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MANAGING DIRECTOR

INTERNATIONAL MONETARY FUND
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Dr Eufrigina dos Reis Manoela
Grupo Mozambicano da Divida
Av. Eduardo Mondlane, no 2985
Alto Maé, Maputo, Moçambique

Dear Colleagues:

Thank you for sharing your views on the measures needed for the IMF to lend to Mozambique again.

We share many of your concerns, including those related to the need for greater transparency and good governance to put Mozambique's economy back on a strong economic footing. As you are aware, following the revelation of the hidden loans, the IMF has not made any further disbursements under the existing Standby Credit Facility arrangement with Mozambique. The ongoing forensic audit on undisclosed debts by three public sector companies, EMATUM, Proindicus and MAM, is part of the effort to rebuild transparency and trust, and our understanding is that the audit report will be made public in the not too distant future.

Whether or not a member's debt should be restructured is a decision of the member. However, the IMF has also made clear that, where the Fund has determined that the member's debt is unsustainable, it cannot resume lending unless measures are taken to put the country's debt back on a sustainable path. The Mozambique authorities are engaging with creditors to discuss a restructuring.

We are continuing our discussions with the authorities on the possibility of a new economic program that could be supported by the IMF. The objective of such a program would be to help Mozambique overcome its current challenges and restore economic stability and sustainable growth, including by ensuring strong social safeguards and protection of the poor and most vulnerable.

We will, of course, consult and engage further with all stakeholders as we continue our discussions with the government, and our Mozambique team will be in touch in due course.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ch Lagarde".

cc: Mr. Mkwezalamba, Executive Director, IMF

RECIPIENT ORGANIZATIONS

1. Groups in Mozambique

Budget Monitoring Forum

Civil society learning and capacity building Center (CESC)
 NWETI – Communication for Health
 Mozambican Debt Group (GMD)
 Helvetas Swiss Intercooperation Mozambique
 Center for Public Integrity (CIP)
 Foundation for Community Development (FDC)
 ActionAid Mozambique
 Education for All Movement (MEPT)
 Community Radios Forum (FORCOM)
 Woman, Law and Development (MULEIDE)
 Civil Society Forum for Children's Rights (ROSC)
 WaterAid Mozambique
 Mozambican Civil Society Platform for Social Protection (PSCM-PS) Mozambican NGOs'
 League (JOINT)
 Rural environment Observatory (OMR)
 Women Forum

Mozambican Debt Group:

WLSA - Women and Law in Southern Africa
 Associação Progresso
 Kulima
 TEIA
 Association Against Poverty,
 Women Forum
 Third Age Forum (FTI)
 Child Network
 Active Network
 Mahoche Rural Women's Association
 Organization of Workers of Mozambique (OTM - Central Sindical) SINTIME
 SINTIHOTS
 SINECOSSE

Transparency and Fiscal Justice Coalition:

The Oppressed Theatre Group
 Open Society (SA)
 The Christian Council of Mozambique (Branches of Maputo, Gaza, Inhambane and Cabo Delgado) Association for Women Empowerment and Development;
 The Basic Education Development Unit – Laboratory (UDEBA-LAB)

Also:

Justiça Ambiental

2. International Groups

International and regional networks:

ActionAid International
African Forum and Network on Debt and Development (AFRODAD) Asian Peoples
Movement on Debt and Development (APMDD) BankTrack
European Network on Debt and Development (EURODAD)
Oxfam International

National Organizations:

ATTAC Japan (JAPAN)
Both ENDS (NETHERLANDS)
Bretton Woods Project (UK)
Budget Advocacy Network (SIERRA LEONE)
Centre national de coopération au développement (CNCD-11.11.11) BELGIUM
Coalition citoyenne "Dette et Développement" et la défense des intérêts fondamentaux de la
Guinée (CADIF) (GUINEA)
Debt and Development Coalition Ireland (IRELAND)
Debt Justice Norway (NORWAY)
erlassjahr.de (GERMANY)
Freedom from Debt Coalition (FDC) (PHILIPPINES)
The Integrated Social Development Centre (ISODEC) (GHANA)
Jesuit Centre for Theological Reflection (JCTR) (ZAMBIA)
Jubilee Debt Campaign (UK)
Jubilee Scotland (UK)
Kenya Debt Relief Network (KENDREN) (KENYA)
Malawi Economic Justice Network (MALAWI)
National Justice & Peace Network (UK)
No Debt No Euro (Thessaloniki) (GREECE)
Plateforme Française Dette et Développement (FRANCE)
La Plateforme d'Information et 'Action sur la Dette et le Développement (FRANCE)
La Plateforme d'Information et d'Action sur la Dette (PFIAD) (CAMEROON)
Le Réseau Gouvernance Economique et Démocratie (REGED) (DEMORATIC REPUBLIC
OF CONGO)
Solidar Suisse (SWITZERLAND)
Tanzania Coalition on Debt and Development (TANZANIA)
Zukunftskonvent (GERMANY)