MEMORANDUM

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SUMMARY

AFRICAN MINISTERS MEET IN ADDIS TO BOOST INVESTMENT

African ministers, central bank governors, representatives of regional economic communities, multi-national companies, and development partners are meeting in the Ethiopian capital Addis Ababa on possible ways of boosting investment in the African continent.
The forum, in particular, aims at promoting accelerated and responsible investment and partnerships in Africa, from China in particular and other parts of the world as well as within the continent.

At the end of 2012, the 11 largest cumulative investment destinations for Chinese companies including South Africa, Nigeria and Ethiopia account for 75 percent of china's direct investment stock in Africa.

As Africa develops its industrial base, we would like to see the Chinese investment knowledge and technology be used in industrial production and appropriately be used outside and inside the continent and create more wealth to us Africans, Mukthar Diop, vice president for Africa at the World Bank said.

The forum also explores possible opportunities to increase investment and industrialization to help the continent unlock its potential for sustainable and inclusive growth, create jobs and reduce poverty.

The two-day forum is expected to provide the opportunity to create special economic zones and industrial parks, improve infrastructural and trade logistics and improve regional integration as well as lay foundation to develop skilled manpower across the continent.(APA 30-06-2015)

ADB WANTS TO DEEPEN COOPERATION WITH MOZAMBIQUE

The African Development Bank (ADB) intends to deepen cooperation with Mozambique in the energy and infrastructure sectors, said Monday in Maputo the vice president of the institution.

After a meeting with Mozambican Prime Minister Carlos Agostinho do Rosario, Janvier Litse said that the existing partnership was very good, that the portfolio of projects was well executed in Mozambique “and we are interested in deepening cooperation” in both the aforementioned sectors.
Litse also said the ADB and the Mozambican authorities intended to involve the private sector in the projects financed by the institution as a way of creating jobs and boosting the fight against poverty in Mozambique.
Since the accession of Mozambique to the ADB, the multilateral financial credit institution has supported projects in both the public and private sectors in the amount of some US$2.1 billion. (30-06-2015)

ACP MINISTERS TO TAKE POSITIONS ON EPAS, TAX JURISDICTIONS TO EU TRADE COMMISSIONER

Ministers and trade officials from African, Caribbean and Pacific countries gathered in Brussels to prepare for the ACP-EU Joint Ministerial Trade Committee on Friday, 26 June, where they will hold discussions with EU Trade Commissioner Cecilia Malmström and other high level representatives from the European Union.

The agenda will feature critical topics, including the Economic Partnership Agreements (EPAs) between the EU and various ACP regions; trade regime issues such as EU negotiations with third parties (especially with the United States), non-tariff measures and commodities; trade aspects of the post-2015 development agenda; and WTO matters.

In addition to preparing for the ACP-EU joint ministerial meeting, the ACP Ministerial Committee also discussed how to enhance intra-ACP trade relations, by building upon the recently launched Tripartite Free Trade Area (which includes countries in Eastern and Southern Africa who are members of the regional organisations COMESA, EAC and SADC) as well as the negotiations for a Continental African Free Trade Area, launched earlier this month by the African Union Summit.

They also reviewed a Joint Undertaking on Administrative Cooperation to allow cumulation in the rules of origin.

Economic Partnership Agreements

In opening the ACP ministerial meeting, the Secretary General of the ACP Group, Dr. Patrick Gomes stated that:
"As we move ahead with EPA negotiations for the remaining ACP States and regions, and as 49 of our states start or continue to implement the EPAs, the importance of the present meeting of the Joint Ministerial Trade Committee cannot be over-emphasized."

The negotiations for the EPAs have been ongoing since the early 2000's for the various regions. The original aim of the agreements was to liberalise trade between ACP countries and the EU while ensuring the sustainable development of the ACP countries in the process.

Today, only the Caribbean region has signed a full comprehensive regional trade deal which it is already implementing. The Economic Community for West African States (ECOWAS), the Southern African Development Community (SADC), and the East African Community (EAC) managed to complete their EPA negotiations in 2014.

Meanwhile, the Eastern and Southern Africa (ESA), Central Africa and the Pacific regions have not yet concluded negotiations, although some countries have individually agreed to interim arrangements while awaiting full regional EPAs. Areas of divergences with the EU touch on, market access offers, transition periods, non-execution clause and the development provisions.

The Ministers are expected to issue a declaration on EPAs at the end of their meeting, underscoring the view that EPAs must be, first and foremost, true development instruments that facilitate regional integration, and not simply liberalisation agreements.

TTIP effects

The Secretary General further noted the ACP Group's concern that preferences granted to ACP countries under the EPAs are being continually eroded by free trade agreements between the EU and other non-ACP countries and regions.

"It will soon reach a point where tariff advantages under the EPAs are completely wiped out because of concessions granted to third parties," he said.

"A more serious development relates to the rise of the so-called mega regional trading arrangements. The negotiations between the European Union and United States of the Transatlantic Trade and Investment Partnership (TTIP) is causing consternation to the ACP Group."

It was emphasised that if agreed, TTIP will have the effect of "trade diversion" resulting from the removal of market entry barriers between the EU and USA, at the expense of previous suppliers from other countries. ACP States will no doubt be affected.

The challenges of complying with the higher standards to be harmonised between the EU and the US will increase for the ACP Group.

Tax jurisdictions black list

Discussions regarding much concern amongst the ministers involves the publication of a Communication by the European Commission on a “Fair and Efficient Corporate Tax System in the European Union.”

The document lists 30 countries purported to be “non-cooperative tax jurisdictions”. Of these, 15 ACP states have been blacklisted. These countries were not consulted ahead of the publication of the list by the European Commission.

“There is no doubt that such publication will cause damage to the financial sectors of these ACP States, most of which are service- dependent economies. This is a serious issue and there is need for appropriate consultations on this subject with our European Partners,” stated the Secretary General.

The ACP Trade Ministerial Committee is set to finalise a declaration on the issue after concluding their meeting on the 26th June. (ACP 25-06-2015)

SADC WATER MINISTERS TO CONVERGE IN ZIMBABWE FOR ANNUAL MEETING

Ministers responsible for water from the 15-member Southern African Development Community (SADC) will meet on Friday in Harare to review progress on the implementation of the third phase of the Regional Strategic Action Plan on Integrated Water Resources Management and Development (RSAP III) 2011-2015.
The ministers would further provide strategic and political guidance on the fourth phase of the SADC Water Programme (RSAP IV) which is under development.

The SADC water minsters meeting would be preceded by meetings of senior officials in the water sector and the Zambezi Watercourse Commission (ZAMCOM) Council of Ministers, which would be held on Thursday.

The ZAMCOM ministerial meeting is aimed at reviewing progress on the implementation of the ZAMCOM programme and further approve various institutional and governance guiding instruments.

The SADC’s Water Programme is the framework for action to achieve sustainable development of water resources in the region through the development of water infrastructure on the basis of sound water governance and water management.

The ZAMCOM programme has the same objective as the SADC one but focusing on the cooperation in the Zambezi basin which is shared by eight SADC Member states, as part of the implementation Plan of the Zambezi IWRM Basin Strategy.

Taking advantage of the presence of Water Ministers, other River Basin Organisations (RBOs) such as Okavango Watercourse Commission (OKACOM) would also have side Ministerial meetings to approve and guide the RBOs’ respective programmes.

The ministerial meetings are essential to provide the much needed political will to ensure achievement of the objectives of the SADC Water programmes. (APA 30-06-2015)

ECONET SETS SIGHTS ON MONEY TRANSFERS IN SOUTH AFRICA

Zimbabwe’s biggest mobile network operator Econet Wireless is targeting 1-million registered mobile money transfer customers in SA within the next 18 months.

Earlier this month the company was given the green light by the South African Reserve Bank to roll out its money transfer service in SA. The EcoCash service will see cross-border cellphone money transfers taking place from SA to Zimbabwe. So far 4.2-million customers in Zimbabwe have signed up for EcoCash.

Econet has partnered with Flash Mobile Vending, a subsidiary of Pepkor. Flash, in turn, partnered with Mercantile Bank and received the Bank's approval to operate the new Flash to EcoCash remittance service in SA.

The World Bank estimates that every year more than $580bn in remittances are sent globally, with $436bn going to developing countries such as India, China, Nigeria, and the Philippines.

Money transfer services generally partner with banks and, increasingly, with telecoms operators. Mobile money allows users to make different kinds of transactions including paying bills, making purchases and sending money.

But the vast majority of mobile money services are not interoperable, meaning that one cannot send from one type of service to another. They also did not have the ability to send money across borders to other countries, WorldRemit senior mobile analyst Alix Murphy said.

In April, MTN and Vodafone announced an agreement that enables MTN Mobile Money and M-Pesa customers in East Africa to transfer money to each other.

Econet said the new remittance service would initially be made available to customers of Econet Wireless in SA, which operates the Call Home mobile service partnership with Cell C.

Econet and Cell C have a mobile SIM card and price packages aimed at Zimbabweans living in SA to enable them to call home. Econet's South African customers will have to comply with the Financial Intelligence Centre Act to access the remittance service.

They will have to use their call home number, which will be linked to their remittance account. The number will be registered for their own EcoCash account. Once registered, the customer's remittance payment will be immediately converted from SA's rand to US dollars and transferred through the Flash–Mercantile Bank system to the customer's EcoCash account. From that point, the money is effectively in Zimbabwe and the customer can use any of the EcoCash services to make transactions.

"The whole Flash to EcoCash remittance experience is designed around the customer's mobile service and will offer the ultimate in convenience, speed and flexibility to the Zimbabwean diaspora in SA," said Econet.

About 95% of all remittances are sent offline, using traditional money transfer companies such as Western Union or MoneyGram.(BD 29-06-2015)

CABO VERDE'S PUBLIC DEBT TOTALS 114 PCT OF GDP IN 2014

Public debt in Cabo Verde (Cape Verde) reached 114 percent of gross domestic product (GDP) in 2014, according to the 2014 Financial Stability Report, published by the Bank of Cabo Verde (BCV).

The document also highlighted that, despite the growth of state debt, the banking sector continued to present low liquidity risk.

The report said that compared to previous years, the external economic climate "was more favourable in 2014″ mainly due to "positive signs" given by Cabo Verde's main partners.

Despite the good performance of external accounts, public debt increased, which is explained by the deterioration of public accounts and also by a drop in state revenue.

In the credit market the key trends of 2013 "continued," including reduction in credit, increased default rates and reduction of the ratio of coverage of overdue loans.

It also showed that the domestic banking system was stable in terms of solvency, but found weaknesses in the stress and credit risk tests due to the high concentration of loans in certain economic sectors.

The government of Cabo Verde has insisted that public debt is based subsidised loans with low interest rates and longer repayment terms (30 years, for the most part), ensuring that it is within the parameters of sustainability. (29-06-2015)

200 INDIAN COMPANIES OPERATE IN NIGERIA

The Indian High Commissioner in Nigeria, Mr. Ajjampur Ghanashyam, has said that 200 Indian companies are involved in manufacturing, servicing and retail businesses in Nigeria and that 36 of them are into pharmaceutical products.

The High Commissioner said on Sunday in Abuja that India was ready to share its experiences with Nigeria in the agricultural and industrial sectors as part of its contributions to boost Nigeria's economy.

He advised Nigerian farmers to embrace integrated farming to avoid losses that are associated with single crop farming, pointing out that this had been the practice among Indian farmers.

On the automobile industry, the envoy urged Nigerian entrepreneurs to prioritise the manufacture of component parts, saying it would be difficult for them to compete with 'big players' in motor vehicle manufacturing.

Ghanashyam said this was the approach Indian entrepreneurs adopted before going into full scale motor manufacturing.

"Even, as at today, our greatest strength in the automobile industry is in the making of the components. "Do your research very well; ensure quality; even if you want to go into motor vehicle manufacturing, manufacture the cheapest ones, start with cheap cars," he said.

In the education sector, he disclosed that 4,940 Nigerian students are studying in India while 27,890 Nigerians graduated from Indian institutions.

Ghanashyam said the huge number of Nigerian students in India was a testimony to the good diplomatic relationship between the two countries which, dates back to pre-colonial era. (APA 29-06-2015)

NEW CONCRETE PRODUCER DEFIES ODDS TO POST PROFIT

Sephaku Cement, a Nigerian-backed newcomer to the regional cement industry, is ramping up production towards a steady state at both its Delmas and Aganang plants as its 100%-owned concrete products subsidiary Metier increases its footprint in Gauteng.

It said on Friday in its results for the year ended March that revenue had shot up 36% as earnings before interest, tax, depreciation and amortisation rose 39% to R139m. Operating profit soared 44% to R109m, with profit after tax 57% higher.

The group recorded a profit before tax of R72m and a net profit of R47m.

Sales revenues came mainly from the Delmas plant, which reached steady state production in November last year. Clinker and cement production at Aganang started in August and October, respectively.

"We are pleased to have commenced clinker production at Aganang because it has improved our cost efficiencies and enabled Sephaku to remain highly competitive," CEO Lelau Mohuba said on Friday.

The market penetration of the new producer had continued, as reflected by increased quarterly sales for the period ended March of about R521m, which was a 29% increase from R405m in the same quarter last year.

"Our main focus going forward is to sweat the assets and increase free cash flows in preparation for the distribution of dividends."

Sephaku said the operating environment remained highly competitive as overall cement demand remained flat and the number of producers had increased.

Subdued demand from SA's construction industry also resulted in prices remaining flat on a year-on-year basis.

This meant Metier had to prioritise cost management and the production of specialised products. (BD 29-06-2015)

FUNDS PLEDGED TO GUINEA-BISSAU AT BRUSSELS ROUNDTABLE DUE TO START ARRIVING

Part of the financial support to Guinea-Bissau announced by the international community at a recent round-table meeting in Brussels will start arriving in the coming months, said the Guinea-Bissau Minister of the Economy and Finance.

“Some partners have said we can count on specific support in the coming times, in 2015 and even in 2016,” said Geraldo Martins speaking to UN Radio in New York, giving the example of the Peace Building Commission, which pledged to unlock US$10 million.

During the Brussels roundtable, the international community pledged support for development projects in Guinea-Bissau of up to US$1.5 billion.

The minister said that a mission of the Islamic Development Bank (IDB) would travel to Guinea-Bissau at the end of Ramadan to identify projects that the institution pledged to fund at the Brussels roundtable.

Martins was recently on mission in Mozambique, Portugal and in the United States and in Mozambique attended the annual meeting of the Islamic Development Bank.

A delegation from the Arab Bank for Economic Development in Africa (BADEA) is also scheduled to visit Guinea-Bissau, which may be headed by the BADEA president.

The purpose of the visit by BADEA to Guinea-Bissau is similar to that of the IDB, which is to find out more about the projects for which it pledged to provide US$20 million at the Brussels meeting.

The minister also said that on his visit to Portugal, specifically in the city of Braga, he met with a group of Portuguese businesspeople with which he discussed business opportunities in Guinea-Bissau. (29-06-2015)

AFDB BANKROLL PROJECTS WORTH $560M IN MOZAMBIQUE

The visiting Vice President of the African development Bank (AfDB), Litse Janvier has said that development projects included in the bank’s investment portfolio for Mozambique will generate a new transformer and impact more growth opportunities in the southern African nation.
Litse made the announced after an audience in Maputo on Monday with Mozambican Prime Minister, Carlos Agostinho do Rosario with whom he reviewed the cooperation between the financial institution and the Mozambican government.

In addition to the projects included in the development portfolio amounting to $560 million, Litse pointed out, for example, the road that connects between the Mueda districts Negomano stretching about 190 kilometers, in Cabo Delgado province, north of the country, which will be funded by the AfDB in the coming months.

However, the AfDB official said his institution will now turn its attention to infrastructure with a particular focus on transport and energy sectors without neglecting the private sector which, incidentally, is the generator of employment for the vast majority of Mozambicans.

"Actually, it was a meeting of reviewing the partnership between the AfDB and the country that is already rich and our will of the parties is to make it even more fruitful in the coming years," said Litse.

The ADB, whose operations in Mozambique have been growing since the country's accession in 1977, is, according to the source, to focus their attention in the sphere of infrastructure as well as in the social sector.(APA 29-06-2015)

WORLD BANK FINANCES INCREASED ELECTRICITY SUPPLY TO THE CAPITAL OF GUINEA-BISSAU

The World Bank will provide US$78 million to finance construction of a power transmission line between the Kaleta dam in Guinea-Conakry and Bissau, capital of Guinea-Bissau, under the terms of a recently signed agreement.

The agreement, signed on 25 June, stated that, after administrative procedures had been completed, the funds would be available in mid-October, and that the transmission line would allow another 32 megawatts of electricity to reach Bissau.

The Minister of Economy and Finance, Geraldo Martins, said the government of Guinea-Bissau would soon launch a tender to hire the contractor for construction of the high voltage transmission line.

Guinea-Bissau has a quota of the power generated by the Kaleta dam, which recently became operational in Guinea-Conakry as part of the Organisation for the Exploration of the Gambia River (OMVG). (29-06-2015)

EGYPT'S FARMERS GIVE UP ON PREMIUM COTTON AS SUBSIDIES END

Egyptian cotton dominated the colonial economy in the age of Queen Victoria, eventually becoming the gold standard for the world's finest linens and clothing.

Two centuries later, everyone from Martha Stewart to Christian Dior prizes the supple fibre for its softness and durability.

In Egypt, not so much. Farmers are abandoning a crop that was as much a part of the nation's identity as the pyramids. They are switching to grains because long-fibre cotton is not profitable without government aid, and cash subsidies are ending as the country wrestles with one of the biggest budget deficits in the Middle East.

Production will probably tumble 35% in the next season to the lowest on record, the US department of agriculture says.

"The quality characteristics are unique," says Andrei Guitchounts, the director of trade analysis at the International Cotton Advisory Committee in Washington. "If they lose this production, I don't think any other producer can replicate it."

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Egypt's output has been declining for three decades as textile makers shift to cheaper, lower-quality fibre from Asia and to fabrics such as polyester.

Demand for premium cotton accounts for less than 3% of the global market, so Egypt reckons subsidies for the crop do not make sense in a country that has become the biggest wheat importer because it cannot grow enough grain to meet the rising demand for bread.

After a revolution in 2011 that ended the three-decade rule of Hosni Mubarak, Egypt has struggled with political turmoil and the worst economic slump in two decades. The government cut energy subsidies and received $6bn in aid from Saudi Arabia, the United Arab Emirates and Kuwait this year.

The financial woes are escalating the demise of a raw material used in shirts by Hugo Boss and J Crew.

Turnbull & Asser, the 130-year-old English clothes maker that has outfitted British royalty and James Bond, uses cotton grown in Egypt's Nile Delta, according to the company's website.

Egyptian cotton is considered the finest of all varieties because it produces an "extremely soft and supple" weave, as Stewart says on her website. Its long fibres mean there is less lint fuzz after washing and the fabric holds up better over time. The strands are at least 35mm long, compared with an average 27mm for other varieties.

"We are very scared to lose this good cotton," says Aldo Pienzi, a consultant at Albini Group, an Italy-based maker of fabric for designers including Hermes and Christian Dior.

While not all finely woven cotton is from Egypt, the country produces much of the material used by luxury manufacturers, Pienzi says.

Supplies from Egypt are among the most expensive. A variety known as Giza 86 was $1.12 a pound on June 19, according to data distributed by Supima, the US producers' association for high-grade pima cotton. The Cotlook A index, a global benchmark for raw cotton, was $0.72 a pound.

Egyptian production has been slumping since reaching a record 2.49-million bales in 1970, according to the US department of agriculture. Output will drop this season to 340,000 bales, the third decline in four years and the lowest since the department's data began in 1960.

The US, the other major supplier of premium cotton, has surpassed Egypt with pima, a variety grown mainly in California. The country will grow about 566,400 bales this season, about 40% more than in 2009, the government estimates.

Top-quality fibre is a tiny part of the global market, estimated to produce 111-million bales next season, according to the US department of agriculture.

Overall demand is expected to surpass production this year for the first time since 2010.

The Egyptian government said in January that it would not provide cash subsidies for cotton farmers next season as there was not enough international demand and the crop was declining in quality, according to Eid Hawash, a spokesman for the agriculture ministry.

Growers last year were paid subsidies of 1,400 Egyptian pounds ($183) per feddan, the equivalent of about an acre.

The problem with the old system was that farmers added other kinds of cottonseed to boost production, leading to an inferior harvest, Hawash says.

The Egyptian government will now provide seed and fertiliser only to farmers who have sales contracts with buyers before the season begins.

That means fewer subsidies because exporters and weaving firms will not agree on a price before the crop is grown, says Mefreh El-Beltagi, the head of the cotton exporters' association.

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Smaller farmers, or those with less than five feddans of land, will be pushed out because they cannot get a sales contract, he says.

Sabry Hassafy says he is cutting back on cotton that his family has grown for three generations in Egypt's northern Beheira province.

This season he sowed cotton on one feddan, down from 10 last year, and may give it up entirely next season to focus on maize and fodder crops.

His cotton will earn about 6,000 Egyptian pounds, offset by 3,000 pounds in labour costs, 1,000 pounds spent on fertiliser and 2,000 pounds spent on water and seed.

"Cotton for my grandfather and father was a very lucrative crop," Hassafy says. "It was a source of national pride to farmers. Now, everyone avoids it." *(*Bloomberg 29-06-2015)

ANGOLAN CEMENT PLANT PLANS TO INCREASE PRODUCTION

The Kwanza Sul Cement Factory (FCKS) plans to increase production in the short and medium term in order to reach 4,500 tons per day, exceeding the current production of 4,200 tons per day, the director of the plant's accounting department said.

Alberto Kiala told Angolan news agency Angop that increased production would result from increased financial resources to buy raw materials such as fuel.

The company that produces the "Yetu" brand of cement started operating in Angola in February 2014 and its plant is built in an area of 14,000 hectares.

The plant has units for manufacturing clinker, a power plant with a capacity of 41 megawatts and a factory to produce paper bags for packing cement.

Cement is composed of limestone, clay and plaster, raw materials that are available in the province, and the iron oxide needed for production comes from Jamba Mineira, in southern Huila province. (29-06-2015)

NIGERIA GETS $75M USAID FUND TO PREVENT MALARIA

The U.S. Agency for International Development (USAID) said it would spend about N15 billion ($75 million) for the prevention of malaria in selected states of the country this year.
Ms. Josephine Kamara, USAID's Senior Development Outreach and Communications Specialist, said in Lagos on Monday that the project was being funded under the U.S. President's Malaria Initiative (PMI).

Kamara said that since the inception of the project in Nigeria in 2011, the government had committed about 345 million dollars to malaria control.
The U.S. President Malaria Initiative (PMI) provides funding annually for malaria control in Nigeria. The current budget for 2015 is 75 million dollars, she said.

Since the inception of PMI in Nigeria in 2011, the total funds the U.S. government has committed for malaria control is about 345 million dollars. The budget includes cost of procurement of nets, diagnostics test kits and medicines," she added.

The USAID Communication specialist said that PMI's support to Nigeria was being guided by the PMI Strategy as well as the National Malaria Strategic Plan.

Kamara listed the key support areas to include malaria prevention through use of nets, indoor spraying, diagnosis of suspected fever cases and effective treatment with recommended antimalarial. (APA 29-06-2015)

MOZAMBIQUE PAVES 21,000 KILOMETRES OF ROADS IN 2014

Twenty-one thousand kilometres of roads of a total planned 22,000 kilometres of roads were paved in Mozambique in 2014, representing an implementation rate of 96 percent, said the Mozambican minister of Public Works, Housing and Water Resources.
Carlos Bonete Martinho, who was speaking in Maputo during the National Meeting of the Joint Review of the road sector, said the newly paved roads accounted for about 74 percent of the Mozambican road network, which totals around 30,000 kilometres.
The minister, who was cited by Mozambican news agency AIM, also said that the asphalting work represented a financial commitment of 21 billion meticais (US$548 million), of which half was paid by partners supporting Mozambique.
Martinho said that the work was increasing the national network of paved roads and transitability rates, despite floods in recent years, which have caused damage over some 1,300 kilometres of roads, mainly on National Highway Number One (EN1).
In turn, the president of the Road Fund, Cecílio Grachane, said work on the road network would this year cost 17 billion meticais (US$443 million), which already includes the contribution of programme support partners.(30-06-2015)

FARMERS TO LOSE WATER ACCESS AS TANZANIA’S HYDROPOWER RUNS DRY

Tanzania, home to Mt Kilimanjaro and the Serengeti National Park, has a tradition of protecting land for the sake of ecological diversity and beauty.
Now the country has a new reason to add to its protected sites list: electricity.
Faced with drought that has cut hydropower production in the face of growing power demand, the Tanzanian government is planning to declare the water supplies of the Mtera and Kidatu hydropower facilities in the south of the country protected sites.

The controversial move would ban any economic activity — including irrigation-fed farming — from taking place near reservoirs or other listed water resources. It is an attempt to ward off competition for water that officials say is affecting power generation.

But farmers say the move would devastate farming, herding, fishing and other ways of making a living in the area.

"I have been farming in this area all my life," said Eliudi Samizi from Kisimani village in Dodoma, one of an estimated 8,000 rice farmers who face losing their water access or potentially being evicted from the banks of the Great Ruaha River.

"If someone asks me to stop fishing or farming, what else can I do to feed my family?" he asked.

Hydropower, which contributes about 57% of the electricity running through Tanzania's grid, has repeatedly suffered from water shortages due to recurring drought.

But an increase in human activities such as irrigated farming, fishing and livestock raising are worsening the problem, according to the state-run power company Tanesco.

The government's move to restrict water access comes soon after Tanesco requested a mandate to evict local communities who, according to the company, overuse the water sources near its hydropower plants, leaving the plants with too little water to run their turbines.

Mbogo Futakamba, permanent secretary of the Ministry of Water, said the Mtera and Kidatu hydropower facilities are among 153 sites in Tanzania that have been earmarked for protection in line with the country's water policy, which calls for the preservation of endangered water sources.

"We have identified various water sources that are in a danger of being destroyed," he told Thomson Reuters Foundation by telephone from Dodoma. "It is just a matter of procedure before the government officially announces those protected sites."

Water bans become permanent?

According to farmers, the government already frequently puts temporary bans on irrigation in villages of the country's Morogoro and Iringa regions, which are major food producers, to help create sufficient water flow to run the hydropower plants.

The latest proposal would make those bans permanent.

But farmers and herders claim they are being unfairly targeted. The real culprit, they say, is climate change.

"I don't think telling farmers to stop irrigation will be a lasting solution because there's simply not enough rain to fill up the dams," said Damas John, a pastoralist in Kidatu village in Morogoro.

Some analysts agree, saying that unless the government comes up with strategies to adapt to the changing weather patterns, such as improving rainwater harvesting or building small dams to store excess water, power generation will continue to suffer.

"Micro-dams could help conserve water to support the main dam in months of extreme rainfall variability," said Ladislaus Chang'a, director of research and applied meteorology at the Tanzania Meteorological Agency.

"The stored water could then be used to recharge the reservoir and prevent its level from dropping to a critical point."

Power — or food?

The Mtera reservoir, a large man-made lake nestled on the Great Ruaha River at the border of the Dodoma and Iringa regions, acts as storage for the downstream Kidatu hydropower station. Its dam also regulates the inflow to the Mtera hydropower station.

Depending on the water level, the Mtera reservoir's surface area can be anywhere between 150km² and 600km².

According to Justus Mtolera, manager of the Kidatu hydropower plant, major drops in the reservoir's water level are often due to increased water use upstream by farmers, fisheries and animals.

Such drops cause problems for the downstream hydropower plants, he said.

While he agrees that it is important for the government to support irrigated agriculture, Mr Mtolera feels hydropower must be prioritised as an engine for economic development.

"The government should intervene to avoid unnecessary load shedding that affects economic activities," he said.

But some experts say Tanzania's push for hydropower comes at the expense of its people.

Land rights expert Yefred Mnyenzi said the government had often failed to find the right balance between protecting citizens' rights and furthering commercial interests.

"The future of smallholder farmers is uncertain as their rights to access and use land and water resources are always trampled on by powerful investors," Mr. Mnyenzi charged.
"It is high time for policymakers to pay attention to the voice of poor farmers who need land and water resources for their subsistence." *(*Reuters 26-06-2015)

NIGERIA'S EXTERNAL DEBT HITS $9.4 BILLION

Nigeria's external debt stock profile stood at $9.4 billion on March 31, 2015, the Debt Management Office (DMO) has disclosed.
The DMO's website showed the country's debt stock profile on Monday.

The figure shows a decrease of about $300 million from $9.7 billion that the country owed at December 31, 2014.

A breakdown shows that the highest sum is owed the World Bank Group with $5.6 billion in debt to the International Development Association and $89.4 million owed the International Fund for Agricultural Development.

It further states that Nigeria owes the African Development Bank (AfDB) $200 million and $513.7 million owed the African Development Fund (ADF), a debt incurred through AfDB Group.

Nigeria also owes the Arab Bank Economic Development for Africa $4.4 million while its debts to the European Development Fund and the Islamic Development Bank are $75.1 million and $19.6 million respectively.

The record also shows that the country's indebtedness through bilateral agreement to the Exim Bank of China and the French Development Agency are $1.2 billion and $140.2 million.

It further states that Nigeria's external debt stock through government's issuance of Eurobond stood stands at $1.5 billion. (APA 29-06-2015)

BRITISH COMPANY BUYS LICENSE TO MINE FOR GOLD IN MOZAMBIQUE

British company Xtract Resources has issued shares to partially finance the acquisition of a gold mining license in Manica province, Mozambique, the company said in a statement issued Monday.
This issue of almost 1.5 million shares generated a cash inflow of 4.4 million pounds, which will be used in the acquisition of 100 percent of the “Manica Gold” mining license from Auroch Minerals NL, which is listed on the Sydney Stock Exchange.
The total cost of the license is US$12.5 million to be paid with a cash payment in the amount of US$4.5 million dollars, the delivery of shares valued at US$6.5 million and the assumption of US$1.5 million in outstanding debts.
Xtract Resources, a 50-percent subsidiary of the Cambrian Mining Plc group, also said that a preliminary study conducted by Auroch Minerals showed the deposit called “Fair Bride” has an annual gold production capacity worth US$55 million. (30-06-2015)

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