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The Tribunal Supremo (supreme court) postpones “sine die” the trial of José Filomeno ‘Zenu’ dos Santos, ex-chair of Angola’s sovereign wealth fund, Fundo Soberano de Angola (FSDEA), and three co-defendants on charges relating to the alleged illicit transfer of \$500m to the United Kingdom in 2017. The reason for the postponement is the unavailability of the defence counsel for former Banco Nacional de Angola (BNA) (central bank) chair Valter Filipe Duarte da Silva. The two other defendants are Jorge Gaudens Pontes Sebastião (business partner of Zenu dos Santos) and former BNA director Antonio Samalia Bule Manuel. President João Lourenço (2017-present) invites Supreme Court chief justice Rui Constantino Ferreira to tender his resignation. The President’s Office for Institutional Communication and Press Affairs states that President Lourenço accepted the resignation on 3 October “in the interest of safeguarding the good name of Angolan justice”. International tenders have opened for diamond, iron ore and phosphate mining projects. The government presented its latest guidelines for investors at the minerals roadshows, saying that the output from new projects must also support Angola’s internal markets.

Trial of Zenu dos Santos delayed

The **Tribunal Supremo** (Supreme Court) has postponed at short notice the trial for **José Filomeno ‘Zenu’ dos Santos**, ex-chair of **Angola’s** sovereign wealth fund, the **Fundo Soberano de Angola (FSDEA)** and three co-accused, which was set to take place from 25 September.¹ The revised charges and the trial have been expected since March, when the head of **Switzerland**-based **Quantum Global** and Zenu dos Santos’ FSDEA business partner, **Jean Claude Bastos de Morais**, was released from custody (see *ARC Briefing Angola April 2019*). The six-month delay caused concern that Angola was not going to proceed with charges against Zenu dos Santos, and a further delay is problematic.

The Supreme Court had announced the long awaited trial date on 6 September² but postponed it ‘sine die’, that is, without a future trial date being set, after defence counsel for co-defendant and former **Banco Nacional de Angola (BNA)** (central bank) chair **Valter Filipe Duarte da Silva**, **Serge Raimundo**, became unavailable within a few days of the trial starting.³ Raimundo is acting as a lawyer in the trial of General **António José Maria ‘Zé Maria’**, former head of the **Serviços de Segurança Militar de Angola** (military intelligence and security service of former President **José Eduardo dos Santos** (1979-2017)).⁴ Zé Maria, whose trial began on 11 September, is accused of removing secret documents and other items containing information of a personal nature, and insubordination.⁵

Prosecutors allege that ‘Zenu’ dos Santos and the three other defendants – Valter Filipe Duarte da Silva; Zenu dos Santos’ business partner, **Jorge Gaudens Pontes Sebastião**; and former BNA director **Antonio Samalia Bule Manuel** – are implicated in the illegal transfer of \$500m from the BNA to an

¹ Angop, 21 Sep 2019

² Angop, 6 Sep 2019

³ Angop, 21 Sep 2019

⁴ NovoJornal, 21 Sep 2019

⁵ Deutsche Welle, 11 Sep 2019

account at **Credit Suisse of London (United Kingdom (UK))** in 2017.⁶ According to the indictment, José Filomeno dos Santos and Jorge Pontes Sebastião are suspected of agreeing a plan *"to appropriate the Angolan state's monetary values"*. The defendants *"devised a plan that allegedly consisted of setting up a Strategic Investment Fund."*⁷

The indictment against dos Santos *et al* in the Supreme Court alleges:

*"The alleged US\$30 billion investment fund for Angola never existed and was falsely presented, in part, with an equally false guarantee from a well-known **European** banking institution based in Switzerland [and was] only an allegory [i.e. fiction] created to allow them to illegally extract money from the coffers of the Angolan state."*⁸

The four defendants, according to the prosecution, allegedly set up companies in concert, falsifying securities to be used as bank guarantees and used

*"... public institutions, especially the former President of the Republic, acting as intermediaries of a foreign banking union with capacity to finance the Angolan state in setting up a strategic investment fund, entering into apparent contracts without any intention of executing them, let alone fulfilling them."*⁹

José Filomeno 'Zenu' dos Santos and Jorge Gaudens Pontes Sebastião are alleged to have set up the scheme and are charged with embezzlement and money laundering. Other alleged parties involved in the scheme are currently being sought internationally.¹⁰ Valter Filipe Duarte da Silva is accused of embezzlement and money laundering in relation to the BNA's transfer of \$500m to a UK-based consortium at the **HSBC Bank**, while he was head of the BNA, and António Samalia Bule Manuel, also of the BNA, is accused of embezzlement.¹¹

Charges against Zenu dos Santos relating to management of the FSDEA appear to have been dropped following the discovery in a London court in March that management of the FSDEA funds had been handed to Quantum Global, after the scope of Quantum's contract with Angola was produced in court (see *ARC Briefing Angola April 2019*).¹²

The case has been delayed, not dropped, but will start only when the case against General Zé Maria in the **Tribunal Supremo Militar** (military supreme court) is concluded, which could take several months if the recent high-profile trial of ex-transport minister **Augusto da Silva Tomás** is an indicator (see *ARC Briefing Angola September 2019*). Prosecutors have now clarified the charges against Zenu dos Santos and others, and sent the case to court, so any further delay could only be perceived as unwillingness to try this very high-profile case. It is also possible that issues with **Presidente do Tribunal Supremo** (supreme court chief justice) **Rui Constantino Ferreira** (see below), made a temporary delay in the trial convenient.

Supreme court chief justice resigns

President **João Lourenço** (2017-present) summoned Supreme Court chief justice Rui Constantino Ferreira to the presidential palace on 30 September and invited him to tender his resignation, following several public issues that Lourenço claimed were damaging perceptions of the Angolan judicial system. Rui Constantino Ferreira was named President of the Supreme Court in April 2018.¹³ His resignation on 3 October was *"accepted in the interest of safeguarding the good name of Angolan*

⁶ Angop, 6 Sep 2019

⁷ Club- K Net, 6 Sep 2019

⁸ Club- K Net, 6 Sep 2019

⁹ Club- K Net, 6 Sep 2019

¹⁰ Club- K Net, 6 Sep 2019

¹¹ Club- K Net, 6 Sep 2019

¹² Club-K, 21 Mar 2019

¹³ Club-K Net, 3 Oct 2019

Justice", according to a statement from the **Assuntos de Comunicação Institucional e Imprensa do Presidente da República** (president's office for institutional communication and press affairs).¹⁴

Ferreira has been cited as being involved in two controversial cases. The first concerns the sale of the **Arosfran Group**, previously owned by the **Tajideen** family, whom the **United States (US)** accused of financing **Lebanon**-based militant group **Hezbollah** in 2011. Angola responded by deporting the Tajideen family, who were forced to sell their considerable holdings in Angola, the **Golfrate** and **Arosfran** food import companies. **Francisco Dias dos Santos 'Kito dos Santos'**, previously owner of **Arosfran**, accused Ferreira of having seized **Arosfran** property for the benefit of his family, in the course of his facilitation of the sale.¹⁵ The allegations are that Ferreira was improperly involved in the sale, and that his family benefited from this sale.

The **Constituição da República de Angola (CRA)** (Angolan Constitution) under the principle of separation of powers (Paragraph 3 of Article 105) prevents a judge from accepting a request for good offices from the executive power. Strictly speaking, judges should not be "*facilitators*" of a negotiation process, in order to reconcile the rights and interests of parties involved in a civil matter.¹⁶ Article 179 (5) of the CRA provides:

"Judges in office may not perform any other public or private function, except for teaching and scientific research of a legal nature."

Francisco Dias dos Santos published a complaint about Ferreira:

*"Judge Counsel President of the Supreme Court Rui Constantino da Cruz Ferreira, according to the allegation of Messrs. Artur de Almeida e Silva and Francisco Mateus Dias dos Santos in the form of an open letter published on the **Makaangola** website on April 13, 2019, was involved in the sale of Arosfran Group, even stating that '[and] this negotiation will certainly have facilitated the passage of the other **Afribelg Group** companies and their farms to the management of the Ferreira family' ... We know today, and we have supporting documents, that part of the money from the sales of **AROSFRAN**, owned by the signatories, as well as **Afribelge Golfrate**, groups owned by **Kassim Tajideen**, would have circulated in the accounts of the company **ALLCOMERCE**, controlled by Judge Rui Ferreira's son."¹⁷*

Further complaints followed. Two families (**Viegas** and **Prata**) complained that Ferreira had ejected them from their land to extend one of his farms in the interior of the country. At the same time, a petition with 2,000 signatures arrived at the president's office, which called for the annulment of **Presidential Decree No. 70/18**, which had appointed Ferreira, on the grounds that the appointment was wrongly constituted.¹⁸ Ferreira denied the accuracy of allegations, saying he had been

"... subjected to the pressure of an intense and cruel campaign of lies, misrepresentation of facts, intrigues, slander and insults that, in addition to damaging my reputation and dignity, have damaged my health and imposed on my family a sacrifice that we must no longer endure".¹⁹

The transitional head of the Supreme Court will be the court's vice-president, **Molares de Abril**, pending the appointment of a new chief justice.

The timing of the resignation suggests that Rui Ferreira was asked to resign in order not to compromise the delayed trial of Zenu dos Santos, over which he would have presided. One of Ferreira's colleagues in his previous chambers was **Teodoro Alexandre Soares Bastos de Almeida**, who is noted in the court documents as benefitting from part of an allegedly illegal scheme linked to

¹⁴ Angop, 4 October

¹⁵ Nova Africa, 24 Jun 2019

¹⁶ Club-K Net, 3 Oct 2019

¹⁷ Club-K Net, 4 Jun 2019

¹⁸ Club-K Net, 4 Jun 2019

¹⁹ Club-K Net, 3 Oct 2019

the Zenu dos Santos case.²⁰ There is no suggestion that Ferreira had any conflict of interest and no information that he is being investigated, but it seems likely his resignation was necessary to protect the probity of the court when it comes to hear the case, in view of all the allegations.

Minerals roadshow reveals Angola's new policy positions

Angola's mineral resources and petroleum ministry has started a five-week international tender, continuing until 18 November, for the acquisition of rights to prospect and exploit diamond, iron and phosphate, following roadshows held in five countries during September. Companies eligible to bid may be Angolan or foreign firms, or joint ventures.²¹

The London roadshow, held on 20 September and presented by the **Instituto de Geologia** (geology institute), state diamond mining company **Empresa Nacional de Diamantes EP (Endiama)** and iron ore mining company **Empresa Nacional de Ferro de Angola EP (Ferrangol)**, demonstrated that the five projects on offer had been chosen for feasibility, with an eye both to logistics and to marketing the end product, according to an ARC source who attended the roadshow. All were 'brownfield' projects, with pre-existing technical and exploration data available from the ministry of natural resources and petroleum. In each case it was made clear to potential investors that the logistics of the mining projects – access to air, road and rail links and nearby towns and to water and power – was well developed. Investment in mining in Angola has been hampered by historically poor logistics and the high investment needed to put these in place.

The projects were all large, high-grade projects with previously estimated reserves. The **Lucunga** phosphate project in **Zaire Province**, close to the oil town of **Soyo**, holds proved reserves of 70 million tonnes of ore at a grade of 9.66% of phosphate.²² The **Cataca** phosphate project in **Cabinda Province**, with access to the **Port of Cabinda**, holds estimated reserves of 16.7 million tonnes at a higher grade of 24.6% of phosphate.²³ Questions were raised, but not answered, about the security of any projects in Cabinda. Both of these projects are to sell the phosphate internally in Angola, to fertiliser companies.

The same policy of import substitution is seen in the iron ore sector. The acquisition of rights to exploit the 7,750-square kilometre **Kassala Kitungo** iron ore project in **Kuando Kubango Province** is expected to bolster Angola's **Programa de Apoio à Produção, Diversificação de Exportações e Substituição de Importações (PRODESI)** (programme to support production, diversification of exports and replacement of imports).²⁴ However, the government wants not only in-country sales of the ore, but also wants to create iron ore refining and manufacturing of steel items in-country, according to Ferrangol, which presented the information on this concession. The concession holder will be expected to build a steel mill and produce up to 6 million tonnes per year of pellets, and milled steel.²⁵

The two diamond projects, **Camafuca Camazambo** and **Tchitengo**, will similarly contribute to internal development and beneficiation, if investors can be found. The Camafuca Camazambo kimberlite, in **Luanda Norte Province** is a technically demanding project, both in terms of the profile of the pipe and in the fact that the **Chicapa River** runs through the middle of it. It is also possibly the largest kimberlite ever discovered, by surface area and has been prospected by **Australia**-based natural resources company **BHP** and others.²⁶

The Tchitengo project in **Lunda Sul Province**, close to **Saurimo**, is a kimberlite cluster and Calonda Formation alluvial mining project, also prospected in part by BHP and by the **Catoca Mining**

²⁰ Club- K Net, 6 Sep 2019

²¹ Namibia Economist, 6 Oct 2019

²² Ficha Technica Projecto do Fosfato LucungCafafuca-o. MIREMPET Aug 2019

²³ Ficha Technica Projecto do Fosfato Cataca MIREMPET Aug 2019

²⁴ Namibia Economist, 6 Oct 2019

²⁵ Ficha Technica Projecto do Kassala Kitungo MIREMPET Aug 2019

²⁶ Camafuca Camazambo technical presentation ENDIAMA 2019

company. Like Camafuca, it is a large-scale diamond mining project, but is perhaps less problematic. Angola is one of few countries where there are undiscovered major diamond resources.²⁷

The beneficiation policy for diamonds is that diamond companies now have the right to sell 60% of their production direct, through state-owned diamond marketing company **SODIAM**, but 20% must be sold for cutting in Angola's cutting factories.²⁸ A new diamond hub will open in Saurimo later this year, with a further diamond cutting and polishing factory.

Angola has offered carefully chosen projects, with access and infrastructure available, as well as prospecting data, tied to industrial development in Angola. The presentations at the roadshow show that privatisation and increased investment do not mean that Angola will be solely an extractive country. Instead, mineral resources are expected to contribute to in-country manufacturing and development. The results of the tenders will show whether major international companies still expect to be able to export raw materials, or are willing to look at a beneficiation model.

²⁷ Tchitengo technical presentation ENDIAMA 2019

²⁸ Diairo da Republica Jul 2018

Planner

- 15 Oct 2019 **Luanda (Angola)** Start of 2020 session of **Assembleia Nacional** (parliament);
- 24 Oct 2019 **Sochi (Russia)** President **João Lourenço** is to take part in the **Russia-Africa Summit**;
- Oct 2019 to 2025 **Luanda (Angola)** ANPG will launch new oil bidding round with 31 blocks to public bidding from 2019, the first blocks will be nine offshore oil blocks in the **Namibe Basin**: blocks 11, 12, 13, 27, 28, 29, 41, 42 and 43.
- 13-15 Nov 2019 **Luanda (Angola)** Opposition **União Nacional para a Independência Total de Angola (UNITA)** party holds 13th Ordinary Congress, including elections for party president. Candidates are **Alcides Sakala Simões, Abílio Kamalata Numa, Estêvão José Pedro Kachiungo Raul Danda,** and **Adalberto da Costa Júnior**.
- 18 Nov – 6 Dec 2019 **Luanda (Angola)** Angola will host **African Union's (AU)** 18th Session of the International Law Commission followed by the AU's 8th International Law Forum, entitled "*Constitutional Democracy, Rule of Law and Fight against Corruption*";
- 20-21 Nov 2019 **Luanda (Angola)** Angola's first mining conference to be held, **AMC 2019**, followed on 22-24 November by a two-day mining trade fair.
- 2019 **Luanda (Angola)** Expected completion of transfer of **Sonangol's** contracts, concessions and relations with international oil companies to the **Agência Nacional de Petróleo e Gás (ANPG)** (national petrol and gas agency);
- 2019 – 2022 **Programa de Privatizações (PROPRIV)** (privatisation programme) to manage government divestment of 195 companies; the first tranche of 80 companies will be launched in 2019 and 81 offered for tender in 2020.
- 2019 **Luanda (Angola)** Government to construct a new administrative political centre in **Praia do Bispo** which will be implemented based on the build, operate and transfer (BOT) model; Public procurement procedures for the sub-projects of this initiative will be launched in Q3 2019, with a pre-qualification phase for companies submitting financing proposals for their BOT investments.
- 2019 **Saurimo (Angola)** New diamond hub will open, comprising a diamond cutting and polishing factory, a professional technical training school and supporting institutions and industries;
- 2019 **Luanda (Angola)** Trials of **Jose Filomeno dos Santos** and other high-ranking ex-officials variously charged with defrauding the state, embezzlement or theft, will take place during the year;
- Q1 2020 President **João Lourenço** will make his first official visit to **Japan**;
- Apr 2020 **Luanda (Angola)** Luanda's **Novo Aeroporto Internacional de Luanda (NAIL)** (new international airport) to open;
- 2020 **Agência de Recursos Naturais** (national resources agency) to be set up, to take over all mining concessions within the country, together with partial privatisation of mining;
- 2020 - 2025 **(Angola) World Bank** to provide funding to increase economic diversification for a five-year period.
- 2020 **Luaxe** kimberlite mine, managed by **Russia-based Alrosa**, begins production;
- 2020 **(Angola)** First local and municipal elections;
- 2020 **Congo and Cuanza basins (Angola)** Terrestrial oil blocks in the Congo and Cuanza basins will be opened to tenders.
- 2021 **(Angola)** Six offshore oil blocks and free areas of oil blocks 31 and 32 will be offered for tenders.
- 2021 **(Angola)** National elections;
- 2022 **(Angola)** End date for **Banco Poupanca e Credito's** recovery plan

Chronology

- 9 Oct 2019 **Luanda (Angola)** *Angop* Angola's state-owned oil firm **Sonangol** and France-based oil company **Total** announce intention to create a joint venture to operate in the distribution and trade of crude oil by-products, and the production of solar energy;
- 8 Oct 2019 **Dubai (UAE)** *Angop* The **Angolan-United Arab Emirates** chamber of commerce and is to increase trade between the two countries; in 2018 UAE exports to Angola totalled 169 billion kwanzas (\$443.5m) against 69 billion kwanza (\$181m) of Angolan diamond imports, the sole Angolan import;
- 8 Oct 2019 **Luanda (Angola)** *Angop* International tenders for mineral rights for phosphate and diamond mines open this week.
- 7 Oct 2019 **Luanda (Angola)** *Angop* Angola expects to meet the **African Sustainable Development Goals** in the electricity sector, with the production of 10,000 MW by 2025;
- 7 Oct 2019 **Dubai (UAE)** *Angop* **Angolan** government plans to build 1,600 kilometres of roads per year across the country over a five-year period, constructing and rehabilitating a total of 8,200 kilometres of paved roads;
- 7 Oct 2019 **Rome (Italy)** *Lusa* **Benguela** emeritus archbishop **Dom Eugênio Dal Corso** is sworn in as cardinal and says Angola is improving due to anti-corruption measures, though poverty remains a problem;
- 4 Oct 2019 **Malange (Angola)** *Angop* The **World Bank** and **Agence Française de Développement** (French development agency) announce release of \$230m in November to finance 300 commercial agricultural projects over a six-year period in **Malange Province**;
- 4 Oct 2019 **Windhoek (Namibia)** *The Namibian* Namibia's **Anti-Corruption Commission (ACC)** is investigating allegations that profits from fishing quotas granted to **Angola** in 2014 were illegally siphoned off into tax havens by Namibian and Angolan politicians and business interests;
- 3 Oct 2019 **Luanda (Angola)** *Angop* Five new judges are appointed to Angola's Constitutional Court;
- 2 Oct 2019 **Luanda (Angola)** *Angop* General Tax Administration (AGT) coordinator for the implementation of General Value Added Tax (VAT) **Adilson Cerqueira** says over 1,200 larger companies have joined the VAT collection scheme that came into effect on 1 October;
- 2 Oct 2019 **Luanda (Angola)** *Angop* Ruling **Movimento Popular de Libertação de Angola – Partido do Trabalho (MPLA)** deputies make assessment visits to Angola's 164 municipalities to evaluate how the 2019 General State Budget is being executed and make recommendations;
- 30 Sep 2019 **Luanda (Angola)** *Angop* Public administration, labour and social security minister **Jesus Maiato** says Angola's tourism sector has expanded, with at least 5,000 new jobs created in the third quarter of 2019;
- 30 Sep 2019 **Kigali (Rwanda)** *New Times* Rwanda accuses **Uganda** of violating the **Luanda Agreement** signed in August, by spreading 'fake news' that President **Paul Kagame** met Ugandan opposition politician **Kizza Besigye** in **New York (United States)**;
- 27 Sep 2019 **Luanda (Angola)** *Angop* **Prince Harry** of **England**, on a two-day visit to Angola, visits demining project in **Dirico (Cuando Cubango Province)**, one of 153 fields to be cleared in the region by **United Kingdom** land mine clearance NGO, the **Halo Trust**;
- 24 Sep 2019 **Luanda (Angola)** *Angop* Government is increasing the budget for the health sector in the short and medium term, to meet **United Nations** goal of universal health

coverage by 2030. The 2019 General State Budget, approved in December 2018 allocates 6.6% of total to the health sector;

23 Sep 2019 **Windhoek (Namibia)** *The Namibian* Government of Namibia is to implement agreements with **Angola** signed during the 5th Session of the Namibia-Angola Joint Commission of Cooperation, which include cross-border road and rail links, trade in livestock, the joint **Baynes Hydropower Project**, and agreements on diplomats, citizenship, veterans and health;

21 Sep 2019 **Luanda (Angola)** *Angop* The Angola-**Rwanda** joint commission will meet before the end of 2019 in **Kigali** (Rwanda) to discuss the future of economic and trade cooperation between the two countries;

20 Sep 2019 **Luanda (Angola)** *Angop* The continuing "**Operation Transparency**" leads to the arrest of 527,725 illegal immigrants, and the closure of 96 illegal diamond cooperatives, four mining projects and 289 diamond houses, as well as 114 firearms and 1,200 pieces of equipment to support illegal diamond mining, while along the coast, 356 fishing vessels were seized, with more than 250 tonnes of fish and 50 tonnes of crustaceans;

19 Sep 2019 **Luanda (Angola)** *Angop* National telecommunications company **Angola Cables** announces it has signed an agreement with **Malaysia**-based operator **TM Global** to conduct low-latency tests that will soon offer a shorter internet route linking **Asia** to **South America**;

18 Sep 2019 **Luanda (Angola)** *Angop* The **Democratic Republic of the Congo (DRC)** expresses interest in cooperating with Angola in the oil field to develop the sector, after new oil discoveries in the DRC;

10 Sep 2019 **Luanda (Angola)** *Angop* Angola prepares the future tariff offer for the implementation of the Economic Partnership Agreements between Angola and the **European Union**, an issue which needs be settled prior to agreements on the **SADC Free Trade Zone** according to the ministry of commerce.