MEMORANDUM

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SUMMARY

AID CUTS UNDERMINE FRENCH COP 21 POSITION

School children in Central African Republic, one of the major recipients of French aid. [hdptcar/Flickr]
Cuts to the French development aid budget are jeopardising its COP 21 commitments. For Jean-Claude Juncker, cutbacks from member states are "unacceptable.

Paris is coming under increasing pressure over its official development assistance (ODA) budget. The Commission chief used the opening of the European Development Days in Brussels to take a jab at France, whose aid budget is set to fall for the fifth year in a row.

"It is unacceptable that certain member states are reducing their aid to developing countries," Juncker said on Wedensday (3 June).

European Parliament President Martin Schulz also used the opportunity to remind EU members of their commitment to assign 0.7% of their gross national product (GNI) to official development assistance. Despite recently enshrining this target in law, France is as far as ever from achieving it. French ODA has fallen from 0.47% of GNI in 2005 to 0.36%.

But with the COP 21 round the corner, the link between development and climate is now clearer than ever.

Doublespeak

French President François Hollande first called on OECD members to increase their ODA contributions at an address in Martinique on 9 May.

"I have warned the rich countries. I told them: if you do not find the finances for the poorest and most fragile countries, they will not follow you," Hollande said, making an appeal he would repeat at the Peterseberg Climate Dialogue later that month.

NGOs have repeatedly warned of the image problem that this contradiction will cause for the COP 21.

According to Laurence Tubiana, France's lead negotiator for the conference, "this should be a real cause for concern for Foreign Affairs Minister Laurent Fabius and Ecology Minister Ségolène Royal. France should assume its development aid responsibilities, this would send out a strong message."

Some see Paris' development budget cuts as ill-judged in light of the recent increases to the culture and defence budgets.

Climate diplomacy as development aid?

The French government has defended its climate credentials by deflecting attention towards its intense diplomatic efforts.

Sources close to the president blamed the ODA cuts on austerity, but added that "France has promised to donate €1 billion to the Green Climate Fund, which could serve as an example to others."

Part of this contribution will come from the existing ODA budget, which will remain unchanged, but the government plans to raise most of it from the air ticket levy and the hypothetical Financial Transaction Tax by 2017. French efforts to lead the way with innovative financing methods have so far brought only modest results. The Financial Transaction Tax has been stuck in difficult negotiations for four years, and the air ticket levy is capped.

A loan of €285 million is the sum total of the contribution Paris has so far delivered to the Green Climate Fund contribution.(EurActiv 05-06-2015)

FIRST PHASE OF CONSTRUCTION OF THE DEEP-WATER PORT OF CABINDA BEGINS IN ANGOLA

Construction of the first phase of the deep-water port of Cabinda began on Tuesday with a ceremony attended by the provincial governor and the president of the Caioporto company, Angolan news agency Angop reported.

Caioporto was founded in 2012 in Luanda as a special purpose vehicle and received a concession to finance, plan, design, build and manage the port of Caio under the terms and conditions of the contract drawn up with the Ministry of Transport.

Brian Fuggle, chairman of Caioporto, said this early stage of the work had been awarded to South African company Franki Africa, which, amongst other work, will drill 20 to 60 holes up to 35 metres deep, which will provide critical information for the harbour’s foundations.

Provincial governor Aldina Catembo noted the port would allow more rapid export of oil and gas from the Malongo oil field, making Cabinda a support hub for the neighbouring republics of Congo Brazzaville and the Democratic Republic of Congo.

Construction of the port, in Caio Litoral, is the result of a public-private partnership and will be implemented in three phases, the first consisting in construction of port infrastructure and an area of 100 hectares for cargo services.

Figures provided by the concessionaire responsible for construction and future operation of the port, indicate that this first phase also includes construction of a 775-metre quay. (10-06-2015))

EU AFRICA TRADE: A NEW PARTNERSHIP

Cecilia Malmström, *Commissioner for Trade*

Development Days is always a great event but I think this year it's particularly special given the high level of the participants. So I'm looking forward to hearing your views and to talk to you.

Trade is such an important part - and I say this not only because I'm the Trade Commissioner - of our relations with Africa. President Juncker has asked me - and the whole Commission - to find new ways to engage further with Africa.

Trade is a key part of development. We have seen how this has worked in Asia but it is also working in Africa so this is an important way of strengthening the relationship between Europe and Africa at a very important moment.

Because of course the continent is transforming so fast.

Since the year 2000, growth has averaged at over 5% in Sub-Saharan Africa. In the last fifteen years of the last century it was half the current rate.

We have seen African success stories like M-Pesa and Ushahidi, who have ridden on the back of a huge deployment of mobile phones, a phenomenon few would have been able to predict a few years ago.

We have also seen the success of companies in more traditional sectors, like Niger Lait. And I'm very happy that Madame Maidah is here and hopefully you will also talk about your experience.

There is still a long way to go of course.

Gross national income in developing Africa may have doubled since 2005 but it is still only 15% of the global average.

But the last fifteen years has shown us what is possible when a continent full of diversity, energy and entrepreneurship is given a chance to shine.

The question here today is how trade can reinforce development. Africa's development path will not take place in isolation in today's globalised worth. It needs trade.

We have now entered a new phase in EU-Africa trade relations. A majority of African countries, covering 70% of the population and 80% of GDP, will soon have Economic Partnership Agreements with the EU.

That means that Africans are no longer dependent on trade preferences granted by the EU, based on simple goodwill. These are real true partnerships between equals.

It allows us to ask new questions about how that development can work in practice and how we set out a new path for our relationship.

And of course I think it's a little be too early now to say exactly what that path should be. I will be listening intently to your contribution to that.

But a vital part of the work is of course how we fulfil the promise of Economic Partnership Agreements.

If we put them fully into practice, these deals will allow African companies to safely plan their future growth in Europe. That's because full access to the EU market of 500 million consumers is now guaranteed.

It will also make it easier for African companies to expand within their region. That will help them build economic alliances between themselves. That's because EPAs open regional markets.

EPAs also have potential to make the business environment in general more predictable and more transparent. That's particularly the case when it comes to customs administrations. And the rendez-vous clauses in these deals on services, investment and competition offer the potential to go much further.

And EPAs will also help African companies to gain access to imports that can help them become more competitive. The deals will gradually and carefully open African markets to European exports as well. That's in our mutual interest.

But all this can only happen if they are put into practice. I hope that our partner governments across the region see that as a priority. And that they also help to develop the institutions, the infrastructure the governance that is necessary to support it and that's a core part of our relationship. We need to take a clear look at this. We need to look closely at the entirety of our economic relations. And we must take account of the massive of the continent of course.

In order for this to work we must work together to strengthen democracy, human rights, good governance and to make sure that the infrastructure, the training is there to make full use of the EPAs, and that the benefits go hand in hand with sustainable development and that we find ways to distribute the wealth and growth created.

That will deepen our relationship. That will deepen our trade and investment ties for everyone's benefit in Africa and in Europe.

That, Ladies and gentlemen, is the goal. So I am again very happy to welcome you all here today and looking forward very much to the discussion and the contribution of our very distinguished guests.

Thank you very much. (EC 03-06-2015)

NATIONAL BANK OF ANGOLA INCREASES SALE OF DOLLARS TO COMMERCIAL BANKS

Over the last week the National Bank of Angola (BNA) has increased the amount of foreign currency sold to Angolan commercial banks by over 134 percent to US$936 million, according to a weekly report on developments in the BNA’s money and foreign exchange markets.

The measure is in line with the announcement made on 28 May last by the governor of the BNA, José Pedro de Morais, on increasing the number of weekly auctions of foreign currency to commercial banks, one of the measures proposed by the government to “decompress” the current currency crisis in Angola.

Sales of currencies between 1 and 6 June were carried out at an average rate of interbank foreign exchange of 117.473 kwanzas per dollar, which corresponds to a weekly devaluation of the kwanza of about 6 percent.

The sale of foreign currency to the Angolan banking sector in the first week of June is at a one-year high, compared to the US$400 million sold by BNA in the previous week, which itself was a week-on-week increase of 30 percent.

At the end of May the governor noted that the 30 percent drop in the sale of foreign currency to commercial banks by the BNA since the beginning of the year, compared to 2014, due to the fall in oil export revenues, was affecting business activities in the country.

“The BNA has been given a mandate to take the necessary steps to decompress the pressure in the forex market, to avoid situations of disruptions of ‘stock’, to solve some problems that are seriously affecting economic operators,” said Morais. (10-06-2015)

AFRICA HOLDS BREATH OVER HOTEL BOOM

Hotel development in Africa is set to surge this year as international brands such as Marriott, Hilton and Radisson seek to maximise their returns from the fastest-growing continent in the world, after Asia.

A report released by the W Hospitality Group this month, an advisory firm to the hotel and tourism industry, estimates that about 50,000 rooms spread among 270 hotels in Africa are set for development this year.

But a lack of sufficient funding, red tape and a shortage of expert skills may block some of these deals from becoming a reality.

Between 2006 and 2011, about 60 deals were in the pipeline, aimed at opening 13,500 new rooms in Africa.

About 25% of these deals are still just paperwork or, in some cases, "unfinished monuments to unfilled promises", according to the report.

HTI (Hospitality and Tourism International) Consulting CEO Wayne Troughton warns against focusing too much on the headline figure for hotel development, as "a lot of these deals are not necessarily new".

"Some of these hotels had been in the development pipeline for about five to seven years," he says, referring to the 270 new hotels that are expected to be built this year.

Of the record 79 deals signed last year, a significant number are still on the books, the 2015 Hotel Chain Development Pipelines in Africa report states. Deals signed for this year are not yet available.

Nigeria has by far the largest development pipeline this year, more than Central Africa and East Africa combined. An estimated 8,500 rooms are expected to be built in Nigeria across 51 planned new hotels. However, less than 40% of pipeline rooms are on site and a portion of those that have gone to site have stalled.

"Financing can be very difficult," W Hospitality Group MD Trevor Ward says. "It’s easier to raise capital for oil projects in Nigeria than it is to develop hotels," he says.

Although Nigeria has the biggest economy on the continent, it is still relatively inexperienced when it comes to hotel-development know-how as hotels "are quite complex buildings", Mr. Ward says.

Sub-Saharan Africa, which is historically underserved with branded hotels compared with its North African counterpart, will drive most of the building activity this year.

Of the 50,000 rooms on track for development this year, about 70% of the construction is expected to take place in sub-Saharan Africa.

Only two years ago, the number of rooms in the pipeline for both regions was the same, at just more than 18,000, but political imbalance and unrest in countries such as Morocco, Egypt and Tunisia have made investors cautious about investing in a high-risk region.

Buhler and Associates hospitality consultant Roland Buhler believes demand from the mid-tier market will contribute to development in sub-Saharan Africa as "interregional and local travellers look for three- and four-star accommodations".

"Budget hotels account for less than 1% of the total number of sellable rooms in Africa," he says, highlighting the opportunity that exists for hoteliers in this market segment.

Five-star hotels will also be sought-after as the number of business executives conducting deals on the continent, which is set to grow 4.5% this year, also need a place to stay.

What is of interest, however, is the fact that although sub-Saharan Africa had more signed deals than North Africa last year, the latter has 76% of the pipeline rooms on site, compared to 55% in sub-Saharan Africa.

"Most North African countries are more mature in terms of their tourism industry. It’s easier to get a hotel built as the infrastructure is already in place," says Mr. Ward, who is also author of the hotel report.

"In contrast, most SSA (sub-Saharan Africa) countries are building hotels for the first time," he said, citing Mauritania, which now has three branded hotels in the development pipeline from zero last year.

The number of rooms planned for development in SA has been steady at about 1,600 for the past three years, according to the report. SA occupies sixth spot among the top 10 countries by number of rooms in the development pipeline, behind Tunisia but ahead of Kenya. Uganda sits at number 10.

Building activity in SA has slowed markedly since the run-up to the 2010 World Cup but the industry is showing signs of recovery, says Mr. Troughton.

Tourists flocking to the country to take advantage of the weakening rand have created demand for accommodation and building opportunity.

However, should the introduction of SA’s new visa regulations stem tourism, as industry experts warn, this will be likely to see hotel development deals in the continent’s most advanced economy dwindle, he says. (BD 10-06-2015)

CHINA PLANS TO HELP ANGOLA TO OVERCOME CRISIS

China will assist Angola in “overcoming difficulties” created by the drop in oil prices “and resulting” decreased revenues, the Director of African Affairs of the Chinese Ministry of Foreign Affairs. said Tuesday in Beijing

After signing several two-way cooperation agreements, some of which involved the Angolan Finance Ministry, Lin Songtian added that “both President Xi Jinping and the prime minister, Li Keqiang, said China will help Angola overcome difficulties it is experiencing and help to diversify the economy.”

The Director of African Affairs of the Ministry of Foreign Affairs declined, however, to disclose the amounts in question, saying “for now we will treat this issue as a private matter,” according to Portuguese news agency Lusa.

The ceremony to sign the agreements took place in the Great Hall of the People in Beijing, attended by the presidents of the two countries, Xi Jinping and José Eduardo dos Santos, respectively.

Eduardo dos Santos Monday began a six-day visit to China, accompanied by nine ministers and, as well as with his Chinese counterpart, has met with the prime minister, Li Keqiang, and the Chairman of the Chinese People’s Political Consultative Conference, Yu Zhengsheng.

Jose Eduardo dos Santos schedule in China also includes a visit to Tianjin, the largest port in the north of the country, about 150 kilometres from the capital, and an economic forum with nearly 200 participants. (10-06-2015)

BILLIONAIRE SET TO PROVIDE 24HR ELECTRICITY IN LAGOS

Nigerian billionaire, Aliko Dangote is set to provide the country's commercial hub, Lagos State with 24-hour power supply.

Dangote disclosed this during a meeting with Governor Akinwunmi Ambode on Wednesday, June 10, 2015.

The billionaire said further that plans have already been concluded to construct a gas pipeline to address the power supply challenges in the state.

"We also assured him that we are going to do a Gas Pipeline from Bonny (River State) to pass under the sea (to Lagos.) When it is completed, Lagos state will never ever experience blackout. There will be electricity 24 hours a day," Dangote said.

"There are quite a lot of things that will come along with creating so many jobs. I think Lagos will be one of the fastest growing cities in Nigeria and Africa as a whole. I can assure you that we would do our own bit in terms of your efforts in policing Lagos, for security and whatever the need is, feel free to call us, we would partner with you and whatever you want us to do to make Lagos a better place," he added.

Dangote also said that his visit to Ambode was for the purpose of assuring the governor of his commitment to complete the ongoing projects already embarked upon by his company. (Pulse 12-06-2015)

TOUGH TIMES LAY AHEAD FOR DEVELOPING COUNTRIES

Developing countries face a series of tough challenges in 2015, including the looming prospect of higher borrowing costs as they adapt to a new era of low prices for oil and other key commodities, resulting in a fourth consecutive year of disappointing economic growth this year, says the World Bank Group's latest Global Economic Prospects (GEP) report.

According to the lender, developing countries are now projected to grow by 4.4 percent this year, with a likely rise to 5.2 percent in 2016, and 5.4 percent in 2017.

Developing countries were an engine of global growth following the financial crisis, but now they face a more difficult economic environment, said World Bank Group President Jim Yong Kim.

We will do all we can to help low- and middle-income countries become more resilient so that they can manage this transition as securely as possible. We believe that countries that invest in people's education and health, improve the business environment, and create jobs through upgrades in infrastructure will emerge much stronger in the years ahead. These kinds of investments will help hundreds of millions of people lift themselves out of poverty, he added in a statement issued in Nairobi on Thursday.

With an expected liftoff in United States interest rates, borrowing will become more expensive for emerging and developing economies over the coming months.

This process is expected to unfold relatively smoothly since the US economic recovery is continuing and interest rates remain low in other major global economies, says the report.(APA 11-06-2015)

ANGOLA REDUCES IMPORTS FROM PORTUGAL IN THE 1ST QUARTER

Angola was the destination for Portuguese exports with the largest annual reduction in the first quarter, down from 4th to 6th largest customer, the Portuguese National Statistics Institute (INE) said Tuesday in Lisbon.

Data issued by INE said that given the “sharp decline that recently took place” in trade with Angola, the country lost to the US the leadership it had enjoyed since 2008 among non-EU destinations.

Exports of goods to Angola totalled 552.0 million euros in the first quarter of 2015, falling 23.6 percent over the same quarter of 2014, when total national exports of goods posted an increase of 4.0 percent.

In the period, Portuguese exports to Angola registered the largest annual reduction amongst Portugal’s export destinations, falling from fourth place (6.2 percent fo total exports) to sixth, with 4.5 percent.

The annual decrease of exports of goods to Angola in the first quarter affected all exported product groups, but was particularly evident in machinery (-24 percent), base metals (-21.8 percent) and other products (-35.1 percent).

Food products, which are traditionally the second largest product group exported to Angola, decreased by 16.2 percent.

Despite the decline in exports of goods, the balance of trade of goods with Angola rose 165.6 million euros compared to the same period of 2014, reaching a surplus of 359.4 million euros. (11-06-2015)

BOTSWANA WARNS THAT RELIANCE ON DIAMONDS MAKES ECONOMY FRAGILE

The permanent secretary in the Ministry of Finance and Development Planning, Solomon Sekwakwa on Thursday said Botswana was a fragile economy being reliant on diamonds whose prices are unstable.

Addressing the Public Accounts Committee, Sekwakwa said power cuts and water shortages were a major challenge in Botswana even for domestic investment to grow.

He said there was a lot of money to be injected into the two sectors to revive the infrastructure, which would come at a high cost for the economy.

Sekwakwa said youth unemployment pre-occupied the ministry because it was a challenges not just in Botswana but worldwide.

He said government had good intentions when introducing the graduate internship programme to absorb them into the main economic stream to acquire skills.

Sekwakwa, however, said the business community had made the programme look negative because they no longer employed, but depended on cheap labour from interns to maximize the profit.

He stated that it is imperative for government to come up with sustainable programmes that would help address youth unemployment. (APA 11-06-2015)

P&G INVESTS $450M IN NIGERIA, ADVICES FG ON EXPORT POTENTIALS

The consumer goods manufacturing company Procter and Gamble (P&G) has said that its investments in 20 years of operating in Nigeria is worth $450 million with capacity to serve other African countries from its three plants.

P&G President India, Middle East and Africa (IMEA), Mohammed Samir, stated this on Thursday at the commissioning of the company’s new corporate head office at Ikeja.

According to him, Nigeria has the potentials to export products to other African countries if necessary infrastructure and enabling environment are put in place by the federal government.

He said P&G which has the biggest US non-oil investments in Nigeria with its $300 million state-of-the-art in Agbara is to support the job creation efforts of the government.

He explained that P&G from its operations in Saudi Arabia and Egypt exports products to other 25 and 35 other countries respectively.

Samir said if the right atmosphere is guaranteed by the federal government, P&G is positioned to export

from Nigeria because there is a lot of agreements to facilitate that in Africa.
He stated that P&G has provided about 5000 direct and indirect jobs. (Daily Trust 11-06-2015)

MOROCCO BANKROLLS BUILDING OF LIBREVILLE VOCATIONAL TRAINING CENTRE

King Mohammed VI of Morocco and his Gabonese host, Ali Bongo Ondimba, on Friday afternoon launched the construction of a dirham 57-million transport/logistics vocational training center in Libreville.

The centre, funded by the Mohammed VI Foundation for Sustainable Development is a token of the Moroccan monarch’s particular interest in qualifications and competency training, especially in Gabon, a country purposefully committed to diversifying its economy, which at the moment is dependent on its natural resources (oil, manganese, and timber).

The building of the centre tied to transport and logistics will help meet the needs of economic operators regarding skilled human resources, strengthening youth employability and promoting their integration in the labour market and supporting Gabon’s major social and economic development projects.

This intended centre of excellence, which will accommodate over 1,000 trainees annually will be built on a 3.5 hectare-land to provide initial training for students and continued training for company employees in 13 of the transport and logistics sectors.

Future trainees will undergo training to become specialized technicians (baccalaureate degree), technicians (baccalaureate level), skilled workers (end of college education) and specialized workers (end of primary education).

Last Monday, King Mohamed VI and President Ali Bongo Bongo Ondimba witnessed the signing of four new agreements between their two countries.
These agreements mainly focused on health and social security.(APA 12-06-2015)

ANGOLA IS THE AFRICAN COUNTRY MOST AFFECTED BY DROP IN OIL PRICES

Angola was the African country most affected by the oil price drop, a factor that worsened the public accounts of the country and made debt sustainability more problematic, the vice president of sovereign debt rating agency Moody’s said in London.
Rita Babihuga said during a conference on sub-Saharan economies that although African countries were better prepared for the crisis than they were at the end of the last decade, “Angola was the country that saw its budgetary situation worsen most” in recent months.
This, he added, was creating a problem for state accounts, as the government’s response has been to make up the revenue shortfall with an increase in external debt, “which makes the issue of debt sustainability increasingly problematic,” which is getting close to 40 percent of the country’s Gross Domestic Product.
The use of international markets as a source of funding is one of the answers that Angola has found taken to deal with the shortfall in tax revenue, but the trend had already started before, recalled the Moody’s vice president for finance, Constantinos Kypreos.
Economic growth in sub-Saharan Africa as a whole is perceived positively by the rating agency, which expects growth in the region of between 4 and 5 percent, in the context of growth rates of the economies of oil-producing countries converging with growth rates of the other economies. (11-06-2015)

CAR-POPE FRANCIS TO VISIT BANGUI IN NOVEMBER

Pope Francis is expected in Central African Republic (CAR) in November in a visit aimed at encouraging the peace efforts in a country plagued by sectarian violence.

Pope Francis visit will be the second of a Pope in CAR after the one made by John Paul II in 1998.

The Pope's visit in CAR which will be his first in an African country was announced by his representative in CAR and Chad, Bishop Francisco Capulo, in a press statement, at the end of a meeting with the Transitional president, Catherine Samba Monday.

Bishop Francisco Capulo urged the Central African authorities to get involved in the preparations for the papal visit.

According to Bishop Francisco, the Holy Father is very affected by the situation in CAR and calls for Central Africans to make the necessary sacrifice to live in peace and social cohesion.

Central African Republic has been rocked by sectarian violence since 2013. That year, mostly Muslim Seleka rebels seized power, and their brutal rule led to the rise of Christian militias that unleashed a wave of violence against Muslims. (BD 11-06-2015)

TOTAL EXTRACTS 2 BILLION BARRELS OF OIL IN BLOCK 17 IN ANGOLA

To date French group Total has extracted over 2 billion barrels of oil from Block 17 in Angola, state oil company Sonangol said in Luanda Wednesday.

Sonangol said in a statement on its website that with the commissioning of the FPSO (floating production, storage and offloading) CLOV, Block 17 started to produce 700,000 barrels of oil per day.

The statement said that this block has been a world reference for the sector, with 15 discoveries and very promising production prospects, with production registering continuous growth over the last 14 years.

Block 17′s operator is Total, with 40 percent and its partners in the project are Statoil (23.33 percent), Esso Exploration Angola Block 17 Ltd. (20 percent) and BP Exploration Angola Ltd. (16.57 percent). (11-06-2015)

ROYAL AIR MAROC INCREASES SCHEDULED FLIGHTS TO CABO VERDE

Royal Air Maroc will fly four times a week from Casablanca to the Cape Verdean airports of Sal and Praia from 25 October, the airline said in a statement.

The company also said that on Tuesdays and Fridays the flight leaves from Casablanca to Sal and then goes on to Praia, from where it returns to Morocco and on Thursdays and Sundays it flies first to Praia and then to Sal.

Royal Air Maroc began scheduled flights to Cabo Verde (Cape Verde) on 9 April 2013, with two flights a week.

According to the statement the aim of increasing the number of weekly flights is to make significant gains in service, in terms of regularity for passengers who are from Morocco but have business or other interests in Cabo Verde and in other parts of Africa. (11-06-2015)

S/AFRICA: MORE AFRICAN LANGUAGES SET FOR CURRICULUM

The South African education authorities will roll-out Incremental Introduction of African Languages (IIAL) to cover over 3,500 schools as part of the government’s efforts to build social cohesion in the country, Basic Education Minister Angie Motshekga has said.

Speaking when she tabled her ministry’s Budget Vote speech at the National Council of Provinces Thursday following a recent announcement that her ministry had piloted African languages teaching at selected Grade 1 classes in 2014.

She said: “Through the promotion of African languages, we can address some aspects of social cohesion.

“As a country, we will better communicate and understand each other, if we understand those cultural and language idiosyncrasies that at times isolate us in our own land. We are committed to strengthening all African Languages.”

The minister’s announcement comes soon after the xenophobic attacks on foreign nationals, as well as the defacing of several colonial symbols in some parts of the country, with government moving in to restore calm and normality through various initiatives.

Motshekga said the country needed to pick up a few lessons from the recent “shameful attacks” on foreign nationals and the defacing of colonial era statues, in order to set an example to young people to enable them to live in a world that is diverse, different and forward-looking.

She therefore said preparations were underway for the implementation of IIAL in the 3,558 schools across all provinces that do not currently offer an African language. (APA 11-06-2015)

BARCLAYS AFRICA BUYS INTO KENYAN INSURER

Barclays Africa Group plans to move into the asset-management business in Kenya this year after reaching a deal on Wednesday to buy a majority stake in insurer Kenya First Assurance for 2.8-billion shillings ($29m).

Barclays’s deal to buy 63.3% of the Kenyan insurance company is part of a plan to boost the company’s revenue in its African operations outside SA.

Barclays Africa wanted to grow the revenue contribution from its African markets, excluding SA, from about 15% now to 20%-25% in three years, Lanz Zulu, Barclays Africa’s head of wealth and insurance, said after the deal was unveiled.

"We are actively looking at entering the market for an investment management business," he said, adding this could include setting up a business or buying one.

"We would like to be in the market by the end of the year," Mr. Zulu said.

First Assurance, which is ranked in the top 10 of Kenyan general insurers, had after-tax profit of 518-million shillings last year.

Mr Zulu said the deal was subject to regulatory approval in SA, Kenya and Tanzania, where First Assurance also operates.

Barclays said 700-million shillings of the 2.8-billion shillings would go towards a capital injection.

Stephen Githiga, the MD of First Assurance, said the deal would allow the company to access a wider network of sales outlets.

"We have six branches within the region.

"With this transaction, we will be able to sell our products and services to our customers with all the branches of Barclays, which are almost 150 within East Africa," Mr. Githiga said.

He said First Assurance would enter the Ugandan market next year.

Jeremy Awori, the CEO of Barclays Kenya, said: "We want to see our bancassurance revenue growing going forward. This represents an avenue for creating revenue."

He expected the deal to be concluded before the end of September. (Reuters 11-06-2015)

S/SUDAN: IGAD OUTS NEW POWER-SHARING PROPOSAL FOR RIVALS

Inter-Governmental Authority on Development (IGAD) has released a new proposal for the main rivals of the conflict in South Sudan to share power in a transition government.

The proposal of the deal seen by the African Press Agency on Friday suggests a transition administration lasting two and a half years in which President Salva Kiir will remain in power.

According to the proposal rebel leader Riek Machar would occupy the position of First Vice President which would be created to accommodate him in government.

IGAD also proposed that Kiir's government would be allotted 53 percent of national ministerial positions while the SPLM-In Opposition of former vice president Machar would get 33 percent.

The rest of the ministerial positions would be split up between other political parties and the SPLM-G10 of former post-coup detainees led by Pagan Amum.

According to the IGAD proposal, the country's parliament would be expanded from 332 members to 400.

Of the newly established seats, Machar would get 50 and other political parties would occupy 17.

The SPLM-G10 would be allotted one seat.

IGAD proposed that the SPLM-IO would hold the governorships of Unity, Upper Nile, and Jonglei states, as well as 53 percent of state council of ministers positions for those three states.

Kiir's side would be allocated 33 percent, with the SPLM-G10 and other political parties would share the remaining 14 percent evenly.

Both warring sides have not reacted to the new proposal by IGAD which is backed by the African Union, the UN, EU, China and the Troika nations of UK, US and Norway. (APA 12-06-2015)

RETAILERS TURN TO EUROPE AS AFRICAN CHALLENGES BITE

When Brait agreed to pay about $1.2bn for UK fashion chain New Look last month, South African billionaire Christo Wiese's investment company took a leaf from an increasingly popular book.

Amid a lack of acquisition opportunities on its home continent, Brait followed the likes of retailers The Foschini Group (TFG) and Spar in bypassing the potential of Africa's growing middle class and targeting European consumers instead.

"They're buying established businesses with established brands, distribution channels and shops, and this in a market that's showing recovery," said Byron Lotter, a money manager at Johannesburg-based Vestact, which oversees about R2.3bn of assets. "Expansion into Africa is slower and a lot more difficult."

While sub-Saharan Africa has long-term potential, a shortage of retail locations and high transportation costs are among factors limiting expansion opportunities in that region, according to Guy Hayward, CEO of Walmart's South African unit, Massmart. That's preventing companies taking full advantage of middle-class households — those consuming $15 to $115 a day — that Standard Bank estimates will grow to 40-million by 2030 from 15-million now.

South African retailers have spent at least $1.5bn buying European companies this year, while Steinhoff International Holdings' $5.3bn takeover of Cape Town-based clothes retailer Pepkor Holdings will see the furniture seller expand into markets such as Poland and the Czech Republic as well as Australia.

Steinhoff, the JSE's biggest furniture company with a market capitalisation of about R260bn, plans to list on the Frankfurt Stock Exchange this year to increase exposure to investors in Europe.

South African shopping chains have been struggling to grow sales at home as unemployment of more than 26%, power shortages and rising inflation stifles consumer spending. In contrast, the UK, for example, is experiencing falling joblessness and had deflation of 0.1% in April.

Ronnie Stein, chief financial officer of Cape Town-based TFG, said in late May the fashion chain was growing as fast as it could in the rest of Africa — yet that was not quickly enough to meet the company's goals. TFG's shares have increased 17% this year, compared with a 12% gain by the FTSE/JSE Africa General Retailers index.

TFG plans to have 375 stores in its Rest of Africa region by 2020, compared with its 148 now, yet also agreed to buy UK clothing chain Phase Eight for £140m in January.

"If we found the same opportunity in SA, we would have done it," Mr. Stein said, referring to Phase Eight. "We are not slowing Africa growth at all, but we've now got the opportunity to grow in the rest of the world as well."

South African retailers expanding in Europe also benefit from diversifying their sources of revenue beyond the rand, according to Mr. Stein. The currency has weakened about 17% against the dollar in the past year, and is trading close to a 14-year low.

Woolworths closed its three stores in Nigeria in 2013 because of high rental costs, duties and difficulties transporting goods. Seeing faster growth through the purchase of stores in established markets, the seller of organic foods and clothing brands such as Country Road bought David Jones, Australia's oldest department-store chain, for $2bn last year.

Mr. Price will open its first test store in Australia in the second half of the new fiscal year ending March next year, it said earlier this month.

"The prize in Africa is as big as ever, but it's probably harder and further away," Massmart's Mr Hayward said. (Bloomberg 11-06-2015)

TORRID TIMES AHEAD FOR MOZ, OTHERS

The Washington-based World Bank has said developing countries such as Mozambique and Angola face a series of tough challenges in 2015, including the looming prospect of higher borrowing costs as they adapt to a new era of low prices for oil and other key commodities.

In a report entitled "Global Economic Outlook – 2015" released on Friday, the World Bank said this situation will lead to "difficult challenges" for countries which will have more difficulty paying loans.

The World Bank said it lowered its growth forecast for the group of developing countries to 4.4 percent, which will have an impact on the world economy, representing a "fourth consecutive year of disappointing growth," of (2.8%).

"Developing countries were an engine of global growth following the financial crisis, but now they face a more difficult economic environment," said World Bank Group President Jim Yong Kim.

"We'll do all we can to help low and middle-income countries become more resilient so that they can manage this transition as securely as possible. We believe that countries that invest in people's education and health, improve the business environment, and create jobs through upgrades in infrastructure will emerge much stronger in the years ahead.

"These kinds of investments will help hundreds of millions of people lift themselves out of poverty,"Yong Kim added.

The Bretonwoods Institution said the appreciation of the dollar will hinder payment of foreign debts of countries such as Angola, which will be affected given that it is an oil exporter, and Mozambique, which will benefit from the reduction of its fuel import bill but will be hampered by the lower prices of the goods it exports.

In this context, the World Bank said that the Angolan economy this year would grow by 4.5 percent anticipating a decline of 0.6 points in 2016, 3.9 percent, from which the country may recover in 2017 to reach 5 percent.

Amongst Portuguese-speaking African countries, PALOP, Mozambique is the country that will grow most in 2015, with expansion of gross domestic product (GDP) of 7.2 percent, as well as in the following two years 7.3 percent.

According to the World Bank report, Cape Verde’s economy is expected to grow 3 percent this year, 3.4 percent in 2016 and 3.5 percent in 2017, while Guinea Bissau will see its GDP expand by 4.2 percent in 2015 and 3.9 percent and 4 percent in the next two years.

The report does not mention the economic growth forecast the other African CPLP members, São Tomé and Príncipe and Equatorial Guinea. (APA 12-06-2015)

PROMOTING SUSTAINABLE URBAN DEVELOPMENT IN THE MEDITERRANEAN REGION – LAUNCHING OF THE SECOND PHASE OF THE URBAN PROJECTS FINANCE INITIATIVE

The Urban Projects Finance Initiative (UPFI) workshop brought together for the first time all relevant stakeholders and promoters involved in this initiative, marking the start of its second phase.

The Minister of State for Urban Renewal and Informal Areas of Egypt, Laila Iskandar, the Secretary of State for Housing of the Government of Tunisia, Anis Ghdira, and the mayor of Jericho (Palestine), Mohammed Jalayta, attended the workshop, which gathered 60 participants of 15 UPFI projects from 6 countries.

The Union for the Mediterranean (UfM) held on 9-10 June the Urban Projects Finance Initiative (UPFI) Workshop at its headquarters in Barcelona.

The meeting brought together for the first time all actors involved in the UPFI process- namely project promoters, financial partners and consultant teams-, marking the start of the second phase of the initiative.

UPFI’s purpose is to identify and select sustainable and innovative urban development projects that offer bottom-up, regionally replicable solutions to the major urban development challenges facing the region.

While the first phase of the initiative focused on the selection of the projects and the definition of the Technical Assistance needed, the second phase will consist on the implementation of the identified Technical Assistance programmes with a view to ensuring the projects’ bankability by International Finance Institutions.

The workshop gathered major urban planning players such as the Minister for Urban Renewal and Informal Areas of Egypt, Laila Iskandar; the Secretary of State for Housing of the Government of Tunisia, Anis Ghdira and the mayor of Jericho (Palestine), Mohammed Jalayta. Among the 60 participants, there were as well representatives of 15 UPFI projects from 6 countries, namely Bouregreg-Rabat Salé, Tétouan, Benguerir and Agadir (Morocco); Gabes, Sfax-Taparura and Médinas (Tunisia); Imbaba-Giza and Esna (Egypt); Nablus, Bethlehem and Jericho (Palestine); Lod (Israel); and the II Project of local and regional development (Jordan), attended the one-day meeting.

“The UfM Secretariat plays a role of “trust third party” amongst different countries for the exchange of information and the projects implementation to be assured and for the cooperation logics to prevail because this is what makes it more efficient and visible the action of each partner”, said Secretary General Fathallah Sijilmassi. “*The Urban Project Finance Initiative (UPFI) can be an example for other fields in which regional cooperation represents a real added value”,* added Sijilmassi.

UPFI is one of the pillars of the Euro-Mediterranean Sustainable Urban Development Strategy, as stated in the declaration of the First Ministerial Conference of the UfM on Sustainable Urban Development, held in Strasbourg on 10 November 2011. The initiative was launched during the Senior Officials Meeting on 7 April 2014, and received the endorsement of the representatives of the 43 UfM member countries.

Three projects have already been labelled by the UfM under the framework of this initiative: the Imbaba Upgrading Project, the Sfax Taparura project and the Bouregreg Valley Development.

UPFI is managed by the Agence Française de Development (AFD) and the European Investment Bank (EIB) with the support of the European Commission and under the umbrella of the UfM Secretariat. The KFW Development Bank, the Caisse des Dépôts (CDC), the European Bank for Reconstruction and Development (EBRD), and the Finnish Cooperation are closely associated, whilst other IFI's and investors have expressed their interest.

The holding of this workshop, gathering all relevant Euro-Mediterranean institutions and stakeholders operating in the field of sustainable urban development, gives evidence of the role of the UfM Secretariat as an operational platform to foster coordination efforts, by drawing on the synergies with and between institutions, stakeholders, cooperation schemes and donors.

Projects labelled

Imbaba Upgrading Urban Project

The main objective of this project is to strengthen the integration of Imbaba, one of the most populated and unplanned urban areas of Egypt, with the city of Cairo by providing its 700,000 inhabitants with the basic facilities, infrastructure and services which are currently lacking

Sfax – Taparura

Sfax is a coastal city open to the Mediterranean. It is the second biggest city of Tunisia and the most important industrial and commercial centre in the south of the country. Site of the phosphate industry, it has suffered from significant pollution which has hampered its development. After the depollution of the northern coast of the city, the project foresees the rehabilitation of its beaches and the creation of 420 hectares of land to extend the metropolitan area.

Bouregreg Valley Development

The project aims to develop new neighbourhoods for professional and residential use (to achieve social diversity), as well as public amenities and spaces. It will preserve cultivated land, create natural ecological spaces, undertake reforestation actions and restore water courses that present a risk of gully erosion and landslides. It will also promote an integrated development meeting the area's present and future needs, including landmark facilities that benefit the entire metropolitan such as a hospital and the rehabilitation of Chellah. (UfM 11-06-2015)

LIBERIA, EU MEET OVER FORESTRY PROTECTION

A meeting of the Joint Implementation Committee (JIC) of the Liberia-EU Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA) took place at the Liberia Chamber of Commerce in Monrovia, on Friday.

According to an EU statement the objective of the meeting was to jointly review the implementation of the Liberia-EU VPA Agreement, take stock of the effects of Ebola on activities and agree on the priorities for the 2015.

The VPA aims to put in place systems to ensure the legality of Liberia's timber production and to strengthen forest sector governance.

The statement said this process expected to last for several years, will promote legal forestry, leading to more sustainable forest management, increased long-term revenues for communities and the government, investment and job creation.

The EU has similar agreements with Ghana, the Republic of Congo, Cameroon, Indonesia, the Central African Republic and is negotiating with nine other countries.

Among the issues discussed at the meeting were the key milestones in the development of the timber legality assurance system, further reinforcement of the legal framework and law enforcement as well as recent developments and challenges in the sector, including community forestry management agreements and transfer of timber revenues to communities.

Both Liberia and the EU were happy to acknowledge that the Ebola crisis has not derailed the VPA process, although it has generated significant delays.

They were pleased to see that all stakeholders and support projects have fully remobilized.

Participants also discussed the synergies between the VPA process and the Liberia-Norway letter of intent on “Cooperation on reducing greenhouse gas emissions from deforestation and forest degradation (REDD+) and developing Liberia’s agriculture sector”.

In remarks, EU Ambassador Intelmann said: ”2015 is a crucial year for the global community and our planet: a series of international conferences will agree on Financing for Development, sustainable development and climate change goals for the next 15 years.

“The FLEGT Voluntary Partnership Agreement between the EU and Liberia can make an important contribution to our joint efforts to tackle climate change”.(APA 12-06-2015)

WHY ACP COUNTRIES MATTER FOR THE EU POST-2015 DEVELOPMENT AGENDA

We are witnessing a shift in the original rationale behind the unique relationship between the European Union and the African, Caribbean and Pacific countries of the ACP group, which goes beyond the logic of “unilateral aid transfer”, “donor-recipient approach” and “North-South dialogue”.

“The [ACP] Group will have to transform itself if it wants to realise its ambition of becoming a player of global importance, beyond its longstanding partnership with the EU” – Dr Patrick I. Gomes, ACP Secretary General

In November last year, in his mission letter to the newly appointed European Commissioner for International Cooperation and Development, Neven Mimica, European Commission President Jean-Claude Junker said: “The first priority is the post-2015 framework and the second priority of my mandate is the future of EU’s strategic partnership with African, Caribbean and Pacific (ACP) countries.”

With the agreement for that partnership coming to an end in 2020, both the European Union and the ACP group are currently stimulating intense debates on a critical review of the past and future perspective as well as challenging issues for the future “*acquis*” between the ACP countries and Europe under the umbrella of the Cotonou Agreement.

Last month’s Joint Session of the ACP-EU Council of Ministers held in Brussels (May 28-29) May offered an occasion for discussing innovative options to outline new bases of common interests, needs and difficulties, and to forge forthcoming cooperation, particularly in terms of the post-2015 agenda, financing for development, migration, international trade, climate change and democratic governance.

At ACP level, there is a growing awareness among members that “the Group will have to transform itself if it wants to realise its ambition of becoming a player of global importance, beyond its longstanding partnership with the EU,” said ACP Secretary General, Dr Patrick I. Gomes.

“There is the need to re-balance the ACP-EU partnership in favour of the ACP Group” was one of the key messages from the 101st ACP Council of Ministers held on May 27-28 to re-align ACP positions before the Joint Session with the European Union.

Within the European Union, there is also recognition of the relevance of the EU-ACP relationship. “Our exchanges of view on a number of key issues such as the post-2015 development agenda and migration once again underlined the importance of our partnership,” said Zanda Kalniņa-Lukaševica, Latvian Parliamentary State Secretary for E.U. Affairs, in a statement.

On paper, the Cotonou Agreement remains the most sophisticated framework for ACP-EU cooperation, covering political, trade, economic and development cooperation issues.

According to the last figures for the E.U. budget for 2014-2020, a package of 30.5 billion euros is specifically provided to ACP regions and countries. In fact, the ACP still remains the biggest group of states with which the European Union has a partnership.

The European Development Fund (EDF), an implementing instrument of the Cotonou Agreement, will finance E.U. development cooperation projects until 2020 to assist partner countries in poverty eradication. These funds will target the people most in need and finance different sectors such as health and education, infrastructure, environment, energy, food and nutrition.

Looking towards the future, the ACP is determined to move from being on the receiving end of development assistance to asserting its aim to speak with “one voice in global governance institutions”, in the words of ACP Secretary-General Gomes.

The need to consider and treat ACP countries as “responsible partners” at the global level despite the reluctance of the international community, emerged strongly during the E.U.-Africa Summit in April 2014, with ACP members hoping for a lift-up effect on the ACP’s political leverage.

According to observers, ACP countries matter for the European Union partly to help overcome the effects of the economic crisis. Some ACP countries in the North African region, for example, have witnessed upturns in economic growth since 2004. At the same time, the abundance of natural resources in ACP countries provides an alternative to the volatile Middle East, Russia and some other countries as a source of energy and raw materials.

On the issue of financing for development, Alexandre Polack, European Commission Spokesperson for Humanitarian Aid and Crisis Management & International Cooperation and Development told IPS: “We need to come away from Addis with a comprehensive agreement which covers all the means of implementation for the post-2015 development agenda.”

He was referring to the Third International Conference on Financing for Development which will take place in Addis Ababa, Ethiopia from Jul. 13 to 16 this year.

“This,” added Polack, “means addressing non-financial aspects, including policies. We need an agreement which puts domestic actions and domestic capacities at the heart of poverty eradication and sustainable development, and adheres to the principles of universality in terms of shared responsibilities.”

Observers also point out that the ACP countries can also be important interlocutors during the U.N. Climate Change Conference this coming December in Paris.

While the Western industrialised and emerging countries are the main greenhouse gas emitters, many ACP countries – particularly Small Island Developing States (SIDS) – are directly threatened by the consequences of climate change through, for example, natural disasters, hurricanes and tornados, flooding and drought.

Their voice on this, along with their experience and good practices developed in countering or mitigating the drastic effects of climate change, can make a useful contribution to the deliberations in Paris.

Meanwhile, the ACP-EU Joint Council has endorsed recommendations concerning the migration crisis, including enacting comprehensive legislation on both trafficking in human beings and smuggling of migrants, stressing the differences between both phenomena, while also implementing relevant national laws.

The co-President of the Joint Council, Hon. Meltek Sato Kilman Livtuvanu of Vanuatu, speaking on behalf of the ACP ministers, said: “We consider that even if the military and security approach is meant to discourage and respond immediately to the issue, there is an urgent need to have a comprehensive approach to deal with the root causes of this phenomenon, in partnership with all the countries involved.” (IPS 09-06-2015)

S/AFRICA, ZIMBABWE TRANS-LOCATE RHINOS TO BOTSWANA

South Africa and Zimbabwe have successfully trans-located an undisclosed number of rhinos to Botswana in an effort to protect them from poachers, Yarona FM radio station reported on Friday.

Department of Wildlife Deputy Director, Dr Cyril Taolo told Yarona FM that the animals are being kept at an undisclosed location.

Other reports suggest that they were moved to Moremi Game Reserve in the Ngamiland district in north-western Botswana.

"The main point of the operation was to increase the numbers of the rhino population as well as to provide them with a safe haven from poachers." Taolo explained.

Rhinos are killed for their horns, which are ground into powder and sold as an alleged cancer cure in Vietnam, China and other Asian countries. (APA 12-06-2015)

NIGERIA: SWIFT NETWORKS ACQUIRES CHROMECOM

According to a report via techcabal, Nigeria-based broadband and data services provider, Swift Networks Limited has acquired Chromecom – A subsidiary of Monarch Communications Limited.

According to the report, the new acquisition is set to improve Swift's current broadband speed and also enable the company add capacity for new customers.

In the report Charles Anudu, Managing Director, Swift Networks Limited stated that: "As a company, we believe in pursuing strategic initiatives that we continuously reinforce our brand essence and value proposition to our teeming customers. With the additional spectrum from the Chromecom acquisition, the refarming of our WiMAX spectrum for 4G LTE services and the additional base stations deployment, we will deliver an ultra-fast broadband experience comparable to the best anywhere in the world."

The ISP will be deploying over 1000 4G Long Term Evolution (4G LTE) base stations to boost its broadband service within Lagos and will be migrating over 100,000 existing WiMAX customers to the new 4G LTE network in the third quarter of this year at no cost to the customers. (IT Africa News 10-06-2015)

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