MEMORANDUM

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SUMMARY

EU COMMISSIONER MIMICA TO DISCUSS REGIONAL COOPERATION AND SIGN DEVELOPMENT PROGRAMMES DURING VISIT TO THE PACIFIC REGION

Today, European Commissioner for International Cooperation and Development, **Neven Mimica**, began his visit to the Pacific Region by delivering an opening speech at the ACP-EU Joint Parliamentary Assembly. During his visit in Fiji (which will last until 17 June,) he will also hold bilateral meetings with the Prime Minister Josaia Voreqe Bainimarama, the Minister of Foreign Affairs and International cooperation, Ratu Inoke Kubuabola and other government representatives.

Commissioner Mimica will also sign new partnership programme which will guide EU development cooperation with Fiji until 2020. The so-called National Indicative Programme, designed in close consultation with the government of Fiji in the framework of the 11th European Development Fund (EDF), establishes the main priorities for development cooperation and amounts to €28 million.

EU Commissioner Mimica said: "*Following the successful elections last year, the EU has discontinued restrictions and I am pleased to see that full reengagement with Fiji is taking place. I am delighted to sign the new development programme which heralds a new era of strengthened cooperation between the European Union and Fiji. It reflects the EU's commitment to support the Governments' efforts in driving forward sustainable development and improving the life of citizens.*"

The government of Fiji has identified the agriculture, sugar and justice sector as being the main areas for support under the 11th European Development Fund. The EU will, in partnership with government institutions and civil society organisations, support Fiji's policies and programmes in these areas.

In regards to the support for the agriculture and sugar sector specific attention will be paid to strengthening the sustainability and competitiveness of the sugar cane industry, with a particular focus on vulnerable sugarcane farming communities. The assistance to the judiciary sector will focus on strengthening the capacities of key justice public institutions and on helping poor and marginalised communities to improve their access to legal services.

New regional funding for the Pacific

The Commissioner will also sign a Regional Indicative Programme under the 11th European Development Fund for the Pacific region. Compared to the previous EDF, the budget of the new programme has been increased by a third, to a total of €166 million. The new support will target three priority areas, namely regional economic integration; sustainable management of natural resources, environment and management of waste; as well as inclusive and accountable governance and the respect of Human Rights.

It is important that regional cooperation helps to reduce poverty and promote inclusive growth in Pacific countries. Therefore the aim of the programme is to provide the Pacific Region with a predictable commitment from the EU to support their development endeavours until 2020.

New development programme for Papua New Guinea

The new development programme for Papua New Guinea will be co-signed by Commissioner Mimica and the Planning Minister Charles Abel. The National Indicative Programme for Papua New Guinea foresees funding of €184 million until 2020, which is an increase of nearly 80% compared to the 10th EDF. Assistance will target three strategically important sectors for the sustainable and inclusive development of Papua New Guinea - namely rural entrepreneurship (€85 million), water, sanitation and hygiene (€60 million) and education (with focus on Technical and Vocational Education and Training, €30 million).

ACP – EU Joint Parliamentary Assembly

The Joint Parliamentary Assembly (JPA) is an institution established by the Cotonou Agreement, comprising equal numbers of Parliamentarians from both sides (78 each). It is a consultative body for parliamentary debates. The JPA Plenary takes place twice per year: during the first half of the year usually in the country holding the EU Presidency and in the second half of the year in an ACP country alternating by region.

European Development Fund and Regional Indicative Programmes

The European Development Fund (EDF) is the main instrument for EU aid for development cooperation with the African, Caribbean, and Pacific countries (ACP) and is funded with contributions from the EU Member States.

Regional Indicative Programmes represent an important step in the programming of EU aid under the EDF, complementing the National Indicative Programmes concluded with national governments of ACP states. Preparations are done in close cooperation with the regional organisations so as to ensure that the programmes support their priorities where the EU has a value added.(EC 15-06-2015)

DIVERSIFICATION IS KEY IN NEW PHASE OF ANGOLA/CHINA RELATIONS FOLLOWING ANGOLAN PRESIDENT'S VISIT

The diversification of the Angolan economy, based on Chinese financial and technical aid, is considered to be key in a new phase of relations between Angola and China, launched during a visit by the Angolan President to Beijing.

At the conclusion of the six-day visit to China, the two sides announced that to "support the efforts" of Angola "towards diversification and sustainable development" economic and technical cooperation agreements had been signed in the civil aviation and financial sectors as well as signing off the minutes of the first Angola/China steering committee for economic, technical and commercial cooperation.

According to the final statement, Angola and China agreed to "encourage companies to extend cooperation to the fields of industry, agriculture, fisheries, transport, energy and telecommunications, through a pragmatic understanding, of mutual benefit, likely to contribute to the economic diversification of Angola and further growth in China."

China pledged to help Angola establish a pilot centre for agricultural technology, and signed a specific agreement providing for construction of a centre for staff technical and vocational training.

Angola, the statement said, "found that China can also be a strategic partner in the field of science, technology and innovation," such as in "the development of research projects, support to research centres and the creation of cutting-edge research facilities."

The Africa Intelligence Monitor newsletter recently reported that the fall in oil prices, along with having a significant impact on the Angolan economy and public accounts, had a particular impact on the relationship with China, which is Angola's largest customer for its main export product.

The need for Chinese financial aid was the "key element of the Angolan president's trip," but more recently the conditions offered by China to grant credit reflect "the loss of value of the guarantee, the oil," Africa Intelligence Monitor said.

The country was taken unawares by the sharp drop in the price of oil, on which it depends for its exports and government revenues, making it even more urgent to diversify the economy.

In various speeches during the visit, the Angolan president expressed Angola's interest in maintaining a privileged relationship with China, undertaking joint activities in the field of basic and economic infrastructure, and called for a moratorium of at least two years in debt repayment to China and for new credit facilities or the expansion of existing ones.

Among the projects for which Angola wants funding is a hydroelectric power station costing an estimated US$4.5 billion. The contract to build this facility has been granted to the China Gezhouba Construction Group Corporation, which already has funding of US$840 million from the Industrial and Commercial Bank of China (ICBC).

Without specifying, the Angolan Foreign Minister said Angola intended to finance "priority projects" in the financial, higher education, energy and agriculture sectors.

In China, José Eduardo dos Santos met with his counterpart, Xi Jinping, visited the Technological Economic Zone of Tianjin and met with several Chinese business groups. (15-06-2015)

FAILURE TO ARREST BASHIR VIOLATED SOUTH AFRICAN CONSTITUTION, JUDGE RULES

The government's failure to arrest Sudan's President Omar al-Bashir was inconsistent with the South African constitution, Judge President Dunstan Mlambo ruled on Monday.

The High Court in Pretoria found that the South African government was in contempt of court and should have arrested and detained Mr. al-Bashir.

Judge Mlambo said the government had failed to take reasonable steps to arrest Mr. al-Bashir and detain him pending a formal request for his arrest by the International Criminal Court (ICC).

The court ruling follows earlier reports by local and international media that a Sudanese plane had been sighted leaving Waterkloof Air Force Base near Pretoria at midday.

State advocate William Mokhari told the court after its ruling that the South African government had confirmed that Mr. al-Bashir had left South Africa from Waterkloof earlier on Monday.

He told the court the exact circumstances of al-Bashir's departure would be investigated.

The court then ordered that government file an affidavit within seven days disclosing when Mr. al-Bashir left and which port of departure was used.

The Southern African Litigation Centre brought the application for an order compelling South Africa to issue a warrant for al-Bashir's arrest on Sunday after the ICC called for al-Bashir to be arrested at the African Union summit in Johannesburg.

The North Gauteng High Court on Sunday extended an earlier interdict barring Mr. al-Bashir from leaving South Africa pending the decision on an application to compel South Africa to arrest him for alleged war crimes.

Judge Hans Fabrucius ruled on Sunday that authorities take all necessary steps to ensure that Mr. al-Bashir stay put until 11.30am on Monday when the court was expected to make a final decision on the application. The judge also ordered that Department of Home Affairs director-general Mkuseli Apleni ensure that the order was served on individual officials in charge of all the country's points of exit.

The ICC indicted Mr. al-Bashir for war crimes in 2009 for his role in the 2003 conflict which resulted in the death of more than 300,000 people and displaced 2.5-million people, according to the United Nations. *(*RDM News Wire 15-06-2015)

SUDANESE PRESIDENT LEAVES SOUTH AFRICA DESPITE COURT ORDER

President Omar al-Bashir is on his way back to Sudan, his Foreign Ministry spokesman said, even as South Africa's High Court assesses an application for his arrest.

Mr. Bashir, wanted by the International Criminal Court on charges of war crimes, is leaving South Africa, Sudanese spokesman Ali al-Sadig said by mobile-phone text message. He said he couldn't give any further information.

News reports came in that a Sudanese flagged plane left Waterkloof Air Force base in Pretoria at 11.46am.

The Southern Africa Litigation Centre brought an application to force the government to arrest Mr. Bashir, who was attending an African Union summit in Johannesburg. President Jacob Zuma's administration published a notice before the meeting granting all attendees immunity. The court began hearing the case in Pretoria earlier on Monday before adjourning for an hour. (Bloomberg 15-06-2015)

ENERGY EFFICIENCY IN THE MEDITERRANEAN AREA: THE FOSTER IN MED PROJECT HOLDS SEMINAR ON INNOVATIVE SOLAR TECHNOLOGIES

The FOSTEr in MED is holding a seminar in Cagliari on 10th of June under the title “Sharing policies to foster renewable energies and solar technologies in the Mediterranean area”. The event, which will gather representatives of local authorities from Egypt, Italy, Jordan, Lebanon, Spain and Tunisia, aims to highlight common solutions developed under the FOSTEr in MED project in order to overcome the normative and administrative barriers that hinder the diffusion of solar photovoltaic technologies in the Mediterranean, a region which solar potential is still underexploited.

During the seminar, the main findings of a report which investigated the drivers and the barriers to the diffusion of Photovoltaic technologies in Mediterranean area will be presented.

In addition, the afternoon's Mid-Term Conference of the FOSTEr in MED project will focus on results achieved and coming activities, including training courses for SMEs, architects and students, and the implementation of 5 pilot projects on innovative Building Integrated Photovoltaic (BIPV) technologies.

FOSTEr in MED at a glance

Highlighting the variety of solar technologies that can be integrated in building design is central to FOSTEr in MED project. With 5 buildings to host innovative solar systems in Egypt, Lebanon, Italy, Tunisia and Jordan as well as specific guidelines for practitioners of the sector, FOSTEr in MED hopes that more roofs, façades and skylights will generate electricity in the future. Project website (09.06.2015)

CHINA PLANS TO SUPPORT INDUSTRIALISATION IN MOZAMBIQUE

China plans to increase industrial cooperation with Mozambique, China's ambassador to Mozambique, Li Chunhua said in Maputo adding that said several public and private companies from his country had expressed interest in investing in the sector.

"China, after more than 40 years of economic reforms, is now able to enhance cooperation in the industrial area, which corresponds to the needs of African countries, including Mozambique," said the diplomat, who is at the end of his mission in Mozambique.

On the sidelines of the ceremony in Maputo marking the 40th anniversary of diplomatic relations between the two countries, Li Chunhua pointed out that Mozambique this year marks 40 years of independence and also of its relationship with China and said that, since 1975, cooperation between the two countries "has continually magnified."

"China pays great attention to African countries and in the coming years, we will strengthen cooperation for international industrialisation," said the Chinese ambassador cited by Portuguese news agency Lusa, denying that his country is only interested in the continent's natural resources.

In 2014 China was the fifth largest foreign investor in Mozambique, with around 65 million euros and trade between the two countries reached US$3.62 billion (119.79 percent more in annual terms), where US$1.96 billion (over 64.55 percent) accounted for Chinese exports and US$1.65 billion (266.37 percent more) for Mozambican exports to China. (15-06-2015)

NAMIBIA CONSIDERS USING SHIPS TO PLUG POWER SHORTAGE

Namibia is exploring the option of using barges with power plants to help plug an electricity shortage that may reach 300MW in the next two years, Finance Minister Calle Schlettwein said.

The government is also considering coal, gas and solar projects, Mr. Schlettwein said in an interview in Cape Town on June 5. The African Development Bank had been appointed as advisers to help evaluate the most efficient and cost-effective interim measures that could be implemented until new generating capacity came on stream in 2019, he said.

Namibia imported about half of its electricity from SA, Zimbabwe and Zambia, said Mr. Schlettwein. Electricity capacity in the region is under severe strain as Eskom struggles to meet demand and breakdowns at plants in Zambia and Zimbabwe disrupts output.

"Doing nothing is not an option," Mr. Schlettwein said. "We're facing a deficit because we're not currently self-sufficient."

The government was seeking temporary solutions because of declining power capacity in the southern African region and as some agreements on electricity imports came to an end by next year, the minister said.

One of the contracts that will expire next year is with Eskom, according to Namibia Power, the state-owned utility known as Nampower.

Mr. Schlettwein did not provide details on how much the interim measures would cost.

Namibia’s peak power demand was 524MW and supply from local sources was 300MW, Nampower said in April.

The country is the world’s biggest offshore diamond miner and fifth-largest producer of uranium.

Ghana barges

Karpowership, a unit of Istanbul-based Karadeniz Holding, provides electricity from vessels moored offshore. It agreed last year to supply Ghana with 450MW of power for 10 years. Other African nations that have used power ships include Angola and Nigeria.

"One of the options is to barge," Mr. Schlettwein said. "It’s one of the temporary solutions we’re looking at."

Using power supply from barges was expensive and did not increase the nation’s electricity capacity once the term of the contract ended, he said.

"It’s a costly option," he said. "The option of no power is more costly."

Nampower is building a 1,050MW gas-fired plant that is scheduled to begin producing electricity in about four years’ time. The power station will be located near the Kudu fields, which holds an estimated 1.3-trillion cubic feet of gas and is 200km offshore of the southern town of Oranjemund.

Construction has also begun on a 250MW gas-fired plant in the western Erongo region, which is due to begin operating by the end of next year or early 2017. (Bloomberg 09-06-2015)

AGOA COMPROMISE MIXED BLESSING FOR SOUTH AFRICA

The local poultry industry stood to lose about R900m in annual turnover and potentially shed about 6,500 jobs as a result of a deal clinched in Paris last week with its US counterpart, South African Poultry Association CEO Kevin Lovell said on Monday.

The deal will allow the import of 65,000 tonnes of bone-in chicken portions from the US free of anti-dumping duty.

However, because the agreement is conditional on SA remaining a beneficiary of the African Growth and Opportunity Act (Agoa), the threat of SA losing its status under the act has diminished. This will give a measure of security for the next 10 years to the automotive, chemical, wine and citrus industries which derive significant benefit from their US exports.

The thaw in trade relations meant the provision in the Agoa reauthorisation bill adopted by the US senate could be removed during the congressional process, SA’s special Agoa envoy Faizel Ismail said at a media briefing. If the clause was not removed, it would not pose as much of a risk as was the case prior to the agreement.

The provision states that the US administration would be required to review SA’s eligibility for Agoa benefits within 30 days of the bill becoming law.

Mr. Ismail said the 65,000-tonne concession by the local poultry association was a significant compromise for American poultry producers — who wanted 110,000 tonnes of chicken exports free of anti-dumping duty. But that was rejected because of the devastating effect it would have on the local industry. Mr. Lovell estimated the imported American chicken would equate to about 1-million chickens produced locally each week and represent 8.5%-9% of the bone-in sector of the local market.

It will take between four to six months before the deal comes into force and the industry will use this period to take mitigating action against its negative effects.

Currently, an anti-dumping duty of R9.40/kg is imposed on US chicken imports as well as an ad valorem duty of 37% which will continue to apply to all imports. The duty-free quota would rise or fall in line with local annual consumption, Mr. Lovell said.

As poultry in 20 US states is infected with avian flu, the imports will be controlled and only allowed from no affected states.

Mr. Ismail said a recommendation would be made to Cabinet for the ban on US beef imports to be lifted. Negotiations are under way for the pork ban to be lifted as well.

Agoa has seen SA’s exports to the US increase from R30bn in 2001 to R69.8bn last year.(BD 09-06-2015)

US IMPORTS 'COULD AFFECT POULTRY JOBS'

The agreement reached between the US and SA allowing for the import of thousands of chickens from the US could result in job losses in the local poultry industry, Trade and Industry Minister Rob Davies says.

"The imports will have an impact on domestic production and jobs but within the range of tolerability for the industry," Mr. Davies told Business Day on Sunday.

The job losses would be offset to some extent by those to be created when companies, mostly black economic empowerment firms, are awarded contracts to process and package the imported chicken, the minister said. If the job losses materialised, it would be disastrous for an economy with 5.5-million unemployed people.

The agreement, which will see SA import 65,000 tonnes of chicken a year from the US duty-free appears to be a compromise to facilitate SA's participation in the renewed African Growth and Opportunity Act (Agoa). There has been stiff opposition from some US congressmen to SA's inclusion in the renewed version of Agoa, saying the local economy was too advanced and benefiting unfairly from the plan, to the disadvantage of other African countries. Agoa allows for the duty-free export of goods from sub-Saharan countries to the US.

The deal was struck at the weekend by US and South African officials and poultry industry players from both countries.

Good news was also reported on Friday night when Fitch Ratings affirmed SA's sovereign credit rating at BBB with a negative outlook. Fitch warned that weak economic growth, failure to reduce the budget deficit and stabilise government debt, and failure to materially narrow the current account deficit, could lead to a future downgrade. Economic growth was revised slightly to 2.1% this year and 2.3% next due to unstable power supply. Growth was then seen picking up to 3% in 2017 as energy constraints started to ease. Resolving the energy challenge was a priority, the Treasury said in response to the Fitch review.

Forthcoming wage negotiations in the gold and coal sectors could lead to further debilitating strikes or a sharp increase in wage costs, Fitch warned. Policy proposals under discussion such as parts of the mineral resources law, visa regulations, a minimum wage and amendments to the labour law and land reform, could have an adverse effect on growth, Fitch cautioned.(BD 08-06-2015)

ENPI COMMISSIONER HAHN: "THE PROGRAMME IS AN IMPORTANT TOOL TO STIMULATE PROJECTS THAT CAN PROVIDE COMMON SOLUTIONS TO THE MEDITERRANEAN REGION'S NEEDS"

ENPI CBCMED

"*The Programme is an important tool to stimulate projects that can provide common solutions to the Mediterranean region's needs*." These are the words of Johannes Hahn, Commissioner for European Neighbourhood Policy and Enlargement Negotiations while addressing the NextMed Conference. The event, which took place in Bruxelles at the Committee of the Regions on 28th of May 2015, gathered over 100 participants from both sides of the Mediterranean with the objective of discussing the role of cross-border cooperation in the framework of the consultation on the new the European Neighbourhood Policy.

Reinforcing ownership

The first session of the Conference highlighted the central role that stronger ownership should play in the revised European Neighbourhood Policy. Gianmario Demuro, Regional Minister for Institutional Relations, Human Resources and Public Administration Reforms of the Autonomous Region of Sardinia (the institution hosting the Joint Managing Authority of the ENPI CBC Med Programme), said that "*Mediterranean neighbours' sense of ownership requires a deeper co-decision about the objectives of the partnership with the EU.*" He added that more flexibility is necessary taking into account the deep changes which the Mediterranean region is experiencing. Gianmario Demuro also stressed the importance of adequate financial resources to properly address the ambitious objectives of new Programme and the expectations of the huge number of potential beneficiaries across the Mediterranean area. The importance of the empowerment of civil society organizations and local and regional authorities was depicted by Commissioner Hahn as a key objective of the Neighbourhood Policy. "*The strength of the ENPI CBC Med Programme is that actors from EU Member States and Partner Countries participate on equal terms which fosters ownership*," he said. "*Cross-border cooperation is a must for Euro-Mediterranean relations; stronger economic ties are key to peace and stability*," told Commissioner Hahn during his address to the ARLEM Bureau of the Committee of the Regions following his participation to the NextMed Conference.

The commitment of Mediterranean Partner Countries to cross-border cooperation was confirmed by Moufida Jaballah and Ambassador Raouf Saad, representatives of Tunisia and Egypt in the Programme. "*We should have a 'preventive' development to fight against terrorism, illegal migration and human trafficking. Cross-border cooperation is part of the solution,*" stated Ambassador Saad. Moufida Jaballah pointed out that the "*trust among stakeholders*" should be supported by a greater "*mobility of people participating in projects*", highlighting the importance of the visa issue.

Delivering common solutions to the Mediterranean region's needs

During his visit to the exhibition on some of the 95 funded projects, Commissioner Hahn said that he was "*impressed by the successful projects*" displayed. "*It is necessary to support projects from people to people in order to serve people and give them a sense why cross-border cooperation is so important.*"

The second part of the NextMed Conference was dedicated to the Programme and funded projects. Bodil Persson, Head of Sector 'Cross Border Cooperation' of the EC's DG NEAR and Anna Catte, Director of the ENPI CBC Med Programme's Joint Managing Authority, confirmed the endorsement of the new Joint Operational Programme by participating countries and its submission to the European Commission by the end of June. "*A more targeted strategy, more responsibilities for all participating countries and simplified implementation procedures are the main innovative features of the Programme for the 2014-2020 period*," said Anna Catte.

The positive impact of projects on people and businesses was discussed by the beneficiaries of RUWOMED and LACTIMED. Kirsten Sutherland, manager of Middle East Desk Office at Spain's Assembly of Cooperation for Peace, explained that "*RUWOMED empowers Lebanese and Palestinian women of local agri-food cooperatives and help them create a stable income for their families, allowing them to live in dignity."* Her presentation was completed by the story of Suad Aruri, a Palestinian mother of 10 children. "T*he RUWOMED project has literally changed my life giving my family new hope and possibilities for the future*."

In addition, Aurélien Baudoin, project manager at Anima Investment Network, and Kamel Mabrouki, director at 'Banque Nationale Agricole' of Tunisia, highlighted the momentum initiated by the LACTIMED project. "*LACTIMED supports the integrated development of 5 local value chains of dairy producers in Egypt, Greece, Italy, Tunisia, and Lebanon*," said Aurélien Baudoin. "*Under LACTIMED, the 'Banque Nationale Agricole' has created new financial tools to help small dairy producers develop their business*", stated Kamel Mabrouki.

The importance of diffusion and capitalization of good practices was the key message of Alaa Ezz, Secretary General of the Federation of Egyptian Chambers in order to foster the long term sustainability of the results achieved by the Programme.

VISIT BY THE KING OF MOROCCO TO GUINEA-BISSAU SELLS OUT HOTELS IN BISSAU

The visit to Guinea-Bissau by the King of Morocco led Bissau hotel occupancy to reach 100 percent in the period in which the entourage stayed in the city, officials from the city's three hotels told.

The managing director of Hotel Malaica, Mario Fernandes, said the visit by the Moroccan monarch had a positive impact, and it was necessary to hire more staff in view of the increased activity.

In turn, the managing director of the Azalai Hotel 24 de Setembro, Salifou Traoré, said that during the Mohammed VI's stay in Guinea-Bissau even staff were removed from their rooms to make way for Moroccan guests.

A source from the Líbia Hotel said that although the hotel was undergoing repairs, many of its rooms hosted the members of the Moroccan delegation, made up of around 500 people.

Three hotels currently operate in Bissau and, despite the existence of several apartment hotels the city has fewer than 500 rooms available to guests. (10-06-2015)

UK AID WATCHDOG CRITICISES DFID OVER PARTNERSHIPS WITH PRIVATE SECTOR

Department for International Development's engagement with private enterprise lacks strategic oversight and clear objectives, claims aid impact commission

Britain's Department for International Development (DfID) is failing to capitalise on partnerships with the private sector because of a lack of concrete targets and detailed operational plans with a clear focus on reducing poverty, the UK's aid watchdog has said.

While recognising the potential for development agencies and private businesses to work together to boost livelihoods in the developing world, the Independent Commission for Aid Impact (Icai) said these collaborations must identify more clearly how they will benefit the poor.(24-05-2015)

MILLENNIUM CHALLENGE ACCOUNT APPROVES CONSTRUCTION OF INFRASTRUCTURE IN CABO VERDE

The Coordinating Council of the Millennium Challenge Account Cabo Verde II (MCA-CVII) approved the disbursement of US$4.7 million to be spent on infrastructure in the quarter from July to September, announced the Cabo Verde (Cape Verde) Minister of Finance, cited Tuesday by the Cape Verdean press.

Minister Cristina Duarte, as chair of the Coordinating Council of the MCA-CVII said the funding approved by the local structure of the Millennium Challenge Corporation, an US agency for development assistance, was intended to fund projects for water supply and sanitation, which is the next phase of planning and reform of the sector.

Duarte said that, through the Water and Sanitation Fund, five interventions would be made in projects to solve the problem of fluoride in water on Brava island, the recovery of the Sal waste water treatment plant and replacement of pipes in the water system on Fogo island.

The minister said the funds would also be channeled to water and sanitation projects nine neighbourhoods in Mindelo, São Vicente Island, and to provide household connections to underprivileged households on the islands of Santiago, Santo Antão and São Vicente.

The second aid package from the United States to Cabo Verde in the amount of US$50.9 million, came into force at the end of 2012 and will last until November 2017, and the first package, which was in place between 2005 and 2010, totalled US$110 million. (10-06-2015)

PRIVATISING PUBLIC SERVICES IS NO WAY TO FUND SUSTAINABLE DEVELOPMENT

With trade and investment deals often enabling firms to sue states for putting the public good before profit, we privatise water and sanitation services at our peril

Read more

DfID has described its partnerships with the private sector as an "engine of growth". But the study, which was released on Thursday, said the department must "work with businesses which want to invest in developing countries in such a way as to maximise benefits for the poor".

The watchdog gave DfID an amber-red rating – its second worst – for its work with businesses. Icai's report assessed the impact of DfID's work with private sector firms on economic and human development, environmental sustainability and humanitarian assistance.

Graham Ward, Icai's chief commissioner, said: "[DfID has] clearly stated their intention to work more with business and there are great potential benefits for the poor from this collaboration. We are concerned, however, about how DfID will translate these goals into practical actions without more strategic oversight of business engagement activities and without concrete targets."

This year, DfID is projected to ramp up its financing to private sector firms – in the form of loans, equity investments and guarantees – to an estimated £580m, up from £68m in 2012, the report said.

Between 2012 and 2015, DfID spent about £494m of its budget on alliances, financing and partnerships with UK and foreign businesses, the study said. Examples of these relationships include the Business Action for Africa network; the Safety, Health and Education and Employment for Girls and Women alliance; a partnership with Water and Sanitation for the Urban Poor; and the Food Retail Industry Challenge Fund.

Poor leadership has made the development objectives behind DfID's private sector partnerships unclear, according to Icai. "We didn't get the sense that this new and really important agenda is being steered by senior management," said a spokesman for the watchdog.

Part of the problem is that DfID's poverty reduction targets are out of sync with the profit-making imperative fundamental to private business. The financial incentives for businesses to work with DfID mean that the agency must agree with private sector partners on reachable targets, the study said.

This is further complicated by DfID's remit to reduce poverty in the world's most fragile countries, which often have challenging business environments, the study warned.

An Icai spokesman said: "The markets that most business are going to be interested in are going to be in the more developed countries. The very poorest countries, by definition, are going to offer slim pickings for businesses, and therefore there's going to be less opportunity for DfID to do this direct engagement with [businesses]."

According to the report, DfID's spending on challenge funds – competitions for funding – is particularly problematic. "In some cases … we are not confident that DfID's support is additional to what businesses would have done anyway, especially in the case of challenge funds," the report said.

The report echoes criticism by some NGOs, who say DfID's private sector partnerships don't translate into development gains.

"This report raises serious questions about DfID's ideological drive to work more and more with the private sector when there's so little evidence of the development benefits," said Polly Jones, head of policy and campaigns at Global Justice Now.

Beck Wallace, a private sector policy analyst at the Catholic aid agency Cafod, said: "DfID needs a clear oversight mechanism in place when working with private firms that goes beyond just cash flow and considers who bears which of the economic, social and environmental costs, risks and benefits of projects. By identifying specifically what value it adds to partnerships with private firms, DfID can help drive forward thinking about how best to deliver poverty reduction through profit-making enterprises."

This report raises serious questions about DfID's ideological drive to work more and more with the private sector

Polly Jones, Global Justice Now

The report did not take into account spending by the UK's CDC Group, formerly the Commonwealth Development Corporation, or the Private Infrastructure Development Group, in which DfID invests. Icai said this is because the UK's National Audit Office (NAO) has recently reviewed PIDG's spending. The NAO had been scheduled to review CDC's spending, but this review has since been cancelled, Icai said.

A DfID spokesman said: "Our relationship with business has never been closer and this is delivering real results, whether working with the London Stock Exchange to boost markets in Africa, partnering with Unilever to set up social enterprises that improve the lives of millions of people, or getting new vaccines to market quickly and safely."

He added: "This report comes a year into our groundbreaking new strategy and only reviews a small cross-section of our work. It would be wrong to rush to conclusions on projects that are intended to deliver over a five- to 10-year timeframe." (ICAI)

BELGIUM: SELECTION OF 14 PARTNER COUNTRIES: EXPLANATION OF THE DECISION OF THE COUNCIL OF MINISTERS

On the proposal of Deputy Prime Minister and Minister of Development Cooperation, Alexander De Croo, the Federal Council of Ministers approved a new list of fourteen partner countries for the Belgian Development Cooperation.

Two new partner countries make their entry: Burkina Faso and Guinea.

Six middle-income countries are no longer partner countries of the governmental cooperation: Vietnam, Peru, Ecuador, Bolivia, Algeria and South Africa. These countries now come into an exit programme of maximum four years in which the current interventions of the governmental cooperation will be wound up and other forms of cooperation prepared with the actors of the non-governmental cooperation, such as NGOs and universities. (BDA 01-06-2015)

- Press release
- Selection of 14 partner countries of governmental cooperation: explanation of the decision of the council of ministers of 21 may 2015 (FR)

ARAB BANK GRANTS LOAN TO MOZAMBIQUE

The Arab Bank for Economic Development in Africa (BADEA) will provide a loan of US$13 million to Mozambique for water supply projects, under an agreement signed Tuesday in Maputo, the local press reported.

The agreement was signed by the Minister for the Economy and Finance, Adriano Maleane, and the Director General of BADEA, Addelaziz Khalef, at an event held on the sidelines of the 10th Global Forum of the Islamic Development Bank, held in Maputo.

Maleane reported that BADEA has donated about US$500,000 for technical training of the group that will work directly on the implementation of the project in Inhambane province.

BADEA has funded projects in Mozambique after independence estimated at more than US$800 million, such as electrification of the province of Cabo Delgado, coastal protection projects in Maputo and a hospital in Matola, on the outskirts of the capital. (10-06-2015)

ZAMBIA WILL NOT FOLLOW BLINDLY WHEN SIGNING AGREEMENTS

Commerce, Trade and Industry Deputy Minister Miles Sampa says Zambia will not follow blindly when signing agreements with international partners.

Giving Zambia’s position on the Economic Partnership Agreements (EPAs) on the sideline of the just-ended Africa, Caribbean and Pacific (ACP-EU) Council of Ministers in Brussels, Belgium, Mr. Sampa said Zambia is still in the process of negotiating an EPA that was development friendly to its economy and flexible enough to accommodate the European counterparts.

Mr Sampa said his Ministry which is responsible for coordinating EPA position, is aware of the guidance from Parliament, to carry out urgent consultations amongst stakeholders with a view to coming up with a more inclusive and informed position.

He said it will not help Zambia to rush into concluding and signing an EPA that is not friendly to the country’s small-scale farmers, family owned businesses and those companies that have and continue to invest in the country. He said government is interested in seeing an EPA that will support its efforts to lift people out of poverty and not to worsen their current conditions.

“If the position we get after the consultations guides us to open the market to the EU (European Union), we will make sure that it’s something beneficial to the Zambian people not only today but for the future. We are making sure that all these agreements we sign, we are not seen to be mortgaging the country,” Mr. Sampa said. “Our policy is that any arrangement we go into should be through consultations and a thorough consideration of our national interest. That’s the guidance from the President His Excellency, Mr. Edgar Chagwa Lungu.”

Mr. Sampa said any deviation from that guidance would not be allowed because government is aware of the fact that the country’s interest always come first.

“We will not follow blindly; we will make decisions that are beneficial to the Zambian people. Until we are satisfied that the ordinary Zambians will benefit from these agreements, not only today but also in the next 20; 50 years…,” he said.

Mr. Sampa further explained that Zambia is now focusing on value addition as opposed to exporting raw materials.

He said Zambia’s relationship with Europe was a historical as well as economic one and thus the need to consider these factors in devising a way forward in the EPAs.

He noted that Zambia’s fledgling industry cannot compete with that of Europe which had evolved over centuries. Therefore, he emphasized the importance of the EPA to build capacity in host economies not only in Zambia but across the African, Caribbean and Pacific regions.

“We need to bit the bullet and be more forward looking as we engage so that our farmers, traders and investors make gains out of the EPAs. We need to develop capacity to add value to our raw materials as that is the only way we can create jobs in our countries; that’s the only way we will get foreign exchange. It’s only through such exports that the Kwacha can be supported and also gain value,” said Mr Sampa.

Going forward, the East and Southern Africa (ESA) group has resolved to meet again in the margins of the Summit in Sharm-El-Sheikh, Egypt with a view to resolving the sticky issues and coming up with a more definitive position. It is noted that these negotiations have been going on for a long time and there is need to conclude. However, the need to conclude should not erode the benefits earlier intended in the EPA. (31-05-2015)

PRECIOUS STONES DISCOVERED IN NORTHERN MOZAMBIQUE

Montepuez Ruby Mining discovered two “exceptionally rare” rubies with a combined weight of 45 carats at its concession in Cabo Delgado province in northern Mozambique, the company said in a statement in Maputo.

Similar in “size, colour and quality,” the two jewels will be auctioned in Singapore, between 16 and 21 June, by British multinational Gemfields, which owns 75 percent of Montepuez Ruby Mining.

Described by the Chief Executive of Gemfields Ian Harebottle, as an “extremely rare” event, the discovery of the two gems is followed by another which took place late last year when a 40-carat ruby was found at the concession, which covers more than 330 square kilometres explored by the consortium in Mozambique.

At the first auction of Mozambican rubies, in July 2014, Gemfields, which bills itself as the world’s largest distributor of these gems and owns luxury jewellery brand Fabergé, raised US$33.5 million.

The British multinational entered the Mozambican market in June 2011 when it acquired a 75 percent stake in Montepuez Ruby Mining from Mwiriti Limitada, which now has 25 percent of the consortium. (10-06-2015)

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