering en investeringsgaranties voor rekening en op naam van de Staat der Nederlanden.

Atradius Dutch State Business N.V. is the Export Credit Agency of the Netherlands.

ATTACHMENT P

ECA FINANCING

SCHEDULES

Schedule P-1 – ECA Financing Requirements

Schedule P-2 – ECA Document Requirements

Schedule P-3 – ECA Content Target Amounts

SCHEDULE P-1

ECA FINANCING REQUIREMENTS

1. **Definitions.** In addition to other defined terms used throughout this Attachment P, when used herein and in the Agreement, including any attachments or schedules listed therein, the following capitalized terms have the meanings specified below. Capitalized terms used but not defined in this Attachment shall have the meanings ascribed to them elsewhere in the Agreement.

“Actual ECA Content Amount” means, with respect to each ECA, the value of Contractor’s completed Work available for financing and/or credit support from such ECA (including Eligible National Content and, if applicable, Eligible Foreign Content and Eligible Local Costs) at any given point in time, and for which Contractor has submitted to Company an invoice and all supporting documentation, certifications and information necessary for Company to obtain support or a disbursement of funds from such ECA, including the representative types of ECA Contractor Qualification Documents and ECA Reimbursement Financing Support Documents set forth in Schedule 2 to this Attachment P.

“ECA Content Target Amount” means, with respect to each ECA, the total Actual ECA Content Amount, as set forth in Schedule 3 to this Attachment P that Contractor commits to achieve by completion of its performance of the Work.

“ECA Content Target Amount Shortfall” means, with respect to any ECA, the difference between: (a) the ECA Content Target Amount; and (b) the Actual ECA Content Amount as of completion of its performance of the Work.

“ECA” means any of the export credit agencies identified in Schedule 3 to this Attachment P, whose participation Company has confirmed in writing pursuant to Article 3 below.

“ECA Contractor Qualification Documents” has the meaning set forth in Schedule 2 to this Attachment P.

“ECA Reimbursement Financing Support Documents” has the meaning set forth in Schedule 2 to this Attachment P.

“Eligible National Content” means, with respect to an ECA, Work that qualifies as “eligible national content” or its equivalent (ECA home country Work) pursuant to the export credit rules and regulations of or other policies and other requirements established by such ECA.

“Eligible Local Costs” means, with respect to an ECA, Work that qualifies as “eligible local costs” or its equivalent (Work performed in host country) pursuant to the export credit rules and regulations of or other policies and other requirements established by such ECA.

“Eligible Foreign Content” means, with respect to an ECA, Work that qualifies as “eligible foreign content” or its equivalent pursuant to the export credit rules and

regulations of or other policies and other requirements established by such ECA. For the avoidance of doubt Eligible Foreign Content excludes Eligible National Content and Eligible Local Costs.

2. Contractor understands that Company is financing certain costs relating to the Agreement with export credit agency financing guarantees, direct loans or insurance.
3. The ECA Content Target Amounts for the ECAs and the countries where the ECA is located or with whose government the ECA is affiliated (each an “*ECA Country*”) are listed in Schedule 3 to this Attachment P.
4. Notwithstanding any other provision in the Agreement to the contrary, if Company issues a Notice to Proceed and confirms to Contractor in writing that an ECA will participate in the Project’s financing, then Contractor shall ensure that, at completion of its performance of the Work, as applicable, the Actual ECA Content Amount with respect to such ECA shall be equal to or greater than the applicable ECA Content Target Amount.
5. Contractor shall (and shall ensure that each Subcontractor shall) promptly do all things necessary to enable Company’s timely utilization of financing and/or credit support from each ECA in amounts equal to or greater than the respective ECA Content Target Amount, including by complying with:
 - (a) the export credit rules and regulations of such ECA (as such rules and regulations may be amended, modified or replaced from time to time);
 - (b) all invoicing and other documentary and compliance procedures that are necessary to assure eligibility for such financing and/or credit support;
 - (c) the respective terms of any sourcing certifications or agreements entered into between (i) Contractor and/or Subcontractors, and (ii) such ECA (copies of which undertakings shall be provided by Contractor to Company); and
 - (d) all obligations set forth in this Attachment P and any of its Schedules.
6. Contractor shall also be responsible for providing to Company an Actual ECA Content Amount update in its monthly progress report that shall include:
 - (a) an update of the Actual ECA Content Amount with respect to each ECA as of the date of the monthly progress report;
 - (b) a detailed breakdown of all of Contractor’s Subcontracts (including purchase orders) per country of origin of ECA finance as indicated in Schedule P-3, including the aggregate Actual ECA Content Amount from each such country, the name and nationality of the Subcontractors associated with such Subcontracts and a general description of the Equipment and/or services that are eligible for financing for each ECA, and other pertinent information reasonably requested by Company with respect to Contractor’s purchase orders and Subcontracts;

- (c) the estimated Actual ECA Content Amount with respect to each ECA as of completion of the Work; and
 - (d) the amount of any expected ECA Content Target Amount Shortfall.
7. If Company experiences a reduction in available financing and/or credit support from an ECA caused by an ECA Content Target Amount Shortfall, then Contractor shall pay to Company fifteen percent (15%) of the respective ECA Content Target Amount Shortfall as liquidated damages for Contractor's breach of the obligations set forth in this Attachment ("**ECA Liquidated Damages**"). ECA Liquidated Damages shall be assessed based on the combined ECA Content Target Shortfall for an ECA under both Contracts. Consequently if the Actual ECA Content Amount under the Shared and Support Facilities EPC Contract for an ECA exceeds the ECA Content Target Amount of such ECA under the Shared and Support Facilities EPC Contract by an amount equal to or greater than the ECA Content Target Amount Shortfall for such ECA under this Agreement, no ECA Liquidated Damages shall be assessed for the ECA Content Target Amount Shortfall for such ECA under the Agreement. Company may, in its sole discretion (acting reasonably), consider waiving ECA Liquidated Damages that are solely the result of a Subcontractor becoming insolvent or bankrupt, provided that i) Contractor can prove that it had undertaken thorough and proper due diligence to evaluate the financial capacity and stability of such Subcontractor prior to selecting them and ii) Contractor has exhausted all efforts to fill such ECA Content Target Amount Shortfall.
8. If Company makes a change to Schedule 3 of this Attachment P, Contractor shall be entitled to request a Change Order pursuant to Article 6 of the Agreement.
9. Contractor shall nominate a representative (an "**ECA Coordinator**") who will be Company's primary point of contact with Contractor for all ECA-related issues, including providing Company with all documents and information required under this Attachment P. Notification of a change in the ECA Coordinator will be provided in advance, in writing, to Company.
10. Contractor's ECA Coordinator shall deliver to Company copies of all documents and information that Contractor is obligated to provide to Company under this Attachment P.

SCHEDULE P -2

ECA DOCUMENTATION REQUIREMENTS

See attached.

SCHEDULE P -3

ECA CONTENT TARGET AMOUNTS

See attached.

SCHEDULE P-2

ECA DOCUMENTATION REQUIREMENTS

GENERAL ECA REQUIREMENTS

- For all ECAs, Contractor must provide the following representative types of documentation to Company to qualify that its Work will constitute eligible Work (“*ECA Contractor Qualification Documents*”) promptly after receipt of the Notice to Proceed:
 - Original signed content origin confirmation by country and other certifications or agreements.
 - Original signed Anti-Bribery/Anti-Lobbying certification.
 - If available and applicable, any Subcontracts or purchase orders with eligible suppliers.
- For all ECAs, Contractor must provide to Company the following representative types of documentation or certifications supplied by Contractor or a Subcontractor (as the case may be) in the ECA Country in order to assist Company in obtaining support or a disbursement of funds from such ECA for reimbursement of Company’s payment for such eligible Work (“*ECA Reimbursement Financing Support Documents*”) within fifteen (15) business days after receipt of payment from Company:
 - If Contractor’s scope includes shipping, copies of transport Bills of Lading for all eligible Equipment exported from eligible countries to Mozambique
 - Contract or purchase order (with amendments) with eligible supplier
 - Confirmation of payment by invoice(s)
 - Confirmation of authorized signatory
 - Invoices and invoice summary
 - Such other documents, statements, certificates, information and evidence as the ECA or their agent bank may from time to time reasonably request

ECIC (SOUTH AFRICA) REQUIREMENTS

- For the ECIC facility, Contractor must provide the following ECA Contractor Qualification Documents promptly after receipt of the Notice to Proceed:
 - Exporter’s undertaking agreement, including documents required therein
 - Written proof to the reasonable satisfaction of the ECIC that goods and services supplied in terms of the Contract shall have either a South African content or a cumulative South African and African content of not less than 70% (seventy percent) of the total value of the insured debt
 - All such other relevant documents as ECIC may require in its reasonable discretion
- For the ECIC facility, Contractor must provide to Company the following ECA Reimbursement Financing Support Documents within fifteen (15) business days after receipt of payment from Company:

- Copies of commercial invoices of the Republic of South Africa (“**RSA**”) exporter evidencing the amount invoiced by the RSA exporter in respect of the relevant eligible goods and services
- Invoices and/or relevant bills of lading (if applicable) for the goods being delivered or progress certificate or Contractor's invoice detailing the value of the Works completed in the context of rendering the relevant services
- Exporter's declaration signed by at least two (2) directors or authorized officers of the RSA exporter (as the case may be)
- Acceptance certificates from the borrower acknowledging the receipt of the relevant eligible goods and services
- RSA exporter's directors' resolutions authorizing selected directors to provide the necessary export documentation and execute the exporter's declaration
- RSA exporter affidavit
- South African content certificate
- Proof of payment by the borrower to the RSA exporter of the invoiced amount
- Individual South African content summary sheets detailing certified South African content in respect of each individual invoice issued for eligible goods and services
- Total South African content summary sheet detailing certified South African content in respect of all invoices issued for eligible goods and services up to the date of such total South African content summary sheet
- The most recent quarterly audit certificates of the RSA exporter from a South African auditor approved by ECIC or the most recent quarterly director's certificate of the RSA exporter on a quarterly basis
- All such other relevant documents as ECIC or its agent may require in its reasonable discretion from time to time.

ATRADIUS REQUIREMENTS

- For the Atradius facility, Contractor must provide the following ECA Contractor Qualification Documents promptly after receipt of the Notice to Proceed:
 - Form of certificate of authority and incumbency for Contractor
 - Business registration of Contractor joint venture parties
 - Exporter application, if applicable
 - Signature authorization
 - All such other relevant documents as Atradius may require in its reasonable discretion
- For the Atradius facility, Contractor must provide to Company any other documents, statements, certificates, information and evidence as Atradius or its agent may from time to time reasonably request.

UKEF REQUIREMENTS

- For the UKEF facility, Contractor must provide the following ECA Contractor Qualification Documents promptly after receipt of the Notice to Proceed:

- Form of certificate of authority and incumbency for Contractor
 - Business registration of Contractor joint venture parties
 - Business registration of Contractor UK Procurement Entity
 - Form of certificate of authority and incumbency for Contractor UK Procurement Entity
 - UKEF exporter agreement
 - Master purchase agreement between Contractor and Contractor UK Procurement Entity
 - Signature authorization
 - Exporter application, if applicable
 - All such other relevant documents as UKEF may require in its reasonable discretion
- For the UKEF facility, Contractor must provide to Company the following ECA Reimbursement Financing Support Documents within fifteen (15) business days after receipt of payment from Company:
 - Exporter certificate / Payment request
 - Invoice from Contractor UK Procurement Entity to Contractor with description of goods or services
 - Bank Statement of Contractor UK Procurement Entity for receipt of payment from Contractor
 - Invoices from vendors and Subcontractors to Contractor UK Procurement Entity
 - Such other documents, statements, certificates, information and evidence as UKEF or its agent may from time to time reasonably request

SACE REQUIREMENTS

- For the SACE facility, Contractor must provide the following ECA Contractor Qualification Documents promptly after receipt of the Notice to Proceed:
 - Form of certificate of authority and incumbency for Contractor
 - Business registration of Contractor joint venture parties
 - Business registration of Contractor Italian Procurement Entity
 - Form of certificate of authority and incumbency for Contractor Italian Procurement Entity
 - SIMEST Allegato No. 3 or current equivalent document
 - Informazione Antimafia by Contractor Italian Procurement Entity
 - Accordo di Manleva e Garanzia (Guarantee and Indemnity Agreement)
 - Master purchase agreement between Contractor and Contractor Italian Procurement Entity
 - Exporter application, if applicable
 - All such other relevant documents as SACE may require in its reasonable discretion

*Mozambique LNG Facility EPC
Schedule P-2, ECA Documentation Requirements
May 08, 2019*

- For the SACE facility, Contractor must provide to Company the following ECA Reimbursement Financing Support Documents within fifteen (15) business days after receipt of payment from Company:
 - Exporter certificate
 - Invoice from Contractor Italian Procurement Entity to Contractor
 - Bank statement of Contractor Italian Procurement Entity for receipt of payment from Contractor
 - SIMEST Allegato No. 2 or current equivalent document
 - Such other documents, statements, certificates, information and evidence as SACE or its agent may from time to time reasonably request

U.S. EXIM BANK REQUIREMENTS

- For the U.S. EXIM Bank, Contractor must provide the following ECA Contractor Qualification Documents promptly after receipt of the Notice to Proceed:
 - Exporter's certificate
 - Anti-Lobbying certificate
 - Consolidator authorization
- For the U.S. EXIM Bank, Contractor must provide to Company the following ECA Reimbursement Financing Support Documents within fifteen (15) business days after receipt of payment from Company:
 - Confirmation of payment
 - Invoice(s)
 - If Contractor's scope includes shipping, copies of ocean and airway bills of lading for all eligible Equipment exported from the United States. Any ocean bills of lading must evidence shipment on a US-flag carrier or be accompanied with a MARAD waiver
 - Certifications that Contractor and/or each eligible Subcontractor are not excluded from participating in U.S. EXIM transaction
 - Such other documents, statements, certificates, information and evidence as U.S. EXIM Bank or their agent bank may from time to time reasonably request

SCHEDULE P -3
ECA CONTENT TARGET AMOUNTS

Export Credit Agencies	Eligible National Content	Eligible Foreign Content	Eligible Local Costs	ECA Content Target Amount
ECIC (South Africa)	\$690,000,000	\$350,000,000	\$100,000,000	\$1,140,000,000
SACE (Italy)	\$740,000,000	nil	nil	\$740,000,000
ATRADIUS (Netherlands)	\$20,000,000	nil	\$6,000,000	\$26,000,000
UKEF (United Kingdom)	\$178,000,000	\$212,000,000	nil	\$390,000,000
EXIM (USA)	150,000,000	nil	nil	150,000,000
TOTAL:	\$1,778,000,000	\$562,000,000	\$106,000,000	\$2,446,000,000
Contractor will use its reasonable endeavors to achieve the ECA Content Target amounts for EXIM (US) as set out below.				
EXIM (USA)	\$240,800,000	\$111,400,000	\$52,800,000	\$405,000,000

To: [5.1.2.e]@atradius.com]
Cc: [5.1.2.e]@atradius.com]
From: [5.1.2.e]
Sent: Thur 3/21/2019 3:04:07 PM
Importance: Normal
Subject: Anadarko -- milieu issues
MAIL_RECEIVED: Thur 3/21/2019 3:04:00 PM
[LX Anadarko.pdf](#)

.....
Hoi [5.1.2.e] Zie bijgaand. [5.1.2.e] heeft in het kader van compliance een check gedaan op alle sponsors van het Moz LNG project en kwam in het LexisNexis rapportje van Anadarko wat meldingen tegen tav milieu issues. Zie bijgaand fyi.

Met vriendelijke groet,

[5.1.2.e]

[5.1.2.e]

Atradius Dutch State Business N.V.
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Atradius Dutch State Business N.V. is the Export Credit Agency of the Netherlands.

To: 5.1.2.e [5.1.2.e]@atradius.com]
From: 5.1.2e
Sent: Thur 5/16/2019 3:12:25 PM
Importance: Normal
Subject: CAR-analyse Mozambique
MAIL_RECEIVED: Thur 5/16/2019 3:12:28 PM
[1905car-Mozambique.pdf](#)

;
Hi 5.1.2.e,

Bij deze mijn CAR-analyse over het mooie Mozambique.

Veel leesplezier!

Groeten,

5.1.2e

Ministerie van Financiën
Directie BFB
Afdeling EKI
t.a.v.
Postbus 20201
2500 EE DEN HAAG

Behandeld door
Telefoon
E-mail @atradius.com

Datum 14 mei 2019

Uw referentie
Onze AZ
referentie

Betreft **Landenbeleid Mozambique**

Aanleiding tot bespreking

Mozambique staat op de agenda vanwege verwachte grote projectfinancieringsaanvragen. Afgestemd is om de risico's en kwetsbaarheden van het land in kaart te brengen. Het landenbeleid is sinds 2016 "dekking bij uitzondering". Aanleiding hiervoor was de bekendwording van de verborgen schulden.

Afspraken startgesprek

Afgesproken is om een standaardanalyse te maken met extra aandacht voor de risico's die relevant zijn voor de PF transacties. Dit zijn de overheidsfinanciën (in het bijzonder de schuldenpositie), de externe financiën en de politieke/veiligheidsrisico's. Met betrekking tot laatstgenoemde betreft het specifiek de veiligheidssituatie in het Noordoosten van het land en de verkiezingen. Daarnaast wordt uitgezocht wat de kapitaal/valutarestricties zijn.

Huidig landenbeleid	Advies
Dekking bij uitzondering	Dekking bij uitzondering
Signaleringsplafond EUR 225 miljoen	Signaleringsplafond EUR 225 miljoen
Landenplafond EUR 300 miljoen	Landenplafond EUR 300 miljoen
Landenklasse 7	Landenklasse 7

Risicoprofiel

Sterktes	Zwaktes
Omvangrijke gasreserves Forse buitenlandse investeringen in het vooruitzicht Enorm landbouwpotentieel	Overheid in default Zwakke instituten, wijdverspreide corruptie Hoge externe financieringsbehoefte Kwetsbaar voor klimaatverandering

Achtergrond

Van "donor darling" en rijzende ster in Afrika naar een crisissituatie. Hoe kon het land zo van zijn voetstuk vallen? In 2016 kwam abrupt een eind aan het succesverhaal van Mozambique met het ontdekken van de verborgen schulden. Het IMF beëindigde het programma en donoren schortten hun budgettaire steun op. Vervolgens kwam het land in een economische crisis terecht en was de overheid niet meer in staat aan haar commerciële betalingsverplichtingen te voldoen. In februari 2017 miste de overheid een rentebetaling op de Eurobond en raakte in default.

De bekendwording van de leningen bracht een omvangrijk corruptieschandaal aan het licht. Momenteel lopen er rechtszaken en staat de legitimiteit van de leningen ter discussie. Wat zijn deze leningen nu precies?

In periode 2013 tot en met 2016 werden drie staatsondernemingen opgericht die in totaal USD 2 miljard aan leningen aangingen. Deze staatsondernemingen zijn ProIndicus, een veiligheidsbedrijf dat de kust moest beveiligen, Mozambique Asset Management Company (MAM) dat schepen zou gaan bouwen en Ematum dat een tonijnvisserijvloot zou opzetten. De leningen werden door de Russische bank VTB en Credit Suisse verstrekt en de overheid gaf garanties af voor deze leningen. ProIndicus leende USD 622 miljoen, MAM USD 535 miljoen en Ematum USD 850 miljoen. Alleen laatstgenoemde lening was bekend bij het publiek (ook bij het IMF). In April 2016 werd deze lening omgezet in een Eurobond (USD 727 miljoen).

Het is de legitimiteit van de leningen aan ProIndicus en MAM die nu ter discussie staat. De binnenlandse accountants hebben de garanties als illegaal bestempeld, maar ook uit onafhankelijk internationaal onderzoek komt naar voren dat de leningen onder dubieuze omstandigheden zijn verstrekt en dat bovendien onbekend is waar een groot deel van de leningen is gebleven.

Rechtszaken lopen in New York, waar diverse personen zijn aangeklaagd en in Londen waar de Mozambikaanse overheid Credit Suisse aanklaagt vanwege de betrokkenheid bij de ProIndicus financiering.

Het is van cruciaal belang dat Mozambique bovenstaande problemen oplost. Het land heeft namelijk externe financiering nodig om zijn aandeel in de gasprojecten te financieren. Hiervoor wil het staatsoliebedrijf EHN leningen aangaan. Er zijn geruchten

dat EHN dit door middel van de uitgifte van Eurobonds (gegarandeerd door de overheid) wil doen. Investeerders zijn echter terughoudend en totdat bovenstaande problemen zijn opgelost zal externe financiering moeilijk op gang komen. Niet onbelangrijk is dat de overheid de problemen rondom governance en transparantie moet aanpakken. Om het vertrouwen van internationale investeerders terug te winnen en om weer toegang tot de internationale kapitaalmarkt te krijgen, is vooral een deal met de obligatiehouders noodzakelijk. In november 2018 is met vier investeerders (60% van de obligaties) in principe een overeenkomst over herstructurering van de Eurobond overeengekomen. Een definitief akkoord wordt verwacht als 75% van de obligatiehouders en het Mozambikaanse parlement akkoord is met de deal.

Samenvatting

De omvangrijke gasreserves bieden het land een enorme (en in wezen de enige) kans om uit de financiële problemen te komen en de welvaart te verhogen. Hoewel het land momenteel nog in default is, beoordeelt het IMF de schuld op de lange termijn houdbaar. Het veronderstelt hierbij dat de schulden zullen worden geherstructureerd, de overheid fiscale consolidatie voortzet en dat de gasopbrengsten vanaf 2023 binnenstromen. Risico's voor de schuldhoudbaarheid vormen een forse depreciatie van de metalica vanwege het hoge aandeel buitenlandse schuld en een exportschok door de afhankelijkheid van grondstoffen. Ook een uitstel van de gasprojecten vormt een risico. Daarnaast is politieke instabiliteit een risico. De situatie is momenteel relatief stabiel, maar later dit jaar staan er verkiezingen op de agenda. In de aanloop naar en na de verkiezingen kunnen de spanningen tussen de regeringspartij Frelimo en Renamo weer opblazen. Evenwel wordt niet verwacht dat dit tot een wijdverspreide instabiliteit zal leiden. Daarnaast is toenemende onvrede over de wijdverspreide corruptie en armoede een risico voor de politieke stabiliteit. De onvrede kan verder worden aangewakkerd door de humanitaire crisis die de twee orkanen dit jaar veroorzaakten. Met name in het Noorden van het land, waar al sprake is van een zwakke veiligheidssituatie, kunnen de gevolgen van de tweede orkaan de situatie verder verslechteren. Niettemin wordt verwacht dat de militante groepering die hier actief is niet de ontwikkeling van de gasprojecten in gevaar kan brengen. Verschillende bronnen geven daarvoor als reden dat deze groepering daarvoor de capaciteit mist. De economie wordt dit en volgend jaar hard geraakt door de gevolgen van de orkanen. Om de impact op het overheidsbudget en de betalingsbalans te mitigeren, ontvangt het land noodsteun van het IMF. Overige multilaterale instellingen en bilaterale crediteuren zullen volgen. Op de middellange termijn zien de economische vooruitzichten er gunstig uit. Vanaf 2023 zullen de inkomende gasopbrengsten de economie een enorme impuls geven.

Advies

Gezien de huidige zwakke situatie en het feit dat de overheid nog in default is stelt Atradius voor vooralsnog het huidige landenbeleid te handhaven.

1. Politieke situatie

De politiek staat dit jaar in het teken van de verkiezingen. In oktober staan deze gepland, maar nu het land zo hard is geraakt door de orkanen is het de vraag of deze niet worden uitgesteld. Prioriteit van de overheid ligt momenteel bij het bieden van humanitaire hulp en wederopbouw. Hiervoor is het afhankelijk van externe financiering, omdat het zelf de noodzakelijke gelden ontbeert. In april is met het IMF een zogenaamde Rapid Credit Facility overeengekomen. Ook overige donoren zullen noodhulp bieden.

- De politieke situatie is momenteel op zich relatief stabiel. Weliswaar zijn er spanningen tussen regeringspartij Frelimo en de oppositiepartij Renamo, maar lijken deze niet tot een algehele instabiliteit in het land te leiden. De spanningen tussen beide partijen gaan terug tot de onafhankelijkheid in 1975. Het voorheen marxistisch georiënteerd Frelimo en de verzetsbeweging Renamo stonden tijdens de burgeroorlog tegenover elkaar. Na de beëindiging van de burgeroorlog in 1992 kwam Frelimo aan de macht en werd Renamo een politieke partij. In de loop der jaren was er regelmatig een opleving van gewelddadigheden. Meest recent betrof dit de periode 2013-2016 toen het regeringsleger een Renamo-basis in centraal Mozambique innam en Renamo het vredesakkoord kortstondig beëindigde. Hoewel momenteel het vredesakkoord intact is, leidt de trage uitvoering van de afgesproken maatregelen tot aanhoudende fricties tussen deze twee partijen.
- De belangrijkste maatregelen die nog moeten worden doorgevoerd zijn de volledige ontwapening van Renamo, decentralisatie van de macht naar provincies en de integratie van strijders naar senior posities bij de veiligheidsdiensten. Hoewel er met de twee laatstgenoemde maatregelen enige progressie wordt gemaakt, zijn nog een paar belangrijke hobbels te nemen. Met betrekking tot de ontwapening wordt verwacht dat hier pas daadwerkelijk voortgang wordt geboekt als de laatste twee zijn ingestemd. Het wantrouwen van Renamo ten aanzien van de regering is namelijk hoog. Dit wantrouwen werd versterkt door de mogelijk frauduleuze lokale verkiezingen in oktober 2018.
- Het is de verwachting dat spanningen tussen beide partijen zullen toenemen in de aanloop naar de verkiezingen later dit jaar. In oktober dit jaar staan de presidents- en parlementsverkiezingen op de agenda. De verkiezingsstrijd zal gaan tussen de regeringspartij Frelimo met president Felipe Nyuse als kandidaat en de oppositiepartij Renamo met Ossufo Momade. President Nyuse gaat voor een tweede termijn en is sinds 2015 aan de macht. De regeringspartij Frelimo is sinds 1992 onafgebroken aan de macht.
- Het is het meest waarschijnlijk dat Frelimo de verkiezingen zal winnen, omdat het al jarenlang aan de macht is en de beste toegang tot gelden en de media heeft. Er bestaat een risico dat Renamo de verkiezingsuitslag niet zal accepteren, waardoor de onrust kan oplaaien. Het wordt evenwel niet verwacht dat dit tot wijdverspreide instabiliteit zal leiden.
- Naast de spanningen tussen de politieke partijen vormt onvrede onder de bevolking in de aanloop naar en na de verkiezingen een risico op sociale onrust

en protesten. Er is veel onvrede onder de bevolking over de huidige regering. Jarenlange hoge economische groeicijfers hebben niet alle lagen van de bevolking bereikt. Het land is één van de armste landen ter wereld, de werkloosheid (25%), vooral jeugdwerkloosheid (42%), is hoog en de basisvoorzieningen zijn over het algemeen zwak. Het land kent een hoge bevolkingsgroei (2,5%) en heeft een erg jonge populatie (< 24 jaar: 66%).

- Bovenstaande komt duidelijk naar voren in onder andere de lage score op de Human Development Index in onderstaande tabel. Mozambique scoort vrij zwak op alle indicatoren in deze tabel.

	OECD Country class	Human Development Index (2017) (out of 188)	Global Competitiveness Index (2018) (out of 140)	Ease of Doing Business (2019) (out of 189)	Government effectiveness (2017) (out of 206)	Corruption Perception Index (2018) (out of 180)	Index of Economic Freedom (2019) (out of 179)
Mozambique	7	179	133 ▼	135 ▲	169 ▼	158 ▼	162 ▲
Median class 7	7	155	125	153	167	128	143
Zambia	6	143 ▼	118 ▼	87 ▼	147 ▲	105 ▼	136 ▼
Madagascar	7	160 ▼	-	161 ▲	182 ▲	152 ▲	114 ▲
Malawi	7	170	129	111 ▼	156 ▲	120 ▲	152 ▼
Zimbabwe	7	155	128 ▼	155 ▲	183 ▲	160 ▼	174

Sources: Atradius, UNDP, World Bank, Transparency International, The Heritage Foundation

- Onvrede is er ook over de wijdverspreide corruptie en vooral over het omvangrijke corruptieschandaal in 2016 dat het land in een economische crisis stortte. Inmiddels worden hooggeplaatste ambtenaren aangeklaagd, waaronder de voormalige gouverneur van de centrale bank.
- De humanitaire ramp die de twee orkanen aanrichtte en het (financieel) onvermogen van de overheid om hulp te verlenen en de wederopbouw te faciliteren, kunnen deze onvrede nog verder aanwakkeren.
- **Mozambique werd in korte tijd door twee zware orkanen getroffen.** In maart kwam orkaan Idai in centraal Mozambique aan land en vervolgens raasde orkaan Kenneth in het Noorden over land. In beide gebieden richtten de orkanen veel schade aan en kwamen veel mensen om het leven. Infrastructuur is vernietigd, door de overstromingen zijn oogsten mislukt en door de slechte basisvoorzieningen verspreiden ziektes als cholera en malaria zich. De hulpverlening komt maar mondjesmaat op gang. Het ontbreekt de overheid zelf aan gelden om hulp te bieden, waardoor het afhankelijk is van externe financiering. Deze financiering komt zo langzamerhand op gang. Multilaterale instellingen als het IMF en de Wereldbank bieden noodhulp en ook bilaterale crediteuren zullen volgen. Het IMF heeft een Rapid Emergency Credit Facility met een omvang van USD 118,2 miljoen afgesloten. Deze faciliteit biedt financiële assistentie naar aanleiding van exogene schokken. Er zijn geen vereisten en er wordt op korte termijn uitgekeerd.
- Nu de oogsten zijn mislukt en er weinig perspectief is dat de tweede oogst op tijd kan plaatsvinden, dreigt er een hongersnood. Landbouw is vooral geconcentreerd in het Noorden van het land, in de provincie Cabo Delgado. Dit is bovendien het gebied waar de omvangrijke gasvoorraden zich offshore

bevinden. Het is de regio met de meeste armoede en waar al sprake is van een zwakke (en verslechterende) veiligheidssituatie. Gedwongen verplaatsingen van boeren en het verlies van hun inkomstenbron voor vissers door de ontwikkeling van de gasvelden hebben de onvrede in de afgelopen jaren verder aangewakkerd. De impact van orkaan Kenneth kan vooral in deze regio tot meer onrust en geweld leiden. Hoewel de olie/gasmaatschappijen die betrokken zijn bij de gasprojecten hebben gedoneerd om de negatieve impact van de orkaan enigszins te mitigeren, zal dit geen structurele oplossing bieden voor de onvrede in deze regio.

- Er was al sprake van een verslechterende situatie in deze regio door de aanwezigheid van de islamitische groepering Ahlu Sunnah WaJama (ASWJ). Deze is sinds eind 2017 actief, vooral in de districten Macomia, Mocimboa da Praia en Palma. In toenemende mate worden aanhangers uit het buitenland aangetrokken, voornamelijk uit Tanzania en Somalië. Hoewel aanvallen vooral worden gepleegd op burgers en veiligheidsdiensten was er zeer recent een aanval op werknemers van Andarko, nabij de bouwlocatie. Door verschillende bronnen wordt niet verwacht dat de zwakke veiligheidssituatie de ontwikkeling en exploitatie van de gasprojecten in gevaar zal brengen. De militante groepering mist daarvoor de capaciteit. Bovendien wordt de groepering hard aangepakt. Begin april dit jaar was het leger succesvol toen het een rebellenbasis in Macomia binnenviel. Daarnaast wordt de aanwezigheid van het Mozambikaanse leger flink opgeschroefd en wordt gebruik gemaakt van particuliere beveiligingsdiensten.
- Buitenlandse zaken geeft aan alleen als het noodzakelijk is af te reizen naar de districten Palma, Mocimboa da Praia, Nangade, Macomia en Quissanga in het noordoosten van de provincie Cabo Delgado.
- Bovenstaande maakt duidelijk dat het voor het land van belang is dat de toekomstige gasinkomsten de welvaart zal verhogen. Dit gaat niet alleen op voor de regio die direct geraakt wordt door de gasprojecten, maar voor het gehele land.

Internationale relaties

- Door het corruptieschandaal in 2016 zijn de relaties met multilaterale instellingen en donoren verslechterd. Het IMF-programma werd stopgezet en veel bilaterale donoren schortten hun budgettaire steun op. Belangrijkste crediteuren zijn Brazilië, India en China. Eerstgenoemde is terughoudend door de betalingsachterstanden en zowel India als China heeft schulden kwijtgescholden en geherstructureerd.
- Relaties met de buurlanden, vooral met Zuid-Afrika, zijn goed. Na India is Zuid-Afrika de belangrijkste handelspartner. Met de ontwikkeling van de gasreserves kan Mozambique een belangrijke rol spelen in de toekomstige energievoorziening van Zuid-Afrika.

2. Economische situatie

De economie is hard geraakt door de twee orkanen. Om de impact op het overheidsbudget en de betalingsbalans te mitigeren, ontvangt het land financiële assistentie van het IMF. Overige multilaterale instellingen en bilaterale crediteuren zullen volgen.

Economische structuur

- Mozambique is een laag-inkomensland en kent een hoge inkomensongelijkheid. Landbouw maakt 24% uit van het bbp, de industrie 28% en de dienstensector 52%. Landbouw is vooral van belang voor de economie aangezien maar liefst 80% van de bevolking hierin werkzaam is. Het merendeel van de landbouw is voor eigen gebruik. Het land heeft evenwel een enorm landbouwpotentieel. Opvallend is de hoge bijdrage van de dienstensector (vooral handel en transport) dat toe te schrijven is aan de rol als doorvoerland. Belangrijkste exportproducten zijn steenkool (42%), aluminium (23%) en elektriciteit (5%). Mozambique heeft één van de grootste waterkrachtcentrales op het continent. Het levert elektriciteit aan de buurlanden, voornamelijk Zuid-Afrika. Vanwege de afhankelijkheid van landbouw voor de economie en grondstoffen voor de exporten is het land kwetsbaar voor veranderingen in weersomstandigheden en grondstoffenprijzen. Het land is bijzonder kwetsbaar voor de gevolgen van klimaatverandering. De orkanen eerder dit jaar maakten dit pijnlijk zichtbaar.
- **Gasreserves bieden een uitweg.** De ontwikkeling van de enorme gasreserves biedt het land een enorme kans om de welvaart te verhogen. In de komende jaren wordt dan ook rekening gehouden met een oplopende economische groei. In eerste instantie zullen de investeringen de groei opwaarts stuw, waarna vervolgens de gasexporten sterk zullen stijgen. De verwachting is dat vanaf 2023 de gasexporten op gang zullen komen. Het IMF verwacht dat in 2023 de productie in Area 4 zal aanvangen en in 2024 in Area 1.
- Mozambique heeft bewezen gasreserves van ongeveer 2832 bcm en vanaf de start van de exporten zal het één van de grootste LNG-exporteurs ter wereld worden.
- **De twee orkanen hebben vooral dit en volgend jaar een enorme impact op de economie.** Dit jaar houdt de EIU rekening met een krimp van 2%, waarna in 2020 een economische groei van 3% wordt opgetekend. Door de verwachte stijging van de voedselprijzen neemt de inflatie toe van 3,9% in 2018 naar 8,1% in 2019 en blijft ook in 2020 nog hoog. Vervolgens zal de inflatie geleidelijk dalen door een herstel in de landbouwsector. De wederopbouw zal langzaam op gang komen, waardoor pas in 2021 de groei flink zal aantrekken (5,6%). In de komende jaren zullen vooral investeringen de groei ondersteunen. Met het op gang komen van de gasexporten in 2023 zal de gassector een forse impuls geven aan de economie.
- In het meest recente rapport van het IMF, de RCF van april 2019, gaat het IMF uit van een groeivertraging tot 1,8% dit jaar. In dit rapport houdt het alleen rekening met de gevolgen van de eerste orkaan. Door de impact van de tweede orkaan zal de groei hoogstwaarschijnlijk lager uitvallen dan waar het IMF

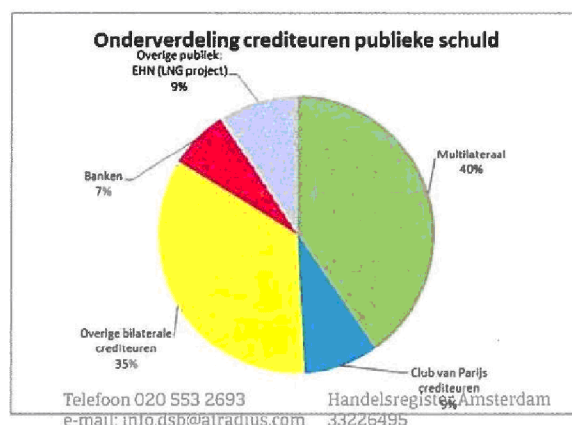
momenteel vanuit gaat. In het rapport voorziet het IMF volgend jaar een economisch herstel (6%). Na een terugval in 2021 en 2022 (beide 4%) zal in 2023 de groei aantrekken tot 9,2%.

Overheidsfinanciën

De overheid is in default en onderhandelt over schuldenherstructurering.

Afhankelijk van het succes van deze onderhandelingen, fiscale consolidatie en de toekomstige gasopbrengsten is de schuld op de lange termijn houdbaar.

- Het IMF geeft aan dat Mozambique momenteel in debt distress is, maar rekeninghoudend met de schuldenherstructurering, fiscale consolidatie en de toekomstige gasinkomsten is de schuld op de lange termijn houdbaar. In de meest recente DSA (april 2019) wordt alleen rekening gehouden met de impact van de eerste orkaan.
- De totale publieke schuld komt in 2018 uit op 110,5%bbp. Dit betreft schuld van de centrale en lokale overheid, staatsondernemingen en door de overheid gegarandeerde leningen. Het merendeel van deze schuld is in buitenlandse valuta genomineerd (91,2%bbp). De schuld in handen van de publieke sector is 74,6%bbp, de centrale bank 1,1%bbp en de door de overheid gegarandeerde externe schuld is 7,2%bbp. Daarnaast zijn er betalingsachterstanden met een omvang van 8,3%bbp.
- De door de overheid gegarandeerde schuld betreft vooral de dubieuze leningen. Dit zijn die van het veiligheidsbedrijf ProIndicus (4,2%bbp), scheepsbouwbedrijf MAM (2,8%bbp) en overige (0,2%bbp).
- De betalingsachterstanden (8,3%bbp) staan uit bij commerciële crediteuren en enkele officiële (Libië, Irak, Angola, Bulgarije, Polen en Brazilië). Van de achterstanden aan de officiële crediteuren zijn alleen die aan Brazilië relatief nieuw. De overige achterstanden dateren van de HIPC-periode.
- De binnenlandse publieke schuld is vooral sinds 2015 sterk toegenomen toen de overheid niet meer terecht kon bij externe partijen. Eind 2018 bedroeg de binnenlandse publieke schuld 19,2%bbp, terwijl dit in 2015 nog 11,7%bbp bedroeg.
- Het merendeel van de publieke externe schuld is in handen van multilaterale instellingen (exclusief IMF), gevolgd door bilaterale crediteuren. In onderstaande grafiek wordt de onderverdeling van de publieke externe schuld weergegeven.



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- Door het hoge aandeel multilaterale schuld (40%) zijn de renteverplichtingen in verhouding tot de overheidsinkomsten nog relatief laag (2019: 16,5%). In relatie tot het bbp komen de renteverplichtingen dit jaar uit op 4%bbp. Door de hoge binnenlandse rentetarieven zijn het vooral de binnenlandse renteverplichtingen die zo hoog zijn (2,6%bbp). Verwacht wordt dat in de periode tot en met 2024 de totale renteverplichtingen zullen dalen tot 2%bbp door de daling van de binnenlandse renteverplichtingen (en schuld). In relatie tot de overheidsinkomsten zullen de renteverplichtingen in 2024 uitkomen op 7,9%. De bijdrage van de gasopbrengsten (start in 2023) draagt bij aan deze daling.
- **Vanwege de financiering van het aandeel van staatsoliebedrijf EHN in de LNG projecten zal de publieke schuld in eerste instantie nog toenemen.** Dit jaar schat het IMF de totale publieke schuld op 117%bbp, waarna een geleidelijke daling wordt ingezet naar 102,1%bbp in 2023. De publieke buitenlandse schuld zal in deze periode dalen tot 94,5%bbp. Ondanks de defaultsituatie geeft het IMF in de DSA aan dat de schuld op de lange termijn houdbaar is. Het veronderstelt daarbij dat de onderhandelingen over de commerciële schuldherstructurering succesvol zullen verlopen, de overheid fiscale consolidatie voortzet, en niet onbelangrijk dat de gasinkomsten in 2023 van start gaan. Het is dan ook pas na 2023 dat de schuldratio's flink zullen verbeteren. In de DSA verwacht het IMF dat de totale publieke schuld daalt tot 46,5%bbp in 2028 en 21,8%bbp in 2038. De buitenlandse schuld daalt tot 44,4%bbp in 2028 en 13,9%bbp in 2038.
- **Met betrekking tot de Eurobond schuldenherstructurering** is in november vorig jaar een herstructurering met de obligatiehouders (60% van de obligaties) afgestemd. De initiële investering en de onbetaalde renteverplichtingen zullen terugbetaald worden. Hiervoor zal een nieuwe obligatie van USD 900 miljoen worden uitgegeven (coupon 5,875%). Aflossingen starten in 2029 en moeten in 2033 zijn afgerond. De herstructurering is een eerste stap naar een herstel van de relatie met investeerders en mogelijke terugkeer tot internationale financiering. De overeenkomst moet nog wel door het parlement worden goedgekeurd. Daarnaast moet 75% van de obligatiehouders instemmen met de herstructurering.
- **Ten aanzien van de dubieuze leningen vinden er onderhandelingen plaats.** De onderhandelingen met de Russische bank VTB over de schuld van staatsbedrijf **MAM** zijn gaande. Het IMF verwacht dat deze succesvol zullen verlopen met een flinke daling van de schuldverplichtingen als resultaat. Met betrekking tot de schulden van **Proindicus** geeft het IMF aan dat de overheid heeft aangegeven deze schulden niet te zullen erkennen. Dit in verband met de frauduleuze gang van zaken bij het aangaan van deze lening. Het IMF meldt deze lening niet mee te hebben genomen in de DSA.
- **Indien de schuld van EHN buiten beschouwing wordt genomen zien de schuldratio's er beter uit en is al eerder sprake van schuldhoudbaarheid.** Exclusief de EHN-schuld komt de totale publiek schuld in 2019 uit op 103,8% en de buitenlandse schuld op 84,7%bbp. Deze ratio's zullen dalen tot respectievelijk 75,1%bbp en 67,5%bbp in 2023.
- Het IMF geeft nog aan dat de gehanteerde grenswaarden in de DSA waarschijnlijk te conservatief zijn voor Mozambique. In de nieuwe methodiek

wordt onder andere ook rekening gehouden met de reserves in relatie tot de importen. In het geval van Mozambique meldt het IMF dat de reserves niet alle importen hoeven te dekken, omdat de importen gerelateerd aan de megaprojecten gefinancierd worden door de buitengaats SPV's. Indien de importen ten behoeve van de LNG-projecten niet zouden plaatsvinden zou Mozambique niet als zwak worden beoordeeld, maar als medium (en dus hogere grenswaarden).

- **Kwetsbaar is de schuldhoudbaarheid vooral voor een forse depreciatie van de munt en exportschokken.** Dit is toe te schrijven aan het hoge aandeel buitenlandse schuld en de afhankelijkheid van grondstoffen. Risico's voor de economische vooruitzichten zijn daarnaast politieke instabiliteit, vooral een verslechtering van de veiligheidssituatie in het Noorden, en een uitstel van de megaprojecten.
- **De overheidstekorten zullen in de komende jaren geleidelijk dalen.** Dit jaar zal het tekort hoger uitvallen vanwege de extra uitgaven gerelateerd aan de orkanen. Het tekort zal zelfs iets hoger uitvallen dan waar het IMF in deze DSA mee rekening houdt, omdat het alleen rekening houdt met de gevolgen van de eerste orkaan. Het IMF verwacht een overheidstekort van 6,5%bbp in 2019 dat zal dalen tot 0,1% in 2024. Dankzij de inkomende gasopbrengsten worden in de jaren daarna overschotten verwacht die zullen oplopen tot 14%bbp in 2038. In de DSA geeft het IMF aan dat met de autoriteiten is afgestemd dat de overheid zal streven naar een primair evenwicht in 2022. De overheid zal de inkomsten verhogen door onder andere een efficiëntere belastinginning/heffing en de btw-vrijstelling op te heffen. Aan de uitgavenkant worden de ambtenarensalarissen aangepakt (2018:37%overheidsuitgaven).
- De EIU-cijfers (cijfersheet) verschillen van die van het IMF. De publieke schuld komt volgens de EIU uit op 78,9%bbp in 2018. Hierbij gaat de EIU alleen uit van de schuld van de centrale overheid. Deze komt min of meer overeen met die van het IMF (m.b.t. centrale overheid). De EIU verwacht ook dit jaar een toename, waarna de schuld geleidelijk zal dalen tot 75,3%bbp. De EIU houdt rekening met een tekort van 5,6%bbp dit jaar dat zal dalen tot 3,4%bbp in 2023.

Externe financiën

De externe financieringsbehoefte is fors. Deze wordt vooral bepaald door de hoge lopenderekoningstekorten. Buitenlandse directe investeringen en leningen zullen de tekorten financieren.

- Jaren op rij worden er omvangrijke tekorten op de lopenderekoning geboekt. Die zullen in de komende jaren nog hoger worden door de ontwikkeling van de gasprojecten. Door de forse toename van de importen verwacht de EIU een stijging van het tekort van 34,9%bbp dit jaar naar 87,3%bbp in 2023. Dit ondanks de verwachte toename in de exporten. Alhoewel de gasexporten pas in 2023 op gang zullen komen. De minder gunstige vooruitzichten voor de belangrijkste exportproducten steenkool en aluminium beperken de exportgroei in de eerstkomende jaren.

- Het IMF verwacht dat het lopenderekoningtekort in 2020 zal pieken op 76%bbp en pas in 2027 zal omslaan in een overschot.
- De tekorten zullen worden gefinancierd met buitenlands directe investeringen (een derde) en leningen.
- De buitenlandse valutareserves dekken de externe financieringsbehoefte niet. Hoewel verwacht wordt dat de reserves zullen toenemen in de komende jaren is de stijging niet voldoende om de externe financieringsbehoefte te dekken. De EIU geeft aan dat de externe financieringsbehoefte tot de reserves zal toenemen van 266,3% dit jaar naar 356% in 2023.
- De invoerdekking schommelt in de periode tot en met 2023 tussen de 2 en 3 maanden. Zoals boven reeds werd genoemd hoeven de reserves niet de importen gerelateerd aan de megaprojecten te dekken. Exclusief deze importen komt de invoerdekking volgens het IMF uit op 5,1 maanden in 2019 en zal iets dalen tot 4,7 maanden in 2024.
- De omvangrijke tekorten op de lopende rekening houden de metalica onder neerwaartse druk. De munt is in de afgelopen jaren sterk gedeprecieerd. Met name de schulden crisis in 2016 veroorzaakte een forse depreciatie. De metalica is een flexibele munt, maar de centrale bank intervenueert wel om te grote fluctuaties te voorkomen.
- In de Annual Report on Exchange Arrangements and Exchange Restrictions 2017 wordt aangegeven dat er geen valutarestricties zijn. De centrale bank van Mozambique biedt buitenlandse valuta aan door middel van verkoop aan geautoriseerde banken. Aangegeven wordt dat er voor lopenderekoningtransacties geen goedkeuring noodzakelijk is voor het vrijgeven van buitenlandse valuta. Wel is registratie noodzakelijk. Er worden een aantal voorwaarden genoemd voor het aanhouden van dollardeposito's. Ook moeten exportopbrengsten binnen een bepaalde tijdsduur worden gerepatriëerd. Hoewel in dit rapport nog wordt aangegeven dat de helft van de opbrengsten moet worden omgewisseld in binnenlandse valuta wordt in de Artikel IV consultatie van maart 2018 aangegeven dat exporteurs momenteel alle buitenlandse valuta-opbrengsten op hun rekening mogen behouden. Hierdoor daalt het wisselkoersrisico voor exporteurs.
- Winsten en dividenden op buitenlandse investeringen kunnen worden overgemaakt in overeenstemming met de gemaakte afspraken in de specifieke projecten. Met de juiste documenten worden hier geen obstakels voorzien.

3. Bankensector

Op zich staat de bankensector er niet slecht voor. In het algemeen is de sector goed gekapitaliseerd, liquide en winstgevend. Wel is de portefeuille slechte leningen hoog. Risico's voor de bankensector zijn vooral de hoge mate van dollarisatie en blootstelling aan de publieke sector.

- De kapitaalratio is in de afgelopen jaren sterk toegenomen door nieuwe regulering. Bedroeg de capital-adequacy ratio (CAR) in maart 2017 nog 12,8% eind december 2018 was dit opgelopen tot 22,6%. De winstgevend, de *return on equity*, is in deze periode min of meer stabiel gebleven en bedroeg eind 2018 29,8%.

- De NPL's zijn in deze periode gestegen van 7,1% naar 11,1% eind 2018. Mitigerende factor hiervoor is dat de voorzieningen relatief hoog zijn. Eind 2018 was ongeveer 95% van de slechte leningen voorzien.
- Een kwetsbaarheid van de bankensector is het relatief hoge aandeel buitenlandse leningen in de totale leningen (25,5%). Weliswaar staan hier buitenlandse valutadeposito's tegenover, wat het risico enigszins mitigeert. De buitenlandse valutaleningen in relatie tot de buitenlandse deposito's bedroeg eind 2018 64,2%.
- Met behulp van het IMF wordt het toezicht van de centrale bank verbeterd.

4. Relatie IMF/Club van Parijs

- Mozambique heeft een Rapid Credit Faciliteit (zie boven).
- Het land is meerdere keren in de Club van Parijs behandeld. In 2001 ontving het land HIPC schuldenkwijtschelding.

5. Obligobenutting

- Er is momenteel geen obligo.

6. Het beleid van andere ECA's, betalingservaring en externe ratings

- In het algemeen bieden ECA's geen dekking op Mozambique. In het overzicht van de Berner Unie is voor een groot aantal landen het landenbeleid (sterk) verouderd.
- De betalingservaring van de overige ECA's is goed te noemen. De totale OESO *commitments* komen per september 2018 uit op USD 1,5 miljard, waarvan USD 1,2 miljoen achterstallig. De grootste *commitments* hebben Korea (USD 1,1 miljard) en Portugal (USD 243 miljoen).
- De externe ratings zijn opgenomen in onderstaande tabel. Moody's heeft begin dit jaar de outlook gewijzigd van negatief naar stabiel. S&P heeft in januari 2017 de rating naar selective default gebracht en Fitch volgde in oktober dat jaar met de restrictive default rating

	Rating	Outlook	Most recent change	
S&P	SD		Outlook	
Moody's	Caa3	STABLE	Outlook	15-2-2019
Fitch	RD		Outlook	

5.1.2e

Atradius

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NL8014.22.917.B.04

Geregistreerd:
Atradius Dutch State Business NV

Key indicatoren: Mozambique

Indicator	Grenswaarde	Actuele waarde (2019)
Overwaardering reele wisselkoers	> 10%	15 a 20%*
3-jaars Δ binnenlandse kredietverlening aan particuliere sector / BBP	> 15%-pt	-12,9
Reele BBP-groei	< 0%	-2,0
Overheidssaldo / BBP	< -3%	-5,6
Lopende rekening / BBP	< -3%	-34,9
Buitenlandse valuta schuld / BBP	> 40%	92,4
Buitenlandse valuta schuld / XGD	> 200%	243,3
Korte schuld/reserves	> 100%	60,5
Schuldendienst / XGD	> 25%	12,1
Reserves in mnd invoer G&D	< 3 mnd	3,0

Bronnen: IMF, EIU, Atradius

*Het IMF geeft in de artikel IV van maart 2018 aan dat de munt is overgewaardeerd.

Mozambique

(amounts in USD million, unless otherwise indicated)



Area (km2) 786380
x Netherlands 19
Population (million) 31
OECD Country Class 7

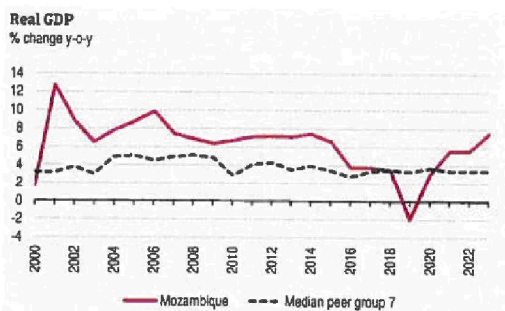
DOMESTIC	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross domestic product (GDP)	16936	14792	10889	12649	14950	15370	17570	18720	19550	22780
share investments %	43.1	32.0	22.5	24.6	19.9	20.9	28.7	39.5	52.2	62.1
private consumption %	70.0	67.8	71.1	67.2	66.7	63.5	53.3	51.4	51.0	47.6
government consumption %	26.1	26.7	28.3	25.5	24.3	26.6	26.1	24.4	23.9	22.6
exports goods & services %	33.4	32.2	36.8	40.7	43.8	38.8	34.2	32.5	31.4	28.1
Real GDP growth %	7.4	6.6	3.8	3.7	3.5	-2.0	3.0	5.8	5.6	7.5
GDP per capita \$	622	528	378	426	490	489	544	564	572	648
Real growth GDP per capita %	4.4	3.6	0.8	0.8	0.6	-4.7	0.1	2.7	2.7	4.6
Inflation p.a. %	2.6	3.6	17.4	15.1	3.9	8.1	8.4	4.6	5.7	5.7
Domestic credit, change p.a. %	35.0	37.5	18.6	-14.8	11.2	-9.9	2.7	8.2	25.4	25.1
Domestic credit: % claims on publ. sector	7.8	18.1	21.0	19.2	29.0	-	-	-	-	-
Domestic credit: % claims on priv. sector	91.6	81.3	78.5	80.0	69.9	-	-	-	-	-
Money (M1), change p.a. %	24.4	20.3	11.5	12.2	9.2	7.5	21.9	9.7	7.5	15.0
Interest rate: lending rate %	14.8	14.9	21.2	27.9	22.0	20.0	21.0	19.0	20.9	20.9
Government balance/GDP %	-11.0	-6.1	-8.7	-6.7	-7.0	-5.6	-5.0	-6.5	-5.7	-3.4
Public debt/GDP %	63.5	86.1	128.9	127.4	78.9	84.3	78.1	78.9	81.4	75.3
FOREIGN DEBT	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total foreign debt	9450	10345	10705	12010	13074	14207	16202	17847	19117	20064
share long term debt (> 12 months) %	91.9	88.9	90.4	88.5	86.1	86.6	84.7	83.6	82.4	81.1
-publ. publicly guaranteed %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
-private nonguaranteed %	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
share short term debt (<12 months) %	4.6	7.3	6.2	8.6	11.6	11.5	13.9	15.2	16.6	18.0
-interest arrears on LT debt %	30.4	28.2	31.9	30.7	43.3	54.8	50.1	49.3	47.7	46.8
Principal arrears on LT debt	185.9	293.8	362.8	790.1	948.1	1006.1	1040.1	1047.1	1029.1	813.1
IMF credit	169.1	247.8	208.5	188.1	152.1	-	-	-	-	-
Share of creditors:										
multilateral % PPG LT debt	38.6	38.8	38.1	38.1	37.3	36.0	35.8	36.2	37.3	38.4
bilateral % PPG LT debt	35.3	36.1	37.9	38.8	42.8	43.8	44.4	43.7	41.6	39.3
commercial banks % PPG LT debt	16.0	15.7	15.1	14.0	-	-	-	-	-	-
bonds % PPG LT debt	9.8	9.2	8.8	8.0	-	-	-	-	-	-
Net position BIS (- = debt)	1227.3	-964.0	-1300.3	-774.0	-1309.6	-	-	-	-	-
Foreign debt/GDP %	55.8	69.9	98.3	94.9	87.4	92.4	92.2	95.3	97.8	88.1
Foreign debt/export g&s %	191.9	235.6	269.9	206.8	205.2	243.3	272.1	285.4	287.3	230.5
Short term debt/interest reserves %	13.6	29.2	32.1	30.9	48.7	60.5	90.0	75.2	60.5	54.6
Principal LT+interest/exp g&s %	4.4	5.9	6.5	5.4	6.5	12.1	14.3	13.0	13.0	13.2
Principal (LT+ST)+interest/exp g&s %	17.1	15.1	25.3	18.4	22.3	37.8	41.6	49.8	57.5	62.8
Net external debt/export G&S %	126.5	176.8	217.4	149.0	156.5	196.9	230.2	227.7	208.4	154.5
BALANCE OF PAYMENTS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Merchandise exports	3916.4	3413.3	3328.2	4725.3	5194.3	4720.1	4831.6	4945.7	5111.7	6905.1
Merchandise imports	-7951.7	-7576.6	-4732.9	-5223.1	-6185.0	-6351.0	-7291.0	-10510.0	-14147.0	-17476.0
Trade balance	-4035.3	-4163.3	-1404.7	-497.8	-990.7	-1630.9	-2459.4	-5564.3	-9035.3	-10570.9
Balance of services, transfers, income	-1761.8	-1804.5	-2441.3	-2087.8	-3525.4	-3735.0	-4556.5	-5752.7	-7027.4	-8323.7
Current account	-5797.1	-5967.9	-3846.0	-2585.5	-4515.6	-5365.3	-7016.7	-11317.7	-16062.8	-19894.6
Capital account	374.9	287.8	206.3	203.2	-	-	-	-	-	-
Net direct investment flows	4901.8	3866.5	3093.1	2293.2	2652.0	2722.0	5327.0	9549.0	14817.0	19269.0
Total balance of payments	-107.3	-679.3	-427.7	1358.1	-	-	-	-	-	-
Current account/GDP %	-34.2	-40.3	-35.3	-20.4	-30.2	-34.9	-39.9	-60.4	-82.2	-87.3
Current account/exports g+s %	-121.6	-140.5	-99.3	-46.6	-73.8	-96.4	-123.9	-190.8	-255.6	-239.4
Terms of trade, change p.a. %	-	-	-	-	-	-	-	-	-	-
Nom. exchange rate to USD (eop)	33.6	45.9	71.4	59.0	61.5	67.6	71.0	73.2	74.6	73.8
Nom. exchange rate to USD (average)	31.4	40.0	63.1	63.6	60.3	65.4	70.2	72.5	75.0	74.3
Nom. appr. or depreciation (-) vv \$ p.a. %	-4.1	-21.5	-36.6	-0.8	5.5	-7.8	-6.7	-3.3	-3.3	0.9
INTERNATIONAL LIQUIDITY	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
International reserves	3219.8	2581.6	2080.8	3361.1	3103.8	2709.3	2493.0	3607.2	5248.5	6622.0
in months of goods imports	4.9	4.1	5.3	7.7	6.0	5.1	4.1	4.1	4.5	4.5
in months of goods and services imports	3.3	2.9	3.2	4.9	3.6	3.0	2.4	2.6	2.9	2.9
Gross external financing requirement/reserves %	206.4	253.3	228.5	101.5	188.4	256.3	361.9	386.5	366.2	356.1
Stock of inward portfolio investments/reserves %	25.1	28.6	26.3	14.8	-	-	-	-	-	-
Net foreign assets (USD)	3336.3	2882.4	2444.3	3011.3	3239.6	-	-	-	-	-

Mozambique: Peer group comparison

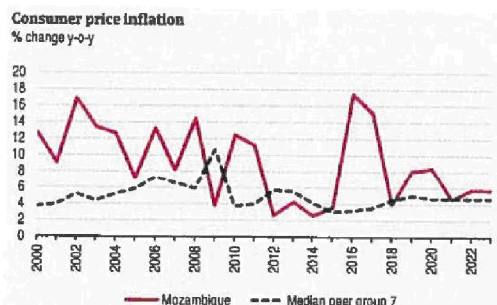
Atradius Economic Research

mei 2019

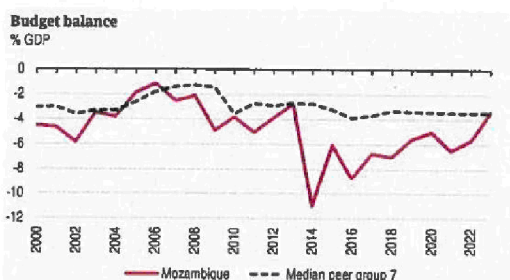
1. De twee orkanen dit jaar raken de economie hard. Vanaf 2022 krijgt het land een enorme impuls van de gasopbrengsten.



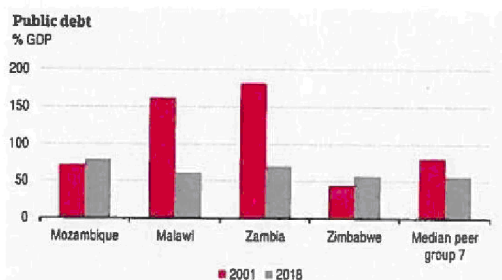
2. Door de impact van de orkanen op de landbouwsector neemt de inflatie dit en volgend jaar toe.



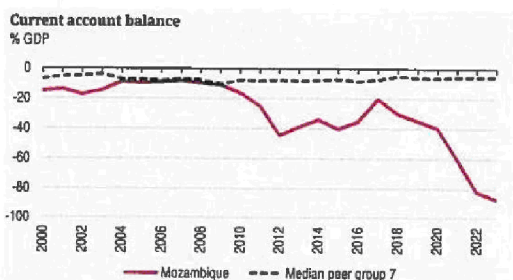
3. Vanaf 2022 nemen de inkomsten sterk toe door de gasopbrengsten, waardoor tekorten flink zullen dalen



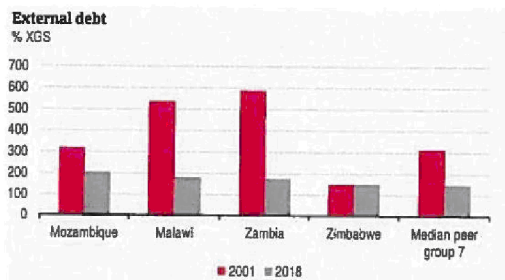
4. Na de HIPC kwijtschelding in 2001 is de schuld weer sterk toegenomen en onhoudbaar. Het land is in default.



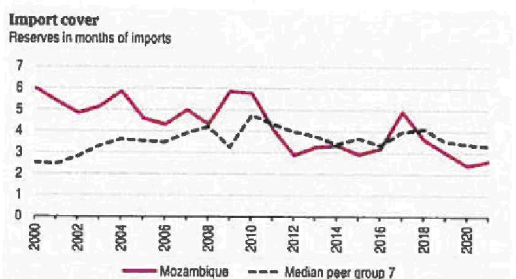
5. De importen gerelateerd aan de ontwikkeling van de LNG-projecten resulteren in omvangrijke tekorten



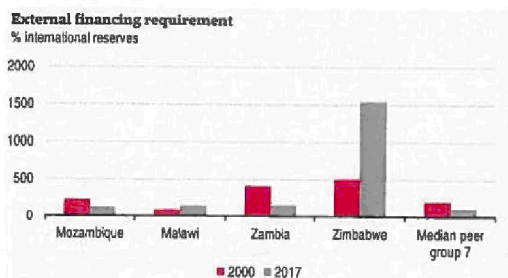
6. Het overgrote deel van de publieke schuld betreft buitenlandse schuld. Deze is eveneens sterk toegenomen na HIPC.



7. De invoerdekking is voldoende. Indien de importen gerelateerd aan de LNG-projecten buiten beschouwing worden gelaten valt de invoerdekking hoger uit.



8. De externe financieringsbehoefte wordt vooral bepaald door de forse lopenderekeningstekorten.



Peer group:

Afghanistan, Antigua & Barbuda, Belize, Bosnia & Herzegovina, Burkina Faso, Burundi, Central African Republic, Chad, Comoros, Congo (Democratic Republic), Congo, Cuba, Djibouti, Dominica, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Iraq, Kiribati, North Korea, Kosovo, Kyrgyzstan, Laos, Lebanon, Liberia, Libya, Madagascar, Malawi, Mali, Marshall Islands, Mauritania, Micronesia, Micronesia (Fed. States of), Moldova, Montenegro, Mozambique, Nicaragua, Niger, Niue, Sudan, Pakistan, Puerto Rico, Saint Lucia, Samoa, Sao Tome & Principe, Sierra Leone, Somalia, Syria, Tajikistan, Tonga, Tuvalu, Ukraine, Venezuela, Virgin Islands (US), Western Sahara, Yemen, Zimbabwe

5.1.2a

PAYMENT EXPERIENCE - 30-09-2018

1. COMMITMENTS, ARREARS AND CLAIMS

2. EXPERIENCE ON RESCHEDULED AMOUNTS SINCE THE DATE OF THE LAST BILATERAL AGREEMENT

Mozambique

Private and Public Sector (2 and 3)										Rescheduled amounts		
ST (8)			MLT (9) of which MLT - PCOD (12)									
Total Commit. incl. Arrears	of which Arrears incl. Unrec. Claims	of which Unrec. Claims	Total Commit. incl. Arrears	of which Arrears incl. Unrec. Claims	of which Unrec. Claims	Total Commit. incl. Arrears	of which Arrears incl. Unrec. Claims	of which Unrec. Claims	Cutoff Date	Amounts due (10)	Amounts paid (11)	Last Bilateral Agreement Date
(4)	(5)(6)	(6)	(4)	(5)(6)	(6)	(4)	(5)(6)	(6)				
5.1.2a			5.1.2a	5.1.2a								
	5.1.2a											
			5.1.2a									
			5.1.2a									
	5.1.2a											
	5.1.2a											
	5.1.2a											
	5.1.2a											
TOTAL			8.9	0.0	0.0	1,452.1	1.2	0.0	0.0	0.0	0.0	0.0

To: [5.1.2.e]@atradius.com]; [5.1.2.e]@atradius.com]
Cc: [5.1.2.e]@atradius.com]
From: [5.1.2.e]
Sent: Tue 5/21/2019 11:18:41 AM
Importance: Normal
Subject: 19 05 21 Project Update for Lenders_5.21.2019 - final2.pdf
MAIL_RECEIVED: Tue 5/21/2019 11:18:00 AM
[19 05 21 Project Update for Lenders_5.21.2019 - final2.pdf](#)

;
Hoi [5.1.2.e] en [5.1.2.e], Bijgaand een interessante presentatie met een update van en over het Moz LNG project. Ook de cycloon en security komt aan bod. Gr, [5.1.2.e]

To: 5.1.2.e [redacted]@lse.ac.uk]
From: [redacted]
Sent: Tue 6/11/2019 9:17:15 PM
Importance: Normal
Subject: Mozambique elections 32 - registration manipulation gives Nyusi 307,000 votes - 11June2019
MAIL_RECEIVED: Tue 6/11/2019 9:17:32 PM
[General Elections 32-11June2019 370000 extra Nyusi votes.pdf](#)

2019 General Elections - 32

Mozambique Political Process Bulletin

11 June 2019

Editor: 5.1.2.e [redacted]@open.ac.uk

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Attached: this newsletter in pdf

Registration manipulation gives

Nyusi 370,000 extra votes

or are there massive errors

in the 2017 population census?

Manipulation of the registration process could give Frelimo candidate Filipe Nyusi up to 370,000 extra votes - 6% of the expected total vote - according to Bulletin calculations. Alternatively, electoral authorities have exposed a massive error in the 2017 population census, showing that the census takers in Gaza missed more than one-third of voting age adults.

The 2017 national population census showed that 47% of Mozambique's population is over 18 years old, and thus of voting age. But in setting up the registration this year, electoral authorities said that in Gaza 80% of the population were adults, while in Zambezia only 41% of the people are adults. Previously, no one had noticed that Gaza parents had so many fewer children than those in Zambezia.

Based on its highly unusual estimate of the distribution of the nation's children and adults, the election technical secretariat (STAE) sent extra registration brigades into Maputo and Gaza, and fewer to Zambezia. And it found huge numbers of voting age adults that had been missed by the census. In Gaza 161% of voting age adults identified by the census were registered. This means the population census had missed more than 450,000 people in Gaza, an extraordinarily high error rate.

But no one has reported huge errors in the population census. And UN agencies have never pointed to Gaza as having the lowest rate of children in the world. So we can only conclude that STAE and the National Elections Commission have manipulated the registration data.

Therefore we have looked at the impact of the manipulation. As a test, we applied 2014 provincial voting percentages and turnout in the presidential election to two different sets of registration figures. The first is the official registration figures announced last week. The second is the registration figures based on the 2017 census. The table in the attached pdf version of this bulletin shows the differences.

We find that the official STAE figures would give Frelimo candidate Filipe Nyusi fewer votes across the north, but a massive increase in Gaza and Maputo city and province. In Gaza alone Nyusi gains 307,000 votes (which come from the huge number of people supposedly missed by the 2017 population census). Our full estimation method is explained on <http://bit.ly/MocEG-1203145>

A presidential candidate must have a majority of votes to win. The opposition is fragmented and Renamo is relatively weak. Thus the biggest danger for Nyusi is that he gains the largest vote but less than half, forcing a second round. To have more than 300,000 extra votes would be an important insurance policy against a second round.

Renamo CNE members break silence to accuse STAE head of sabotage

Equipment failures linked to power supply problems badly affected voter registration in Nampula, Zambezia, Sofala. This was the result of a deliberate decision by the Technical Secretariat of the Electoral Administration (STAE) Director General Felisberto Naife, claimed Fernando Mazanga, a member of the National Election Commission (CNE) appointed by Renamo.

At a press conference last week, Mazanga said he was speaking on behalf of all members of the CNE and STAE indicated by Renamo. He said STAE technicians and CNE members has both recommended that Mobile IDs (registration laptop computers) and sources of electricity should be provided by the same entity to ensure full compatibility. Mazanga accused Naife of ignoring this advice and ordering 3000 computers and power supplies separately, with the result that transformers did not match the computers. "The Director General of STAE chose to separate the Mobile IDs from the energy sources, which brought all the problems that occurred because of the incompatibilities between them," he said.

Mazanga said he was breaking protocol to tell the public what he and his colleagues nominated by the opposition have been saying inside the CNE, but were being ignored. By law, CNE members should not appear in public to assume a political position on the electoral process.

"For the first time we are speaking to the media. We did not do it earlier because we hoped that in the debates taking place in the CNE our views would be taken into account," Mazanga said. Renamo cannot stop irregularities because the Frelimo majority does not listen.

The Director General of the STAE has two deputy directors, appointed by Frelimo and Renamo. But, according to Mazanga, when the director general of the STAE is called by the Council of Ministers, he is not accompanied by his deputies.

"The most glaring case was on 28 May 2019, which Naife went alone to the Council of Ministers, and the spokesperson of STAE appeared in a televised debate to affirm categorically that there would be no extension of the electoral census. Yet there has been no CNE plenary to deliberate on the subject," he said.

The opposition has called for the dismissal of Naife, but this has been rejected by the Frelimo majority, Mazanga said.

Following military action by Renamo in 2013/14, there were negotiations over the structure of electoral bodies. Renamo wanted parity with Frelimo on all electoral bodies, but it eventually accepted representatives in proportion to seats in parliament, which gives Frelimo an automatic majority.

Civil society calls for a neutral, independent electoral commission such as the one in neighbouring South Africa were rejected. Renamo always wanted a politicised body that acted in secret. Renamo's assumption was that it would be easier to make deals in secret. But it appears that all electoral deals are off.

Gentleman's agreement not to touch the CNE before the elections?

Nine of the 17 members of the National Election Commission (CNE) ended their six-year mandate in May but there is still no plan to replace them. Of these, 5 are indicated by Frelimo, 3 indicated by civil society aligned with Frelimo and one by MDM. Because of an initial boycott by Renamo, the current 17 members of the CNE took office in three groups at different times. Consequently, each group completes six years on a different date.

Among the members of the CNE with an expired mandate is the current President of the CNE, Sheik Abdul Carimo Nordine Sau; the vice-President of the CNE nominated by Frelimo, Antonio Chipanga; and Paulo Cuinica, nominated by civil society (with support from Frelimo), and CNE spokesperson.

The law is unclear on the termination of the mandate of the members of the CNE. In addition to mentioning that the term of

office lasts six years, it adds that "the mandate of the members of the National Election Commission is to cease with the inauguration of the new members", which means that if new members are not named, the present members remain in post. There seems to be a gentlemen's agreement, reached by Frelimo and Renamo, to keep the current members of the CNE in office until the end of the electoral process.

After being nominated, the members of the CNE are confirmed by parliament (Assembly of the Republic, AR). The next parliament session is in September, one month before the elections. CNE believes that it would not be correct to replace members during the electoral cycle.

The 17 members of the CNE are:

Initial group began in May 2013

5.1.2e

Presidential candidates must submit 10,000 signatures by Sunday

Presidential candidates must submit 10,000 notarized signatures to the Constitutional Council by Sunday 16 June. So far, only Frelimo has submitted the signatures for Filipe Nyusi.

Parties must register to stand, and by yesterday (Monday 10 June) 17 parties had submitted their documents, including the three main parties: Frelimo, Renamo and MDM. There are two new parties appealing to youth, of which Podemos has submitted its documents. The other is Nova Democracia, founded by the former president of the youth parliament, Salomao Muchanga. He says 80% of the party's candidates must be between 21 and 35 years old. Parties must submit their documents to the CNE by Saturday 15 June.

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5.1.2e

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Cc: [5.1.2.e]@atradius.com]; [5.1.2.e]@atradius.com]; [5.1.2e]
Victor: [5.1.2.e]@atradius.com]; [5.1.2.e]; [5.1.2.e]@atradius.com]
From: [5.1.2.e]
Sent: Wed 7/3/2019 9:21:57 PM
Importance: Normal
Subject: Veldnotities bezoek Anadarko Mozambique
MAIL_RECEIVED: Wed 7/3/2019 9:22:00 PM
[Notes Field Trip Mozambique.docx](#)

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Ha [5.1.2e]

Vanuit het vliegveld van Johannesburg alvast het veldverslag van deze zeer zinvolle fieldtrip. De meetings met NGOs en met een aantal mensen uit de dorpen waren erg waardevol. Ik zal maandag wat meer ingaan op de punten zoals ze door de NGO in de brief waren gesteld, maar inderdaad denk ik dat we een goed verhaal hebben en op de meeste punten duidelijke antwoorden.

Both Ends moeten we maar eens aan tafel uitnodigen bij ons, om ze rustig in de ogen te kunnen zien en ons verhaal te kunnen doen. Want ook de lokale NGO wil wel dat het project door gaat; het is alleen zaak om de effecten van deze grote omschakeling naar een modernere samenleving voorzichtig en goed te managen. Dat weet het projectmanagement van Anadarko ook zeer zeker en ik ben onder de indruk van de kwaliteit van de mensen [5.1.2e] en zeker ook [5.1.2e].

De trip was erg goed georganiseerd en we hebben ook de ruimte gekregen, ook nog last minute, om echt ons eigen programma te volgen.

Groetjes van allerlei mensen aan jou, en tot maandag,

[5.1.2.e]

[5.1.2e]

Atradius Dutch State Business

David Ricardostraat 1, 1066 JD Amsterdam | P.O. Box 8982, 1006 JD Amsterdam | The Netherlands

[5.1.2e]

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Notes Field Trip Mozambique.

Day 1 – July 1, 2019

1. Welcome. Present:

- [5.1.2e], since last October. On site 28 days – 28 days off
- [5.1.2e] since 2013. Based at site.
- [5.1.2e] based in Maputo, started last week.
- [5.1.2e] will be coming soon, [5.1.2e] back-to-back with [5.1.2e]?
- [5.1.2e] Was first employed by ERM and has been involved in EIA process since the start as ERM staff. Is now engaged by the project.
- [5.1.2e] is in her team since a long time already.
- [5.1.2e] almost 5 years with Anadarko
- [5.1.2e] history of working in large controversial projects.
- [5.1.2e] mainly focussing on management systems.
- [5.1.2e]
- [5.1.2e]

2. E&S overview, HSE and security Briefing;

- People are resettled in the order that land is required for construction, therefore in several batches.
- [5.1.1c]
- CSO/NGO Engagement plan was prepared in Q4 2018.
- Role of district government: they give their blessing to all of our interventions on social aspects; they assign an officer to every task. The District Administrator is very active and supportive. They have a good knowledge of the project.
- Active from Anadarko on stakeholder engagement: approx. 50 people (back-to-back); in social performance around 100-150 (back-to-back)
- SCOs do have separate meetings with villagers, they hear issues and then the CSOs come to us to signal these issues to us. We also have our own meetings with villagers, CSOs are often there (to monitor us).
- Community resettlement committees are elected by the villagers. They represent the village to us.
- We have a legal advisor who is available to all households. He is independent from Anadarko, but paid by Anadarko.
- We are putting together overall independent CSO monitoring of the project. We have just signed an MoU with MACS, a Portuguese acronym for Civil Society Support Mechanism. This national NGO is well-connected and they will devise a method to select other NGOs to participate in this independent monitoring forum.
- Compensation claims are most often about family conflicts: e.g. 5 brothers, of which the representing brother is not communicating well with his brothers or not sharing well.
- During the security shutdown of the project in March-April 2019, grievances were still coming in and addressed as far as possible.
- Around 70% of the required land in the DUAT is not specifically claimed as private land, this is communal land.
- A re-baseline is currently done for the biodiversity issues.
- The bay is overfished at the moment, we know that ladies are shorefishing using mosquito nets provided to them by NGOs to fight malaria. With these nets, they catch too many juvenile fish.

- Cut-off date for resettlement is Nov 6, 2017.
- Replacement agricultural land: each plot has the same size, 1,5 hectare. Now 161 plots in the 1,938 hectare first area have been cleared. We stopped there, as there is currently an issue between the district administration and around 45 people who want compensation for fruit trees. This group of new complainants are not from the area. This issue, and a new District Administrator quite recently, has slowed down the process of replacement agricultural land allocation.
- Anadarko also changed the approach to pre-clearing the plots for the farmers: in the second land allotment of 2633 hectares, the plots have been seeded by the village it belonged to (AJ: this is voluntary attribution of the land, by the receiving village, as being communal land and not someone's private land). The clearing of this land will be financially supported by the project as and when the new farmer is ready to clear a piece of this; the farmers use a short-cycle fallow system that suits them better, and therefore clearing of the entire 1,5 hectares is not required.
- CSOs have been consulted on the process of agricultural land replacement.
- To solve the problem of loss of access to the beach for fishing and shore-collection, bus transport has been promised by the project from the replacement village to the beach.
- At peak, 7000 unskilled labourers are required in the project.
- Grievances are coming in through letters, written for the complainant by the persons in villages who are able to read. These letters are given to the community resettlement committees. Lines from villagers to project staff, the Community Facilitators, seem short. Grievances in workers' camps are collected by the camp committee members. Grievances are divided in community grievances, workers grievances, safety grievances.
- Grievances regarding the behaviour of the security forces have indeed quickly reached the project. There have been cases reported of patrols walking through the fields and fighting. The abuses case was outside the DUAT. There have been prompt investigations and convictions regarding those incidents. Two army people have been jailed for their behaviour.
- There is an AMA 1 military liaison officer. He has regular meetings with the Joint Task Force Commandor.
- The 'Return to Work Security Plan' has been approved and implemented, and from May onwards, work has been resumed.
- Insurgents have been active in the wide area from Pemba to the border of Tanzania, but most active on the roads between Pemba and Mocimba de Praia. Attacking trucks with foods, but also 11 abductions have been reported. These are generally women and children who have to cook for the insurgents. The number of incidents seemed to have increased on the slides presented, but this can be partly attributed to the better reporting since the project works started.
- A community security plan is currently drafted together with Area 4, as both areas have obviously close security interrelations.

Day 2 – July 2, 2019

3. Review plan for the day and cultural induction
4. Tour of Resettlement Village
5. Meeting with Milamba / Quitunda households at Resettlement Village
 - Present: Village Chief, a couple who both work for CMC construction company; two others. This is the first group to move. The families who will move get a three-stages training to prepare them for the move; these people have completed the complete training package. All people who will move, will receive the picture-story Amina's Move, which is available in Portuguese and Swahili.

- Agricultural replacement land is our main concern. Compensation of our assets is another concern. We want a copy of the contract (compensation agreement) that we signed. We want to see our concerns written down and taken seriously.
- We feel that we have access to the project. There are some issues not yet resolved but the project is working on it.
- Access to agricultural land is our main concern, we want to see land now. The project then explained that this was not yet done because of the 45 complainants from outside the area, that the project waits for the District Administrator to resolve the issue with the receiving village and the complainants.
- Regarding the security situation, the villagers see a positive change with the increase of security forces.
- Regarding the supply of information from the project to the villagers, they replied that they receive sufficient information but 'we are anxious to see it all happening'.

6. Meet with CSOs at community center in resettlement village

- NGOs Present:
 - Palma CSO platform representative,
 - Farmers' Union: 1) the coordinator for the Northern Provinces, and
 - 2) a member of Palma Farmers' Union,
 - Women Development Organisation representative,
 - a women representative of Terra Viva CTV,
 - a representative of Justice Ambiental Palma Region (he used to be in charge of CTV);
 - the chairperson of the Palma Islamic Council, he is also member of Terra Viva CTV.
- Splitting up in sub-groups, whereby 5.1.2.e had an interview with the NGO who wrote the letter to ADSB, the farmers' union – both the coordinator for the Northern Provinces and the member of Palma Farmers' union were present. The former was talking, the latter did not speak.
- District level info was shared with the national level Farmers' Union, not present in this meeting. They wrote the letter, at this, or at regional level, no letters are sent abroad. The letter was prepared by national level.
- 'We are aware that this is a huge project – we were asked to focus on describing the environmental and social process up to the decision' (AJ: not clear what decision). The project has a strong impact on the environment and livelihood of the people: agriculture and fisheries are affected thus livelihoods are affected.
- Q: Is the project actually violating human rights? A: No evidence of eg Child Labour, but we are concerned about project-induced in-migration and social disruption.
- The NGO used to have several meetings with the project and they did not feel very satisfied with the project response. They experienced lack of communication and delay of project meetings regarding replacement agricultural land. We have received information about the project, but this info is very broad and general.
- 'We want to see the project implements what we recommend'.
- Q: The delay in giving replacement land was due to a change in district administration, were they aware of this? A: 'my information is that the government is still having discussion with the households opposing'.
- We are not fully satisfied with the resettlement process. Some households have 5 to 6 hectares land but the replacement land is for all households 1,5 hectares. So if you have many mature fruit trees, you get compensated with twice the amount in juvenile trees; but you have only 1,5 hectares how are you to plant all those trees and also grow food crops?

- Q: Have you addressed these issues with the project? A: 'Yes, we addressed these issues with the project, and we discussed with them. We are now waiting for the reaction from the project on this point.
- Fishing centre at Palma beach, just outside the DUAT: sustainability of the bus service, as offered by the project, is questioned by the NGO.
- Q: Have you addressed the issues that are not heard, or not acted upon by the project, with the District Administration? Does he attend your issues? A: They did not engage with the DA to discuss these issues. They make a point to have a round table, with the project, the NGOs and the DA, but it is difficult to have all present. Sometimes the government is not present, sometimes the NGOs want to see the District Administrator but he sends only a lower level representative. NOTE: the other sub-group, talking with the other NGOs, came with the same story. The DA is not responsive to issues NGOs raise.
- Q: We received your letter, it was directed at us. What should we, ECAs, do according to you? Answer: 'community interests should be the top priority of the project, not commercial aims'. NOTE: we observed absolutely no sense of any request to stop the project, or for ECAs to back out. We observed a genuine request from them, through us, to the project to improve communication with the NGOs, in order to ensure harmonious development of the local people in spite of the big changes that will be brought about by the LNG facilities. We replied by saying that we would convene their worries to the project. But also, we stressed that a direct communication with the project, through Pedro for example, is the procedure to follow and much more efficient. Only in case direct and well-documented lodging of complaints and grievances leads to no response from the project, it can be useful to inform us.
- Q: the project has three different livelihood restoration programmes, are you aware of these? Answer: 'we are aware about the components but we are concerned about the sustainability of the programmes'.
- Communities should be resettled on the coastal line and not in the replacement village, then they do not need to take the bus-shuttle which is proposed by the project. Because we are not sure if and how long this service will in reality operate.
- Q: Do you have any remarks regarding the security situation these days? Answer: 'we congratulate the project, because of the efforts to increase military presence for the project, the area has become safer.

7. Presentation 5.1.2a vulnerable peoples plan

- The settlements in the DUAT are dispersed but administratively they are one village: Afungi.
- Afungi development fund is created, 5 million, will be operational at start 2021 when resettlement is complete. Before the villagers can use the fund, they get capacity building training and planning of needs. This process will take up to three years.
- We as project are aware of possible jealousy of neighbouring villages. These villages will also get schools and roads improved.
- We have prepared a project-induced in-migration plan. Important aspect of this plan is the multi-stakeholder forum that is in this plan. We as Anadarko are at the table at this multi-stakeholder forum, but we do not want to be driving this. The LNG leads to numerous developments in this region. Also international actors are involved, like the Dutch Government... 5.1.2a asked 5.1.2a later for more details; he does not have them, thinks it is the embassy who is involved... could be followed up shortly because it is relevant to our advice to Government...

8. Site tour of key locations (airstrip, camp expansion) – this item was skipped because lack of time – community and CSO interaction was very important and required more time than planned for.
9. Visit to biodiversity hotspot (Tchi)

10. Community meeting at Quitupo

- Meeting started with a prayer, this aligned the whole group. The villagers said they were thankful we are all here. 'We are also thankful for the government bringing this project to Mozambique and to Palma particularly. Development in this region was very low. Since the project is here, we have friends all across the country and also all around the world.
- We request you lenders to bring the project further. We see our lives changing. Let us look at phase 0: the project cleared the area, started building and at the end of the month we're all happy because they employ our children [told by elderly; they mean strong young man and women, i.e. their children] for road construction or in the pioneer camp. A second benefit, next to employment, is compensation.
- Do not change the people working for the project. When new people come in, problems will arise, like a second wife often creates problems to the understanding that was there previously.' [this means these villagers are very happy with the project social specialists interacting with the village, specifically 5.1.2e is good, we have never seen bad behaviour in him']
- Women have no more problems during pregnancy and delivery, as the Palma Sede hospital is now much better and the Replacement Village will also have facilities. The roads are also better. Before the project we were not open; now we have developed and have an open mind. There is work for many of us and we get compensation for our fields.
- We always get answers to all our concerns, through 5.1.2e and his team.
- Two final remarks: please lenders, lend money to this project and keep 5.1.2e in the team.

11. Industrial Relations (IR) Update

- IR framework was put together specifically for this project. Contractors have to work through this framework.
- At this moment, 1349 local people from Afungi and Palma Sede are working in the project. This is 27% of the workforce. Of the 5000 people currently working, 95% is from Mozambique.
- 5.1.1 of the workers are labour union members. The contractors have each meetings with the unions.
- During the security shut-down in March-April 2019, the workers all got their basic pay. They got mobilised only after having received a refresher HSE training and a new safety briefing. All workers received a solar phone charger as a reward for their loyalty.
- The influence of the project on the labour conditions at fabrication yards depends on where it is. The main yard will be probably in Italy, there we do not expect special labour-related problems.
- There is a sort of gentleman's agreement with Area 4 regarding local recruitment policy and procedures, as this is only one labour pool for two projects.
- Anadarko has a retainment plan to ensure continuity in keeping good personnel.
- This year 2019, the IR team has done nine camp inspections, together with the Anadarko teams on EHS and environment. This concerns pre-mobilisation audits and camp inspections of active camps.

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- 5.1.1c

12. ESIA, ESMP and Biodiversity

- ERM have stopped their monitoring contract with Anadarko due to safety reasons. Now Anadarko has directly hired the ERM consultant as part of Anadarko's team and she will

be the biological monitoring specialist.

- A new biodiversity lead will start working next week, she will be based in Maputo.
- Surveys and monitoring outside the DUAT will not be possible the coming period of time.
- MITADER, the ministry of environment, requires environmental performance reports on the five different activities in the project that have five different EMPs and this is a lot of work. Next to this monitoring, Mozambican law states that once a year a private environmental audit is required.

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- Collaboration with Exxon mobile on environmental matters is excellent.
- Biodiversity offset pre-feasibility study is just finalised. The biodiversity offset plan preparation is a long process with the government. They would ideally like monetary compensation, but, like with resettlement, we prefer to be able to have more say in the outcome. With resettlement, we decided to take upon us the task of building the village; so we hope with offsetting critical habitat loss to have more concrete activities.
- The detailed biodiversity offset plan will therefore be made only after financial close, together with the government, and with the biodiversity working group which is active in Anadarko since 2015. This includes Rob's social group, Anadarko's fisheries specialist, and HSE, but also with people from our biodiversity consultant, The Biodiversity Consulting group TBC.
- TBC are currently preparing the biodiversity action plan, in sept 2019 this is hopefully ready.

13. Lenders' only get-together. We discussed the findings of the NGO meetings of the two sub-group, we discussed our feedback for the project for next day and the issues to discuss at the end of the month in Paris. See email [5.1.2e](#) with additions [5.1.2e](#)

Day 3 – July 3, 2019

14. Feedback from lenders/ECAs

- Good to see the progress
- Good team
- Feedback from our CSO meetings is most important. There were some points from those meetings we want to convene to the project:
 - Some level of frustration on communication, there is some lack of trust whether the promises will indeed materialise. Some of this mistrust is a legacy issue.
 - The project should be more pro-active on e.g. sharing the compensation agreements
 - The size of the replacement land is the same for all families; people from large plots feel not well-treated
 - There is some anxiety about the sustainability of the plan of providing transport from the replacement village to the fishing shores; be concrete and specific.
- The project reflected on this and agreed that the question of inclusion of NGOs is tough. All want to be involved, all need recognition.

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From: 5.1.2e
Sent: Wed 9/11/2019 10:19:59 PM
Importance: Normal
Subject: Mozambique Elections 48 - 10 dead at Nyusi rally; observer credentials blocked; Cabo Delgado attacks - 11 Sept 19
MAIL_RECEIVED: Wed 9/11/2019 10:20:21 PM
[General Elections 48-11Dept19 Nampula-rally-dead credentials Frelimo-water.pdf](#)

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2019 General Elections - 48

Mozambique Political Process Bulletin □

11 September 2019

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10 dead in crush at Nyusi rally

There was a panic and crush as people tried to leave a rally with President Filipe Nyusi in Nampula this afternoon (Wednesday 11 September) at 25 June stadium. Ten deaths were confirmed by Frelimo.

At the Nampula Central Hospital where the victims were sent, one could hear cries for help. The press was prevented by Frelimo members from capturing any kind of image and audio.

Eufrazio Gilberto, cameraman for HAQ Television, was threatened with a gun and was forced to hand over camera. Leonardo Gimo of TV Sucesso was forced to delete all his pictures.

A team of ministers Celso Correia and Carlos Mesquita, accompanied by the head of the Frelimo party's central brigade of political assistance to Nampula province, had to move to the emergency room to learn about the medical condition of patients under intensive care.

Nampula and Zambezia blocking observation

While most provinces are issuing observer credentials normally, Zambezia and Nampula are refusing to issue credentials to some or all civil society groups. The electoral law says credentials must be issued within five days of application. But Nampula Provincial Election Commission (CPE) simply says the machine to put the plastic coating on the credentials is broken and it will not issue paper credentials. Despite credentials having been requested for our correspondents more than a month ago by our published CIP (Public Integrity Centre, Centro de Integridade Publica), a recognised Mozambican civil society organisation, no credentials have been issued, 10 days after the start of the electoral campaign.

Nampula initially looked like the easiest and most flexible. For no good reason, electoral authorities said that different credentials had to be issued for the April-May registration and the September-October campaign and election. Only Nampula CPE said no second application was required and that the new credential would be issued automatically.

But instead they have issued no credential at all. Osman Cossing of IMD (Institute for Multiparty Democracy) was told that the credential machine was broken.

Zambezia CPE has issued credentials to Democracia e Desenvolvimento (CDD), Joint and IMD, but not to CIP and the

Bulletin. CIP submitted its applications on 7 August, and after much insistence, the CPE rejected the application and demanded two things which had already been submitted.

- + A formal letter to the President of the CPE specifying the motivations of the observation, the type of observation, the area to be observed, and the names of the legitimate representatives and a notarized copy of their identification document.

- + Proof of legal existence of CIP, namely a copy of its registration as published in the Bulletin of the Republic.

These were submitted again on 3 September, so far without response. CIP is now complaining to the National Elections Commission.

Insurgents attack town and military camp, killing 9

In an apparent escalation of the Cabo Delgado war, insurgents attacked a town and para-military camp, killing 7 members of the riot police and burning an armoured car and two other vehicles. The attack was on Quiterajo town, in the north of Macomia district, near the coast and Mocimboa da Praia district.

At 19.00 last night (Tuesday 10 September) three groups of insurgents attacked the town. As well as attacking the UIR camp, they burned the health post and 70 houses, with one person burned to death inside their house. A trader's truck was attacked and goods stolen. Two young men were kidnapped. The primary school was vandalised; in the 15 October election it is planned to have four polling stations in the primary school, for 3000 voters.

Earlier yesterday, at 6.00, a group of 10 insurgents 70 km inland from Quiterajo attacked a group of farmers in their fields in Mianguueleua, Chitunda, Muidumbe district. One person was killed with a machete and one was shot and injured; two women were kidnapped. Mianguueleua will have 15 polling stations for 11,000 voters.

Frelimo's water

Campaigning Renamo supporters were prevented from drinking water from a fountain by Frelimo supporters allegedly because the water supply system was built by Frelimo. The incident happened yesterday (10 September) in Chizapela, Homine, Inhambane. As Renamo supporters leaving Chinjinguirre approached the water pump for a drink, they found the handle locked and a Frelimo member saying he had been instructed by his superiors to prevent them from having access to Frelimo's water.

Frelimo forces civil servants to support its campaign

State officials, mostly school principals and teachers, are being forced to leave their jobs to campaign for Frelimo. Empty classrooms and many teachers and hundreds of students without classes is a picture across the country, reveals a survey by the Bulletin.

Manica province is particularly bad. In Tambara district, teachers and other civil servants are required to attend Frelimo rallies. As a result, some schools are closed and even the police station abandoned. In Sabeta administrative post, six primary schools stopped their classes so that staff could attend a meeting convened by Frelimo central brigade member Omar Assane; 300 students did not have classes.

In Machaze district, many students spend most of the day without classes because of the absence of teachers and their principals.

In Manica district, teachers at Chinhamapere High School are not teaching in order to participate in the Frelimo party election campaign. Some teachers in that school use personal vehicles with Frelimo posters.

Teachers heard by CIP complained of their colleagues campaigning for Frelimo on the school grounds.

In Inhassunge district, **Zambezia**, teachers from different schools in the district are required to join the Frelimo party. The same scenario is repeated at Madvuzi Secondary School in Chiuta district, **Tete**.

In **Sofala** in some schools in Muanza, Cheringoma and Chibava, teachers and other civil servants are involved in Frelimo campaign activities.

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2019 General Elections - 54

Mozambique Political Process Bulletin

18 September 2019

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Nyusi warns Cuamba: 'if you mess up again' by voting Renamo, a lot will stop

"If you mess up again as you did in 2018, a lot will stop," Filipe Nyusi's told the citizens of Cuamba, Niassa, today. In the 2018 local elections, Frelimo lost to Renamo in Cuamba, which was Nyusi's first stop on his campaign in Niassa.

"I promised to asphalt the Cuamba-Lichinga road (EN8), which is already happening. Who assures me that if Frelimo and I go out of power the works will be completed?", Nyusi asked, according to the Mozambican Information Agency (AIM) today. But some will hear it as a threat that Cuamba will be punished if it votes for Renamo but Nyusi is re-elected nationally.

"It was a mistake to vote in the opposition," he told the people who flocked to his rally.

Traveling by helicopter, Nyusi went from Cuamba to Mecanhelas where he held a rally and toured the local central market. He promised to build a hospital and maternity ward. Hi campaign continues tomorrow in Marupa.

Simango: 'Our riches have to serve Mozambicans first'

"The people cannot continue to suffer, living as foreigners in their own country. Our riches have to serve Mozambicans first," MDM presidential candidate Daviz Simango told a rally in Mecanhelas, Niassa. "We have a lot of wood and our children sit on the floor in school. If we prepare that wood and make desks, our children will not sit on the floor and people will also have jobs." He promised the local population that if MDM wins the elections, they can guarantee an equitable distribution of natural resources.

In contrast to the Nyusi helicopter, Simango drove the 300 km from Cuamba to Lichinga, and in speeches stressed the extreme poverty affecting the local population. He called for a new emphasis on agriculture.

War, attacks and violence hit the headlines