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## PORTUGUESE FUND TO SUPPORT INVESTMENTS IN MOZAMBIQUE

Decree-Law n. 42/2010, published on 30 April (“**DL 42/2010**”), creates the Fund to support Investments in Mozambique/ *Fundo Português de Apoio ao Investimento em Moçambique* (“**Fund**”).

The Fund was created within the initiatives Portugal has been carrying out to promote a financial cooperation policy aimed at financing investment projects in countries with which it maintains a privileged relationship.

The Fund’s objective is to contribute to the financing of public or private investment projects in Mozambique:

- (i) led by Portuguese companies;
- (ii) led by partnerships involving Portuguese companies; or
- (iii) involving the acquisition of goods and services of Portuguese origin.

The Fund, which mainly targets the energy sector (namely renewable energies), the environment sector, the infrastructures sector and the tourism sector, also aims at promoting the following additional objectives:

- Enable an adequate share of risk and transfer of know-how;
- Assure the Fund is in line with the priorities established by the Portuguese State for its financial cooperation policy on development; and
- Respect criteria of sustainability and of economic, financial and environmental efficiency, hence contributing to the increase of renewable energies and transfer of clean technologies, which enable a reduction of green house gas emissions as well as of urban solid waste.

The Fund is an autonomous pool of assets, without legal personality, and there should be allocated to it a capital amounting to the equivalent in euro of 124 million American dollars, divided by participation units in the nominal amount of 1000 euros each. These participation units may be transmitted, pursuant to the law and at market conditions, to any State controlled company or a credit institution the head office of which are located in Portugal.

The management of the Fund, as well as of its performance should be carried out by SOFID (Company for the Development Financing/ *Sociedade para o Financiamento do Desenvolvimento*), a credit financial institution which supports investments in Portuguese speaking countries, and the activity of the Fund shall be governed by DL 42/2010 and by the Fund’s management regulation - to be approved up to 31 June 2010 - which shall establish, inter alia, the way the Fund’s resources can be accessed. A new Flash on the said regulation shall be issued in due course.

The Fund shall have a 15 years term, after which it shall be extinguished, the assets resulting from such extinction being then distributed among its participants.