MEMORANDUM

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SUMMARY

AFRICAN DEVELOPMENT BANK SAYS CONTINENT FAR FROM DEBT CRISIS

Africa is a long way from facing a debt crisis even as commercial lending to the continent soars and Mozambique became the first regional country to miss a payment on a dollar loan this year, according to a senior official at the African Development Bank.

Debt levels across the continent's 54 countries average 17% to 18% of GDP, which is low, Abebe Shimeles, acting director in the AfDB's development research department, said Thursday in an interview at the lender's annual meetings in Lusaka, Zambia's capital.

"In terms of the continent we are not even close, forget about crisis, we are not even close to a debt burden, especially the external debt," said Shimeles. "It's not systemic now. It's not that all African countries are exposed to a debt crisis. The bad news is sometimes heard faster than the good news."

Costly repayments

Countries on the continent raised $26bn in Eurobonds from 2006 to 2014 and a further $12bn last year, AfDB President Akinwumi Adesina said on May 24 when he officially opened the meetings, warning a debt crisis must be avoided. While foreign-currency debt has soared, currencies on the continent have weakened, making repayments more costly as economic growth slows.

"Some countries have also experienced a spike in their debt levels that may be worrying in particular cases, unless they take measures to contain it," Shimeles said. "The AfDB and other multilaterals can learn from previous mistakes and really step in with a solution to manage the debt, restructure it and also undertake some necessary reforms before we reach a level of crisis."

Dollar debt sold by sub-Saharan African nations has returned 6.3% this year, compared with the 7.1% average return for emerging markets. Average yields have climbed to 7.63%, compared with 5.8% a year ago, according to data compiled by Bloomberg.

Economic expansion

The bank would consider assisting countries that ask for it, and could work with other lenders including the International Monetary Fund, he said. Nigeria is already in talks with the AfDB for a $1bn facility.

Growth on the continent will probably exceed the 4.5% the AfDB forecast for 2017 in a report published this week, Shimeles said. Domestic demand in Ethiopia, Nigeria and Sudan will lead to "much higher" economic expansion, he said.

"I believe that Nigeria has now taken the right steps in terms of the macro-economy," he said.

Africa's biggest economy this month cut fuel subsidies and signaled a more flexible exchange rate policy for the naira, which has been pegged to the dollar for 15 months.

"We are optimistic," said Shimeles. "Still, this doesn't mean we deny the headwinds. They are strong but I think the economies are resilient." (Bloomberg 27-05-2016)

IMF TECHNICAL TEAM GOES TO MOZAMBIQUE IN JUNE

A mission from the International Monetary Fund (IMF) is due to arrive in Maputo in June to discuss with the government of Mozambique the macroeconomic implications of undisclosed debts, said Thursday in Washington the IMF spokesman.

Gerry Rice said that the mission was scheduled to take place in April but had to be postponed following the disclosure by the Government of Mozambique of a set of guarantees granted to State-owned enterprises in excess of US$1.4 billion.

"The technical team will continue to gather facts and information, carry out investigations if necessary and assess the macroeconomic implications, in collaboration with the government of Mozambique," said the IMF spokesman.

Mozambican tuna company Ematum was the first known case of a loan guaranteed by the State in 2013, without being registered in the public accounts.

At the end of April, the Mozambican government disclosed the existence of debts not included in public accounts totallling US$1.4 billion, which it justified based on security and the country's strategic infrastructure.

The disclosure of loans with state guarantees, contracted between 2013 and 2014, led the IMF to suspend the second installment of a loan to Mozambique and the deployment of a mission to Maputo. (20-05-2016)

G/BISSAU STATE PARALYSIS RAISES CONCERN

A leading human rights watchdog in Guinea Bissau has warned that the country's prolonged political crisis can cause an immense damage to its economic fabric, leaving negative implications for peace and democracy.
In a statement to the {African Press Agency} on Thursday, the Bissau Human Rights League (BHRL) expressed grave concern about the two-week-long paralysis which has virtually brought the state apparatus to a standstill.

The crisis was caused by the resignation of the government which was quickly followed by the freezing of public treasury accounts ordered by the country's Attorney General, Antonio Djaman.

BHRL accused Guinea Bissau's politicians especially President José Mário Vaz of being responsible for the deteriorating socio-economic situation, resulting from the unjustified breakdown in the functioning of the public administration.

BHRL said faced with this “disastrous” situation, the overriding need was for the creation of a new government “without delay.”

The rights watchdog urged President Vaz to work toward preventing the country from sliding into situations that could further aggravate the suffering of Bissau Guineans.

It also exhorted Guinea Bissau's security forces to remain faithful to the principles of neutrality and the uncompromising defense of republican values and reject any attempt at manipulation.

BHRL finally called for calm among Bissau Guineans, urging them to demonstrate maturity for maintaining peace and political and social stability.(APA 26-05-2016)

MALI : LANCEMENT DES TRAVAUX DE LA STATION D’EAU POTABLE DE KABALA

Ce vendredi 27 mai 2016 a eu lieu la cérémonie de lancement officiel des travaux de la composante « Production » du projet d’alimentation en eau potable de la ville de Bamako à partir de la localité de Kabala, communément appelé « Projet Kabala », composante cofinancée par la Banque européenne d’investissement (BEI), l’Union Européenne et la France à travers l’Agence Française de Développement (AFD).
La cérémonie s’est déroulée sur le site de la future station de traitement d’eau à Kabala sous la haute présidence du **Ministre de l’Energie et de l’Eau, M. Mamadou Frankaly Keita**. Côté bailleurs de fonds, étaient présents **l’Ambassadeur de France au Mali, M. Gilles Huberson**, la **Chef de Coopération de la Délégation de l’Union européenne au Mali, Mme Cécile Tassin-Pelzer**, la **Chef du bureau régional « Afrique de l’Ouest » de la BEI à Dakar, Mme Isabelle Van Grunderbeeck**, et le **Directeur de l’AFD à Bamako, M. Bruno Deprince**.
D’un coût total d’environ 106 millions d’euros, soit 69,4 milliards de francs CFA, la composante « Production » du projet Kabala porte sur la réalisation :

- d’une station de traitement de d’eau d’une capacité de 288 000 m^3/j (marché attribué au groupement d’entreprises DEGREMONT/OTV/AI PROJECT/SOGEA-SATOM) ;
- d’une prise d’eau dans le fleuve Niger (marché attribué à l’entreprise SOGEA-SATOM) ;
- et d’une conduite de refoulement d’eau traitée (marché attribué au groupement d’entreprises SOGEA-SATOM/DENYS).

Sous la maitrise d’ouvrage de la Société Malienne de Patrimoine de l’Eau Potable (SOMAPEP), les travaux seront exécutés dans un délai global de 30 mois.
La maitrise d’œuvre des trois lots de travaux est assurée par le groupement de bureaux d’études Cabinet MERLIN/CIRA. (BEI 27-05-2016)

ANGOLA STARTS MANUFACTURING ELECTRICITY METERS

Angola will stop importing electricity meters that it needs, under the terms of an investment contract signed Thursday in Luanda between the Technical Unit for Private Investment (UTIP) and Energitec – Contadores de Energia, Lda.
The project signed with the PICU includes the design, construction and operation of a plant for the manufacture and assembly of electrical energy meters and represents an investment of US$15.35 million.
The company, which will occupy an area of over 3,000 square meters in the Viana district, on the outskirts of Luanda, has two production lines, one for single-phase meters and another for three-phase meters, with an initial capacity to produce 1,000 meters a day .
António Papoila, chairman of the Portuguese company Janz – Contadores de Energia, which provides technological support to Energitec – Contadores de Energia, said the plant will start to be installed in August and should start operating six to nine months later.
This investment project will create 500 direct jobs, of which 437 for Angolans and 63 for foreigners. (20-05-2016)

ETHIOPIA: AFDB MOOTS EMPOWERMENT INITIATIVE FOR AFRICAN FARMERS

The African Development Bank (AfDB) has mooted plans to improve the agriculture sector across Africa by embarking on an ambitious seven-point scheme to empower small-scale farmers and youth.

In a statement on Thursday, the continental bank's Agriculture and Agro-Industry Department's director, Chiji Ojukwu, observed that agriculture remains a major source of income in Africa, but its untapped potential had resulted in persistent poverty and deteriorating food security.

Ojukwu said the AfDB, in collaboration with some partners, had come up with seven enablers that would address the various challenges which had been noted as hindering the growth of agriculture in Africa.

“The AfDB, in collaboration with partners, will contribute to orchestrate, architect, scale and replicate transformation through seven enablers,” he said.

In his presentation on the second day of the AfDB Annual Meetings in Lusaka, Zambia on “The Road to Agricultural Transformation in Africa”, Ojukwu said among the strategies mapped up was to increase productivity, realise value of increased production and increase investment in hard and soft infrastructure.

Other enablers hinge on financing expanded agricultural, improved agribusiness environment, increased inclusivity, sustainability, nutrition and coordination, he said.

He said to achieve the “Feed Africa” goal of the Bank's High 5 development priorities; there was need for substantial investment and results in substantial revenues.

Ojukwu disclosed that $315-400 billion was required over the next decade or $32-40 billion annually to transform the agricultural sector in Africa. (APA 26-05-2016)

EAST AFRICA: EAC AND EU TO FINALISE TRADE NEGOTIATIONS

Ugandan goods are set to enjoy the benefits of a larger European market after the East African Community and the European Union ended negotiations on the Economic Partnership Agreement (EPA) after more than a decade of talks.

Kristian Schmidt, the head of delegation of the Europe Union in Uganda, says EPA is about to enter into force and that, when it does, the conditions to trade and invest will be easier for the countries in the EAC region and those in the EU.

"The trade negotiators have done their duty. The European markets are open to East Africa business community," he said recently. "Exports originating from Uganda and the entire EAC will enter the market of all EU member states without paying customs duties and without limitation in quantities, for an indefinite time."

Schmidt was addressing a press conference organized by the European Business Forum (EBF), which was intended to announce the forthcoming European Business Expo and Food festival to be held in Kampala starting today, May 6.

Schmidt added: "So, this leaves the door open for any company operating in Uganda to export freely; no customs duty to an integrated, single market of 28 European countries, with 508 million consumers with considerable purchasing power."

According to Schmidt, Uganda and EAC partner states have committed to partially and gradually reduce, and eliminate, customs duties on selected imports originating from the EU.

"That means EAC operators can import from Europe more strategically. They will be allowed to buy duty-free, thereby at a lower cost, much-needed inputs and intermediate goods to improve productivity and value-addition and connect to the global value chain...," he said.

He also said that the new agreement fully supports the EAC drive for regional integration, a crucial stepping stone for global competitiveness.

"There are some things, of course, that only Uganda can do, such as creating a favourable context for businesses to grow and necessary domestic, national and regional reforms. This requires competent domestic institutions to enhance cooperation and build trust," he said. He added: "These first events highlight that Uganda can attract more EU foreign direct investments, for instance, by streamlining the issuing of work permits, stronger capacity to comply with EU standards, improved public-private dialogue and sharing of market information."

On the expo, Schmidt said the first annual European Business Hub and Food festival aims at bringing together economic operators interested in the EU. Although this first focus is on the food sector, I understand there is a will to also cover other topics like fashion, tourism and energy among others," he said.

He added: "It's important to showcase the many trade and business links already existing between Europe and Uganda. It's just as important to draw attention to the potential for further market and investment opportunities."

Schmidt also said that unemployment in Europe continues to decline; there is hope that foreign direct investment and trade with Europe can also contribute to addressing Uganda's serious employment challenge.

There are currently more than 500 private companies in Uganda doing business with Europe, whether owned by Europeans, Ugandans, or mixed.

"At about 20 per cent of Uganda's total exports, the EU represents a key export market for Ugandan products, as well as a very important source of good-quality imports at 11 per cent," he said.

The expo will run from May 6 to 8 at the Sheraton Kampala gardens and entrance will be Shs 15,000 for children and Shs 30,000 for adults. (The Observer 06-05-2016)

IMF AID TO ANGOLA WILL BE SET IN JUNE

The financial assistance to be provided by the International Monetary Fund (IMF) to Angola will be set after talks in June in Luanda between an IMF mission and the Angolan government, said Thursday in Washington the IMF spokesman.

“We do not have specific figures, but received a formal request from the Angolan authorities to start talks for a three-year financial support programme,” said spokesman Gerry Rice.

The financial aid application was made during the spring meetings of the IMF and the World Bank last April, with announcements at the time that the Fund intended to proceed with talks with the Angolan government to set the amount of aid under the Extended Fund Facility (EFF).

The EFF is a financial instrument to grant a loan with conditions and targets that are supervised on a regular basis, which is intended to facilitate the adoption of structural reforms to diversify the economy and recalibrate the balance of payments.

Negotiations in Luanda between the IMF mission and the government of Angola should continue until 14 June. (20-05-2016)

UGANDA GEARING UP FOR TURKISH LEADER'S VISIT

Uganda is gearing up for Turkish President Recep Tayyip Erdogan who will arrive in the country on May 31st for a two-day state visit.

According to a statement from State House in Kampala on Thursday, while in Uganda President Recep will hold bilateral talks with President Yoweri Museveni aimed at boosting relations between the two countries.

The Turkish leader is expected to travel with a business delegation representing Turkish companies seeking investment opportunities in Uganda.

Turkey has an official policy of opening up to Africa based on political and economic cooperation.(APA 26-05-2016)

AFRICAN FARMERS TO GAIN FROM $2 BILLION COLD STORAGE FACILITIES

The public-private initiative dubbed 'one million tons of cold storage' was unveiled in Kigali during the ongoing World Economic Forum on Africa.

Agra and UPL said they will set up the post-harvest storage facilities across sub-Saharan Africa within the next ten years for potatoes and other perishable produce including fruits and vegetables.

The Alliance for a Green Revolution in Africa (Agra) in partnership with Indian-based agrochemical maker UPL Limited Wednesday launched a $2 billion cold storage project to address challenges of post-harvest losses for potato farmers in the continent.

The public-private initiative dubbed 'one million tons of cold storage' was unveiled in Kigali during the ongoing World Economic Forum on Africa. Poor storage of farm produce accounts for 40 per cent of food losses in Africa.

Agra and UPL said they will set up the post-harvest storage facilities across sub-Saharan Africa within the next ten years for potatoes and other perishable produce including fruits and vegetables.

"With these cooling and storage facilities in place, there will be value addition on agricultural produce," Jai Shroff, UPL chief executive said, adding that: "There is enough market in Africa itself. Connecting smallholder farmers to value chains is the missing link; in this initiative we shall bring farmers together to increase productivity".

Dr Agnes Kalibata, Agra's president said the project will enable farmers to benefit from improved incomes.

"The initiative will allow farmers to decide on when they need to put their produce on the market and have a greater negotiating power for greater incomes," said Dr Kalibata.

Currently, construction of three cold storage facilities in Kenya, Rwanda and Uganda is ongoing and is expected to be fully operational by 2017.

The initiative aims to reach 15 million farmers over the next decade with a target of impacting 100 million people.(The East African 12-05-2016)

CHONGQING CITY, CHINA, AIMS TO FACILITATE BUSINESS WITH THE PORTUGUESE-SPEAKING COUNTRIES

The President of the Macau Trade and Investment Promotion Institute (IPIM) opened a centre for exhibition and trade of food products from Portuguese-speaking countries, in the city of Chongqing, China, IPIM said.

Chongqing is one of the largest municipalities in China with an area of 82,000 square kilometres, a population of 30 million people (18 million in the capital city) and in 2014 recorded a Gross Domestic Product of US$232 billion.

The centre, supported by IPIM, was opened during a visit by a Macau delegation to the "China Chongqing International Investment and Global Sourcing Fair" (CCISF) held in the Chinese city between 19 and 22 May attended by 16 countries and regions and 27 Chinese provinces and municipalities.

The Macau delegation included officials from issuing banks in Macau, Banco Nacional Ultramarino (BNU) and Bank of China, the Portugal-China Association of Young Entrepreneurs (AJEPC) and Macau businesspeople.

IPIM set up a pavilion at the fair to promote the investment climate in Macau and Macau's role as a platform to facilitate business between China and the Portuguese-speaking countries, according to a statement from the institute.

The same statement said following the opening of the centre in Chongqing, IPIM hopes more companies in western China will be interested in buying and representing products from Portuguese-speaking countries, promoting further development of trade between China and the Portuguese-speaking countries and Macau's position as a "Distribution Centre for Food from Portuguese-speaking Countries." (23-05-2016)

BURKINA EARMARKS CFA6.2B TO BUILD NEW INT'L AIRPORT

The government of Burkina Faso has earmarked CFA6.2 billion for the construction of the Donsin-Ouagadougou International Airport, the Ministry of Infrastructure said on Friday.

Construction work on the project which includes a military base, roads, sanitation, drinking water and lighting facilities will be executed over a two-year period by the international company CGE.

Planned on a 4400-hectares in comparison with the 426 hectares of the Ouagadougou airport, the proposed airport at the Donsin site located about 30km north of the capital, should open before 2020.

The new airport will include 43 public buildings and 22 military structures (in two phases) for a total of 135,000 m².

The first phase should be completed in 2018 as the second is estimated to cost CFA111 billion.

To finance the new airport, the construction of the first phase of which is estimated at CFA229 billion, the government of Burkina Faso called on its technical and financial partners for support including the World Bank, AFD, ADB, BOAD, IDB, the Saudi Development Fund, the Kuwait Fund, BADEA and the OPEC Fund (OFID).

The government has launched an international appeal seeking private partners for the concession to build the future international airport.(APA 27-05-2016)

A GLOBAL SUCCESS FROM KENYA

M-Pesa, a money transfer system using mobile devices, has fundamentally changed the lives of many Kenyans. Much of the population has leaped from the agricultural age straight into the digital tomorrow.

Tires squeal as the Matatu stops in front of the Mutua Butcher Shop in Nairobi. The deep tones of reggae music from the shared taxi drown out the young customer, who wants to buy 200 Kenyan shillings (about two Swiss francs) worth of beef. Raising her voice, she repeats her request. The butcher passes the wrapped meat to the cashier. The customer reaches into her handbag – and pulls out her cell phone. The cashier does the same. Each woman taps on her phone. Then the customer puts the beef and her phone back in her bag. Next, please?

"M" Stands for Mobile

A green sign hangs on the wall behind the cashier. What it says is something Kenyans have come to take for granted, though the rest of the world still considers it revolutionary: the shop offers the cashless M-Pesa service, a money transfer system that works from one mobile device to another and is operated by Safaricom, the leading cell phone company in Kenya. "M" stands for "mobile," while "pesa" means "money" in Swahili, the country's second national language.Thanks to M-Pesa, paying for purchases, a ride or a service using a cell phone is easier today in an East African village than in major cities such as New York, Rio, Hong Kong or Zurich. M-Pesa is the world's most successful electronic payment system. A global success, from Africa.

From City to Countryside

It all started eight years ago – because of the family members who stayed home. As in most countries in sub-Saharan Africa, most of Kenya's population are farmers who live on the land. Young people in search of an education and jobs are drawn to the cities. If those earning money in the city wanted to support their parents financially, they long had to rely on uncertain and risky methods. They could send cash with a neighbor or a bus driver who happened to be driving through their village. Or they could send a postal money order, but that could take weeks, often failed to arrive, and in any case was possible only if the recipient had a post office box. This was about as unlikely as having a bank account.

At the time, in 2007, several million Kenyans owned a cell phone with a Safaricom number. Then this phone number essentially became a virtual bank account number. Starting in March of that year, Safaricom customers could upload money to their cell phone and send it to other Safaricom customers. It arrived within minutes, and the recipient was informed with a text message. The money could be forwarded or received as cash from an M-Pesa agent.

Two weeks after introducing the service, Safaricom had nearly 20,000 active M-Pesa users. After seven months, there were one million. Today, 20 million customers in Kenya are registered. More than 83,000 agents in cities and rural areas assist customers in uploading, sending and receiving money. Rural Kenyans with no banking options leaped from the agricultural age straight into the digital tomorrow.

And transferring money from one cell phone to another was only the start. Today, users can pay their electricity and water bills, get cash from an ATM, buy airline tickets, add phone time, buy concert tickets, pay the taxi driver or butcher and take out a small loan, perhaps to purchase a solar panel that brings electricity to their home for the first time.

Now Earning Interest

Not least, M-Pesa encourages saving. In cooperation with Safaricom, the Commercial Bank of Africa offers savings accounts, paying 2 percent interest for amounts up to the equivalent of 100 Swiss francs. Accounts equivalent to more than 500 Swiss francs even earn 5 percent. Many people are earning interest for the first time in their lives.

It is no exaggeration to say that Kenya's economy depends on M-Pesa. According to the Central Bank of Kenya, the value of all transactions between June 2013 and June 2014 represented 39 percent of the country's GDP. M-Pesa moves more than one billion Swiss francs per year, and in fiscal year 2014 it earned the parent company 268 million francs, an increase of 21.6 percent over the previous year.

This success is swiftly going global. M-Pesa has already been introduced in Tanzania, Egypt, Afghanistan and India, with Uganda, Zambia, Mozambique, Rwanda and the Democratic Republic of Congo soon to follow. The system has even arrived on the "old continent;" in April of 2014, Vodafone exported M-Pesa to Romania – as a test market for Europe. Safaricom estimates the user rate there as "in the hundreds of thousands," without volunteering details. Vodafone, a British firm, owns 40 percent of Safaricom, and the Kenyan government owns 35 percent. As a strategy for the future, the company envisions cashless transactions for business customers as well.

Winners of the Revolution

"I never go to the bank anymore," declares Billy Warero. The 32-year-old works at a telecommunications company in Nairobi. Electric bill, cable TV, rent, online purchases and supermarket shopping – he does it all with M-Pesa. His paycheck still goes to his bank account, but he can also transfer that to his M-Pesa account using his cell phone.

Even so, the banks are among the winners of this revolution. It took them a while to recognize the new business opportunities it afforded. At first, they fought the competition. Now they have come on board. After all, it is the banks that allow people to transfer money to an M-Pesa account, and the system's savings and loan functions would also be impossible without the banks.(CS 06-08-2015)

PUBLIC-PRIVATE SECTOR MISTRUST UNDERMINING AFRICA'S PROGRESS

Mistrust between the private sector and governments in Africa is one of the biggest impediments to the delivery of infrastructure, the CEO of a South African multinational company says.

This issue has dogged African development for many years — suspicion and even animosity between the two "sides", whose strategic collaboration is critical to delivering better lives for Africans.

At various pan-African events I have attended in the past few weeks, the private sector, when mentioned at all, has been characterised largely as "the enemy".

Talk about development in organisations such as the African Union and UN Economic Commission for Africa (UNECA) tend to place the state at the centre of everything. The private sector is viewed as an unreliable adjunct, focused on exploiting Africans rather than providing any benefits to people or the state.

Although the mistrust issue has been around for a long time, it has been given new impetus in the corridors of continental power by the findings of the AU's high-level panel on illicit financial flows, which estimates that $60bn a year is leaving the continent illicitly, a figure later revised upwards to $80bn.

Of this, the panel's report says, 60% derives from the activities of large commercial companies in the form of transfer pricing, tax dodges, trade misinvoicing and corruption. Also mentioned are tax incentives, which are not about outflows, nor are they illicit.

But, the report asserts, they also rob the continent of much-needed revenue, with companies pushing governments eager for investment in a race to the bottom. The actions of large companies are undermining the ability of governments to mobilise domestic resources for development, officials say.

UNECA released a report earlier this year, examining bilateral treaties African countries have with other countries, mostly outside Africa. The findings suggest governments have been victims of treaties that tend to favour the interests of western nations and their companies rather than those of Africans. On the other side of the coin, many in the private sector do not trust governments to serve their interests and argue that safeguards are necessary to guard against high risk, to deal with the consequences of poor and unpredictable policy, and to ensure good returns in high-cost, corrupt and inefficient environments.

African economist and development specialist Nkosana Moyo has offered a view on why suspicion of the private sector is so pervasive in Africa. He says many Africans view business as representing the colonial era and, by extension, their interests as being those of foreign nations and not those of the economies in which they invest. This makes true engagement difficult. It speaks to the fact that few countries at independence had a domestic business sector of any size and most economies were dominated by companies from western colonial powers.

But these stereotypes ignore several things.

One is the fact that not all companies in Africa are large multinationals. Rather, more than 60% of business in Africa is undertaken by small, informal entrepreneurs.

Another is that African-owned companies and multinationals with a real stake in domestic economies are in the ascendancy. And another is that, while there are companies that may not play by the development rules and may act in ways that run counter to the interests of African countries, there are many more that are good corporate citizens.

There are many examples of successful public-private partnerships across the continent, often with large western companies. But these are seldom raised at conferences where the private sector is being cast as the villain and where business representatives have no voice. The mistrust malaise is not helping efforts to develop Africa — it is having the opposite effect.

In the end, it is not about the private sector or government interests directly, but about win-win partnerships for Africa. (BD 23-05-2016)

RWANDA PROVIDES LESSONS ON HOW TO NARROW AFRICA'S ENERGY DEFICIT

Only 16% of Rwanda's households are connected to the grid. But it's not all doom and gloom. The country is emerging as a regional hi-tech hub and one of the world's most competitive economies. It is one of the countries showing that it is possible to reverse the trend of not having adequate electricity.

Its approach is showing that adapting new technologies, policy reform and innovative business models offer promising pathways to renewable energy transformation. Its vision on energy transformation could be the inspiration Africa needs to reverse the energy deficit.

Although Rwanda — the land of a 1,000 hills — is a small, landlocked country with a population of just 11.7-million, it provides compelling lessons for other African countries.

Ambitious plans

Rwanda has put in place ambitious plans. These include the energy sector strategic plan, which has set a target of increasing electricity access to 70% by 2018. This is up from 18% in 2012. The overall national framework, Vision 2020, also aims to increase power generation and expand access to electricity.

It has also adopted solar-driven, methane-based and peat-based power sources of generation. KivuWatt, a private-sector-led project, is developing a 25MW gas-extraction and power-production facility at a cost of about $128m. The project sponsor is a private company, Contour Global, which has invested $35.7m in equity, with the Netherlands Development Finance Company contributing another $8.9m.

Sustained engagement by the country's leaders and utility reform has opened the door to wide-ranging investment opportunities. Current plans aim to connect 70% of the population to electricity by the end of 2017. Over the same period, the strategy aims to increase electricity generation from about 100MW to 1,160MW using hydropower, solar photovoltaic cells, geothermal energy, biogas and peat.

Rwanda has installed capacity of 112MW of energy. Hydropower contributes 59%, thermal or heat energy contributes 40% and methane 1% of the country's output. The country's energy use is dominated by biomass, which accounts for about 85% of primary energy use, while petroleum constitutes 11% and electricity accounts for just 4%.

Rwanda aims to connect 70% of its population to electricity by the end of 2017.

Rwanda needs about $4.2bn in investments under a proposed accelerated plan for 2013-2017. Public financing will cover about 40% of the cost. Making the money available depends on public-private partnerships.

Progress

The country is off to a good start. Aside from KivuWatt, it has already launched a private initiative to extend power into areas beyond the grid.

Ignite Power is the first part of an ambitious plan aimed at achieving universal access to clean energy. It brings together the combined capabilities of many organisations, such as Bloomberg New Energy Finance, the Milken Institute, a Rwandan government partner and several private actors.

The first pillar of the plan is off-grid solar technology. It looks at a prepaid system that can power four lights, a radio and television, and charge cell phones. In September 2014, Ignite Power signed an agreement to install the technology for 250,000 to 1-million households. Less than three months later a pilot phase of 1,008 units was completed. The company is now gearing up to provide 750,000 units in the next two years.

Africa's untapped potential

Africa is rich in solar, wind, hydro and geothermal power resources, which is thermal energy generated and stored in the earth. More than 600-million people or two-thirds of the continent's population live in darkness, without electricity. Sub-Saharan Africa has less capacity to generate and transmit grid-based capacity than South Korea, which has a fifth of the population of sub-Saharan Africa. But the untapped potential of Africa's primary energy resources (excluding SA) is estimated to be 260 times the current grid-based capacity.

This deficit is a result of the lack of financial investment in the energy sector. African governments invest only $8bn, or about 0.4% of gross domestic product (GDP), in the sector. Also, power-sector inefficiencies — as a result of the under-pricing of electricity and under-investment in operations and maintenance — reduce African governments' ability to finance broad energy projects. These inefficiencies, linked to political patronage and institutionalised corrupt practices, cost the region $8.2bn a year.

The cost associated with this lack and inefficiency of energy is devastating. Power shortages reduce economic growth by 2%-4% a year. Key sectors are badly affected, notably education. In Burkina Faso, Cameroon, Malawi and Niger, for example, more than 80% of primary schools have no access to energy to light their classrooms or power computers.

Rwanda's ambition and vision on energy should be seen by other African countries as a model to follow. The country has demonstrated the potential for rapid delivery, going from vision to plan and deployment in a few years. The active participation of a strong government has been critical to the success of the project. The Rwandan government has provided credit guarantees and, most importantly, a stable planning environment for private investors.

The time is right for African governments to apply similar ambition and vision in transforming their own energy mix. Africa is well positioned to lead the global energy revolution, unlock the potential for skilled jobs, create economic transformation and reduce inequality by investing in renewable energy. (BD 23-05-2016)

ALGERIA: ENPARD SOUTH WORKSHOP TO SUPPORT AGRICULTURE SECTORS DEVELOPMENT

The European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) South Support Programme (ESSP II) is organising a national workshop on 26 May in Algeria on “Sectors, Integrated Agricultural Poles and Territorial Clusters” to study the territorial construction dynamics necessary for the emergence of integrated agricultural poles and how they can address issues inherent to the agricultural sector.

The workshop will be an opportunity to discuss major cross-cutting issues of agricultural sectors development in Algeria, prerequisites for institutional plans, techniques and materials for the establishment of integrated agricultural poles. It will also allow to collectively study opportunities of setting-up poles in different Algerian wilayas (governorates).

ENPARD has been designed to support the EU's Southern Neighbourhood countries in their agricultural and rural development. The initiative aims to support the formulation and implementation of renewed public policies in order to meet the challenges of food security, diversification of rural economies and governance in agriculture and management of rural areas. (EC 23-05-2016)

ANGOLA STARTS EXPORTING BANANAS AGAIN AFTER 42 YEARS

The Italian ship “Santa Francesca” left the port of Lobito on Sunday with a cargo of 17 tons of bananas headed for Portugal, 42 years after the last export of Angolan bananas to Europe, Angolan national radio (RNA) reported.

The head of the Fazenda Agro-Industrial Bacilin in Culango, Benguela province, Eduardo Rodrigues told RNA everything was ready so that, after inspections and quality certifications in Angola and at the destination, Angola will export its first bananas to Europe.

Angola, which once produced 160,000 tons of bananas per year, with Benguela the main focus of production, is now exporting bananas from Benguela once again, 42 years after the last shipment. (23-05-2016)

LIBERIA: $24M FROM USAID TO BANKROLL NEW FEEDER ROADS

The United States Agency for International Development (USAID) is expected in the next four years to spend $24 million on the construction of feeder roads in Liberia.

The agency said on Friday that the money is an assistance from the U.S. government for the construction of 450 kilometers of feeder roads under the Feeder Roads Alternative and Maintenance Program (FRAMP).

It will be implemented by Cardno, a global company with a mission to shape the future sustainably of communities around the world in partnership with Liberia's Ministry of Public Works (MPW).

The four-year project promises to create jobs, improve livelihoods and increase access to essential markets and services by supporting the construction and maintenance of rural roads in Liberia.

According to Deputy Public Works Minister Roland Giddings, owners of properties within the corridor of the project will be given jobs but will not be compensated for resettlement, especially those in the way of the road.

He named the affected counties as Bong, Grand Bassa, Lofa and Nimba, adding that the project will use a new technology (Alternative seal) preventing rainwater from permeating roads for years, especially when it is properly maintained during all weathers..

Meanwhile the Public Works Ministry has revealed that it will use a new technology called coal-mix to seal potholes in roads across Monrovia and its environs.

According to Deputy Minister Giddings, two containers containing materials of the new technology are expected in country by the end of June this year.

“Coal-mix is a patch material that can be used even during the rain,” he indicated.

Giddings then thanked the Swedish International Development Agency (SIDA) for rehabilitating 580 kilometers of roads in Bong, Bassa, Lofa and Nimba Counties.(APA 27-05-2016)

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