MEMORANDUM

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EUROPEAN COMMISSION ANNOUNCES €200 MILLION IN FUNDING FOR THE NEIGHBOURHOOD INVESTMENT FACILITY TO MOBILISE OVER €2 BILLION OF INVESTMENTS IN THE EU'S SOUTHERN AND EASTERN NEIGHBOURHOOD

Today the European Commission announces €200 million for the Neighbourhood Investment Facility.

The money will allow the mobilisation of €2 billion in investments for critical infrastructure covering transport, energy and environment, as well as the development of social and private sectors in neighbourhood partner countries east and south of the EU's borders.

"Economic and social development is at the heart of the EU's support to help stabilise countries in our Neighbourhood. This funding will help partner countries carry out essential investments which would otherwise be postponed due to lack of resources at the risk of hampering economic development. It demonstrates the EU's continued commitment to accelerate investment and support inclusive development across the region, which in turn improves resilience of countries and also addresses root causes of migration," said Johannes **Hahn**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations.

The Neighbourhood Investment Facility (NIF) is an instrument which combines EU grants with financial resources from the public and private sectors, including loans and equity financing. This allows leveraging additional loans for the development of essential infrastructure as well as for social and private sector development, including specific support to SMEs. Between 2008 and 2014, 95 projects have received financial support through NIF, totalling over €1 billion and leveraging a combined funding volume of more than €25 billion.(EC 07-06-2016)

http://ec.europa.eu/enlargement/neighbourhood/neighbourhood-wide/neighbourhood-investment-facility/index_en.htm

http://ec.europa.eu/enlargement/neighbourhood/pdf/key-documents/nif/20151022-2014-report-optimised-final.pdf

GOVERNMENT OF MOZAMBIQUE WILL EXAMINE THE FUTURE OF 20 PUBLIC COMPANIES

The public debt crisis in Mozambique has destabilised the government's activity and the economy and will force restructuring, privatisation or closure of 20 public companies, said Monday in Maputo the President of Mozambique.

In a press conference to mark the closure of the open presidency in Maputo last weekend, Filipe Nyusi said the "increase in the country's public debt is, whether we like it or not, destabilising the normal functioning of government."

"It is a restructuring or re-evaluation of the existence [of public enterprises], such as Aeroportos de Moçambique, which despite being a viable company, has a lot of fat [to be trimmed] so it needs to undergo restructuring, a process in which the government has decided to include the private sector," said Nyusi.

Last week, airport manager Aeroportos de Moçambique acknowledged a debt of US$500 million, guaranteed by the state, and that it intended to restructure it for the company to be "more profitable, reduce its financial difficulties and start giving dividends to the State." (07-06-2016)

S/AFRICA CABBAGE FARMS LOSING $1M ANNUALLY

South Africa's cabbage farms are losing $1 million annually due to wastage in the patches, translating into at least 21,950 tons of the produce failing to reach dinner tables, the findings of a research released on Friday showed.

The research was conducted by a student at the Stellenbosch University Food Security Initiative with the aim of curbing post-harvest losses and food waste in the country's cabbage farms.

“It’s not only worrying how much cabbage never reaches our plates, but also how much resources such as water and energy are wasted in the process of farming uneaten cabbages,” said Professor Umezuruike Linus Opara, who supervised the Master of Arts thesis by Karen Munhuweyi, his student at the university.

Opara said the research team chose cabbage as a test subject because it was a widely consumed vegetable worldwide and a staple in many South African diets.

Fresh cabbages can be kept on retail shelves for at least three to five days. Munhuweyi bought them from three shops in Stellenbosch when their shelves were fully stocked and consumers were picking through the displayed items.

The vegetables were inspected for decay, insect damage and mechanical damage to ascertain how many were already unfit for consumption or further marketing.

On average, 21 percent of cabbages fell into this category, Opara said. According to the professor, mechanical damage caused when the cabbages were roughly handled during harvesting, loading and offloading led to up to half of losses, with decay accounting for up to 35 percent.

The study revealed how maintaining an optimum cold chain could prevent up to 30 percent of the total losses observed when cabbages are stored at room temperature for seven days, the academician said.

In addition, the researchers extrapolated their results to calculate how much of South Africa’s annual cabbage harvest of 103,000 tons never ends up on a plate.

Due to this, they calculated, at least 21,950 tons of cabbage worth $1 million are lost annually.(APA 0306-2016)

EUROPEAN COMMISSION ANNOUNCES OVER €6 MILLION TO SUPPORT STABILISATION EFFORTS IN LIBYA

Today the European Commission is announcing over €6 million to support stabilisation efforts in Libya.

Through the Instrument contributing to Stability & Peace (IcSP), €5 million will go to the Stabilisation Facility for Libya - an initiative of the Libyan Government of National Accord (GNA), supported by the United Nations Development Programme (UNDP) and the international community.

The aim of the Stabilisation Facility is to rehabilitate critical infrastructure in conflict-affected areas. In turn, this will enable the reopening of key services at municipal level, underpinning the country's efforts to stabilise the overall political situation in Libya and to allow business activity to recover.

Capacity building for municipalities aims at enabling them to assume more effective leadership in local stabilisation efforts, and is intended to create new partnerships between municipalities and local communities to ensure the promotion of peaceful conflict resolution. The Facility will target a variety of selected localities across Libya.

A further €1.1 million will be provided to a city profiling system which rapidly collects and presents statistically sound data at municipal and local level, identifying areas of greatest need. This profiling system will also provide analysis to support planning for stabilisation, resilience and recovery activities. This action will be implemented by the United Nations Human Settlements Programme (UN Habitat), together with United Nations Population Fund (UNFPA). (EC 07-06-2016)

MOZAMBIQUE ORDERS 3D SEISMIC SURVEY OF OIL BLOCKS

The government of Mozambique has decided to spend US$150 million on three-dimensional seismic surveys in the blocks included in the fifth international tender for oil and gas exploration, said the president of the National Oil Institute (INP).

“The goal,” Carlos Zacarias told daily newspaper Notícias, “is to organise a database on the existing oil potential in those blocks, with subsequent delivery to the companies awarded the tender.”

The fifth international tender for oil and gas exploration was launched on 23 October 2014 by the INP, regulator of the oil sector in Mozambique, which has made available to interested parties a total of 11 areas in the sea in the Rovuma basin, Angoche, Mozambique (Zambezi delta) and four onshore basins of Mozambique (areas of Pande/Temane and Palmeiras), covering a total of 74,259 square kilometres.

Zacarias said to it was normal that the utility companies carry out their own three-dimensional seismic survey but said there are cases where it is the country itself that takes the initiative to carry out this survey.

The President of INP also reported that the government is preparing the final format of the contracts so the companies awarded in the fifth international tender can begin prospecting work, in which they have pledged to invest US$700 million over four years. (07-06-2016)

BOTSWANA TENDERS FOR NEW HIV DRUG FROM UK

The UK-based HIV global specialist, ViiV Healthcare, has confirmed a public tender agreement with Botswana's Ministry of Health to support the implementation of a new national Treat All programme aimed at ensuring people living with the disease in the country are tested and treated.

Recently Botswana announced that it has adopted the World Health Organisation standards whereby those diagnosed with HIV would be treated regardless of their CD4 counts.

In a statement seen by APA on Friday, the company said this is the first time the dolutegravir drug will be made available as part of a national health programme in sub-Saharan Africa.

The WHO recommended dolutegravir as alternative first line treatment in HIV patients in late 2015.

“This is the largest tender ever secured by ViiV Healthcare in the African sub-continent, a region particularly impacted by the HIV epidemic with nearly three quarters of the global HIV population living there,” the statement said.

As part of the agreement, ViiV Healthcare has committed to providing dolutegravir 50mg.

The medicine would be used as a first-line core-agent to treat newly diagnosed patients tested under the programme in Botswana.

Dr Dominique Limet, Chief Executive Officer, ViiV Healthcare said: “This tender agreement is a great moment as part of our commitment to accelerating access to our treatments in Africa.”

He added that “It will allow people living with HIV in Botswana to have access to dolutegravir as part of a national test and treat initiative, locally referred to as the ‘Treat All’ programme.

“It is even more of an achievement for us as it happens less than three years after the product was first approved and less than one year after it was included in the WHO guidelines” Limet pointed out.

Botswana has notoriously one of the highest HIV/AIDS populations in world with an infection rate of 1.5 percent, or more than 15, 000 new cases every year.(APA 03-06-2016)

RELATIONS BETWEEN THE EU AND TUNISIA

In the immediate wake of the 2011 Revolution, the EU pledged to support the Tunisian people's transition toward greater democracy, freedom and social justice.

EU support for transition in Tunisia

In the immediate wake of the 2011 Revolution, the EU pledged to support the Tunisian people's transition toward greater democracy, freedom and social justice. In this new environment, the EU and Tunisia — natural partners given their geographical, cultural and commercial ties — established a 'Privileged Partnership' in 2012.

This special status granted to Tunisia, one of its Southern Neighbourhood partners, reflects the EU's commitment to supporting Tunisia's transition as it tackles a number of interrelated challenges: the consolidation of democracy (primarily through the Constitution of January 2014), difficult socio-economic conditions, and the terrorist threat in a fragile regional situation. It also manifests the shared ambition of furthering bilateral relations in every possible field — politics, culture, economy, commerce, security, etc. — and increasing interaction between our societies. This common aim has been reiterated at the highest political level, such as during the special attendance of the head of the Tunisian government, Habib Essid, at the Foreign Affairs Council meeting of 20 July 2015, chaired by the High Representative/Vice-President Federica Mogherini.

Since 2011, the EU has more than doubled the amount of financial cooperation (grants) allocated to Tunisia, which is the foremost Southern Neighbourhood beneficiary of the 'Umbrella' programme recognising progress on democracy and human rights. The main pillars of the EU's current assistance are the following: 1) socioeconomic reform with a view to inclusive growth, competitiveness and integration; 2) consolidating the building blocks of democracy; and (3) sustainable regional and local development.

On top of these grants, the EU provides macro-financial assistance (loans) worth EUR 300 million, to which the Commission now proposes adding a second assistance programme of EUR 500 million. Under the 'Privileged Partnership' and in view of Tunisia's special circumstances, the EU strives to ensure that its sectoral policies identify all opportunities to support the transition and strengthen ties between Tunisians and Europeans. Lastly, Tunisian civil society, a vital contributor to the transition (hence the award of the Nobel Peace Prize to the National Dialogue Quartet in 2015), plays a key role, mainly through regular tripartite dialogues on the main areas of EU-Tunisia cooperation.

There were major developments in EU-Tunisia relations in 2015, with tangible results in the following areas:

- With regard to counter-terrorism and the prevention of radicalisation, under the political dialogue , held for the first time in Tunis in September 2015 following the attacks in Bardo (March) and Sousse (June), the EU provided Tunisia with a list of proposed additional support measures to complement its extensive support programme for security sector reform, launched in November 2015;

- Negotiations on a future Deep and Comprehensive Free trade Agreement (DCFTA), a key driver for restoring investment and growth in Tunisia and for the country's economic and trade integration with the EU, were launched in October 2015 during Commissioner Cecilia Malmström's visit to Tunis; the first round of negotiations, held in Tunisia in April 2016, was described in a joint report;

- A special measure to support Tunisia's vital oil industry was adopted this year, consisting of increasing the annual duty-free quota for two years with the aim of helping the Tunisian economy, which has been hit severely by losses in the tourism sector;

- On 1 January 2016, Tunisia became the first Arab country to participate fully in the EU's Horizon 2020 Research and Innovation Programme, which offers new opportunities for Tunisian researchers and academics. The first Horizon 2020 event was held in Tunis in May 2016.

Funding from the European Commission

Neighbourhood Policy

The EU has pledged to develop close ties with Tunisia and to support the country's economic and political reforms. Under the European Neighbourhood Policy (ENP), Tunisia receives financial support from the EU, mainly through the European Neighbourhood Instrument (ENI). The indicative budget for the ENI for the current funding period (2014-2020) is between EUR 725 million and EUR 886 million.

The ENI contribution is supplemented by other EU financial instruments, such as the Instrument contributing to Stability and Peace (IcSP), the European Instrument for Democracy and Human Rights (EIDHR), the Neighbourhood Investment Facility (NIF) and thematic programmes under the Development and Cooperation Instrument (DCI).

ENI / ENPI funding

Since the 2011 Arab Spring, Tunisia has received more than EUR 1 billion in grants, more than EUR 890 million of which was provided by the instruments implementing the European Neighbourhood Policy.

For the 2011-2013 period, Tunisia received EUR 445 million in development assistance under the European Neighbourhood and Partnership Instrument (ENPI) — nearly twice as much as the amount initially earmarked for the country for this period. The majority was allocated to support the economy and the transition to democracy. The rest was channelled to projects benefiting Tunisian citizens, especially in disadvantaged regions. This support also comprised significant funding (EUR 155 million) under the SPRING Programme, which rewards progress on democratic reform and of which Tunisia was the foremost beneficiary in the Southern Neighbourhood region.

The bilateral aid provided under the ENI in 2014 amounted to EUR 169 million and focused on economic recovery, reforms in key sectors (legal system, media, gender equality, etc.), border management, means of subsistence in disadvantaged urban areas and support for civil society. The bilateral aid provided under the ENI in 2015, meanwhile, amounted to EUR 186.6 million and supported six programmes, focusing mainly on economic recovery (including the tourism industry), reform of the security sector and regional development. Additional funding was also provided under the 'umbrella' incentive-based support mechanism (EUR 50 million in 2014 and EUR 71.8 million in 2015), which rewards progress on democratic reform with top-up funds (known as 'framework financing').

Macro-Financial Assistance (MFA)

What macro-financial assistance does Tunisia already receive?

MFA is an exceptional crisis-response instrument created by the EU to assist neighbouring countries experiencing severe balance of payments difficulties. In September 2014, the EU and the Tunisian authorities signed an initial Loan Agreement and a Memorandum of Understanding for Macro-Financial Assistance (MFA) for Tunisia amounting to EUR 300 million. Two disbursements, each for EUR 100 million, were paid in 2015. A third and final instalment, in the same amount, is expected to be disbursed this year if the agreed conditions are met.

This assistance is intended to help Tunisia make progress with its economic reforms while also supporting its efforts for political reform. The MFA is therefore linked to Tunisia's implementation of a range of economic measures, described in the Memorandum of Understanding. This initial programme has provided support for the implementation of an ambitious reform programme in the following areas: public finance management; tax, with measures aimed at improving collection and tax progressivity; reforms relating to social welfare protection and the financial sector; and measures aimed at improving the regulatory framework for trade and investment.

What additional macro-financial assistance did the Commission propose on 12 February?

The terrorist attacks in 2015 and the resulting security issues had a severe impact on the Tunisian economy, affecting key sectors such as tourism and transport. This exacerbated an already vulnerable balance of payments. The EU's macro-financial assistance programme will therefore help to cover Tunisia's external financing needs in 2016 and 2017, while supporting reforms aimed at achieving a more sustainable balance of payments and budgetary situation, improving the investment climate and fostering regulatory convergence with the EU.

On 12 February 2016, following a request by Tunisia and after carrying out an ex-ante assessment, the Commission proposed additional macro-financial assistance (MFA) for Tunisia of up to EUR 500 million. This assistance will take the form of medium-term loans. This proposal was recently approved by the European Parliament and should soon be adopted by the Council in accordance with the ordinary legislative procedure.

Trade cooperation between the EU and Tunisia

In July 1995, Tunisia became the first Mediterranean country to sign an Association Agreement with the EU. The elimination of customs duties set out in the Agreement was completed in 2008, leading to the creation of a free-trade area, the first between the EU and a Mediterranean partner. On 13 October 2015, the European Union opened negotiations in Tunis on a Deep and Comprehensive Free Trade Agreement (DCFTA), which will build on the existing free trade area that was established 20 years ago by the Euro-Mediterranean Association Agreement and focused mainly on trade in goods. The aim of the agreement is to improve market access opportunities and the investment climate, and to support ongoing economic reforms in Tunisia. Talks began in October 2015, with the first formal round of negotiations following in April (18-22). The EU is Tunisia's primary trading partner, accounting for 80% of its trade. Total trade in 2014 was estimated at EUR 20 billion. The main imports from Tunisia into the EU are machinery and transport equipment (38.1%), textile and clothing products (24.9%), and fuel and mining products (14%). Exports from the EU to Tunisia are mainly made up of machinery and transport equipment (34.9%), fuel and mining products (14.4%), textile and clothing products (12.4%), and chemicals (7.7%).

Better access for olive oil

The Euro-Mediterranean Association Agreement, signed in 1995, provides for an annual duty-free quota for Tunisia-EU olive oil exports of 56 700 tonnes. The Commission has always endeavoured to support Tunisia's government and citizens, to help the country restore economic growth, and to deepen relations between the two partners. With this in mind, in September 2015 - on the initiative of the EU's foreign ministers - we proposed abolishing the monthly limit on Tunisian olive oil exports to the EU and permitting an extra duty-free volume of 35 000 tonnes per year over a period of two years (2016-2017). Olive oil is Tunisia's main agricultural export, accounting for nearly 33% of all exports to the EU. More than one million Tunisians work in the olive oil sector either directly or indirectly. These two measures — removing the monthly export limit and increasing quotas — will help to considerably reduce red tape for the Tunisian authorities and substantially shore up the country's trade balance.

Partnership with the EIB

Since 2011, the EIB has signed financing agreements worth a total of EUR 1.3 billion for the implementation of new projects in key sectors of the Tunisian economy, such as energy, SMEs, infrastructure, education and social housing. In 2015, EIB loans to Tunisia amounted to EUR 200 million.

A recent key investment project is ‘ETAP’, a EUR 380 million gas agreement in southern Tunisia, signed in 2014. The project entails the development of a vast natural gas facility (known as 'NAWARA') in the south of the country, a 370 km pipeline and a gas treatment unit in Gabès.

With regard to SMEs, the Bank has provided a line of credit worth EUR 50 million to Amen Bank in partnership with Réseau Entreprendre to support Tunisian industrial and commercial enterprises.

The EU has also committed a total of EUR 90.5 million for the Neighbourhood Investment Facility in Tunisia, for the period 2008-2015. This instrument allows the EU to provide grants intended to complement loans granted by European development institutions (EIB, EBRD, AFD, KfW) in key areas such as energy, transport, the environment and private sector development.(EC 07-06-2016)

ANGOLA LNG RESUMES SALE OF LIQUEFIED NATURAL GAS

Angola LNG has launched a tender for the sale of the first shipment of liquefied natural gas (LNG) since the Soyo unit closed unexpectedly in April 2014, the company said in a statement published in Luanda.

The gas was loaded onto the Sambizanga, a tanker owned by the company, between 3 and 5 June, with Angola LNG now waiting for proposals to purchase the shipment until 13 June.

Traders cited by Reuters said that since the Soyo unit closed, the price of natural gas had fallen by about two-thirds to less than US$5 per million BTU (“British Thermal Units”).

The chief executive of Angola LNG, Artur Pereira, recognised that the natural gas market has changed profoundly since April 2014 but stressed the satisfaction of the board of directors at returning to the market as “safe and reliable supplier of liquefied natural gas.”

Launched in 2007 to take advantage of the natural gas resulting from oil exploration, the project brings together, in addition to Chevron (36.4 percent), Angola’s Sonangol (22.8 percent), BP Exploration (13.6 percent), Italy’s ENI (13.6 percent) and France’s Total (13.6 percent). (07-06-2016)

S/SUDAN ECONOMY NEARING COLLAPSE - IMF

The economy of the young state of South Sudan is collapsing, the International Monetary Fund (IMF) warned Friday.

IMF has warned that the economy is in a crisis due to instability and sharp decline of oil production, something that may lead to the collapse of the fragile peace agreement.

An International Monetary Fund (IMF) head staff team Jan Mikkelsen, visited Juba last Month said that the country is experiencing an economic crisis with a sharp decline in national income and high inflation, which approaches 300 percent, while the value of the South Sudanese pound has dropped by close to 90 percent since the exchange rate liberalization in December 2015.

In statement, Mr. Mikkelsen warned that the country's central bank may not be able to cover the importation needs.

“South Sudan has suffered political instability and external shocks over the last two and a half years. Since the civil war started in December 2013, The decline in oil production by almost half and the sharp drop in international oil prices caused large shortfalls in foreign exchange receipts and government revenue'' IMF official stated.

''The country is experiencing an economic crisis with a sharp decline in national income and high inflation, which approaches 300 percent'' he further warned.

South Sudan government didn't comment on the IMF statement.(APA 03-06-2016)

WHAT WOULD A BREXIT MEAN FOR EU DEVELOPMENT ASSISTANCE?

A poll card for the referendum on the U.K.’s membership of the European Union. What are the implications of the referendum on EU membership for international development? Photo by: Abi Begum / nwhomebuyers.co.uk / CC BY

What are the implications of the United Kingdom's referendum on EU membership for international development? Kevin Watkins, executive director of the Overseas Development Institute, addresses that question in a two-part contribution to Devex. Today, we publish Part I, which looks at development assistance.

The battle lines in the United Kingdom’s long-drawn out referendum debate have become wearyingly familiar. Advocates for Brexit raise concerns over sovereignty, the dead hand of Brussels, and the place of Europe in Britain’s foreign policy. The “Remain” camp responds with a relentless tide of economic forecasts warning of lost opportunities for economic growth and jobs, and highlighting, with varying degrees of enthusiasm, the importance of EU membership for global influence.

In a debate that has taken in Hitler, regulations on bananas, house prices, pensions and terrorist threats, one issue has received scant attention. International development has barely figured in the salvos of either side.

That omission is unfortunate. The outcome of the referendum will have a direct bearing on Britain’s ability to play a leadership role in global efforts to achieve the Sustainable Development Goals, which range from ending extreme poverty and avoidable child deaths, to the expansion of opportunity in education, reduction in inequality, and cooperation to combat climate change. As Prime Minister David Cameron has argued in defending the U.K.’s commitment to spend 0.7 percent of gross national income on aid, these are moral imperatives reinforced by national self interest in security, shared prosperity and economic growth.

So could Britain play a global leadership role in international development outside of the EU? As in other areas of the referendum debate, some exaggerated claims have been made on all sides. The underlying issues are enormously complex and go well beyond development assistance. But the short answer is that Brexit would over time erode Britain’s role as a global leader on development.

A seat at the table

Consider first the case of aid. Contrary to the claims of some skeptics, development assistance will continue to play a vital role in supporting progress towards the SDGs in the poorest countries, and among populations affected by conflict, state fragility and climate change. Today, the 28 member states of the EU constitute the world's biggest donor group, providing over half of international aid.

Membership of the EU gives the U.K. a seat at the table. The 2 billion euros ($2.27 billion) in British aid transferred to the EU contributes to a pooled fund channeled through European institutions. That fund is the world's largest source of multilateral aid. Commitments average 16.4 billion euros over the past three years — more than double the funds channeled through the World Bank's International Development Association facility.

Given the hype generated by the referendum debate, a large section of the British public might assume that transfers for EU aid disappear into a vast black hole located near the European Commission's Berlaymont headquarters in Brussels. In fact, the transfers represent a good investment.

For one thing, aid delivered through EU institutions greatly extends the geographic reach of U.K. aid. European institutions deliver aid under the EU's neighborhood policy to countries such as Turkey and Morocco (the largest recipients), as well as India and Brazil (where the U.K. has a limited and diminishing aid presence). The EU is also the largest single source of humanitarian aid for the Syria crisis response, providing support to groups in Syria and the neighboring states.

In some areas EU aid directly addresses U.K. and wider European security concerns. Today, the EU operates 16 civilian and military missions under the Common Security and Defence Policy. In Mali and Niger, combined European civilian and military missions are protecting civilians, and building national security capabilities in the face of threats from Islamic extremism. An EU mission — NAVFOR — has contributed to a dramatic reduction in piracy off the Horn of Africa, depriving al-Shabab of a major source of finance: Only two attacks were reported in 2014, with no ships and just 30 hostages held by pirates, compared to 176 attacks in 2011, with 32 ships held and 730 hostages. The marine mission is headquartered in the U.K. Meanwhile, EUCAP Nestor, an EU civilian mission, is training regional forces to counter piracy.

Punching below its weight

Aid through EU institutions is just one part of the package. Collectively, the EU's 28 member states spent some 56 billion euros in 2014, or 0.4 percent of their GNI. In terms of quality standards for transparency, efficiency and institutional development, the EU is roughly on a par with the U.K. Recent effort to improve coordination have seen joint planning by EU donors in 40 countries (and joint programming in 16) — a move that could greatly enhance efficiency. Recognizing that trade is a far more powerful vehicle for inclusive growth and poverty reduction than aid, the EU is by far the world's largest provider of aid-for-trade, providing 11 billion euros in 2013.

Despite the size of the aid budget and the strong mandate on poverty reduction enshrined in the Lisbon Treaty, the EU still punches well below its weight class on development assistance. Major economies such as Germany and France have failed to match the U.K.'s achievement of the 0.7 percent aid-to-GNI target. In fact, only five member states, including the U.K., met the target in 2015. To make matters worse, the share of EU aid going to sub-Saharan Africa and the least developed countries has been shrinking from an inadequate base.

Another concern is that the EU is failing to champion what might be thought of as SDG breakthrough strategies. On current trends, there will still be over 3 million child deaths in 2030 and, despite the SDG commitment to universal secondary schooling, out-of-school numbers in primary education are rising. While the world will get close to eliminating extreme poverty, sub-Saharan Africa will not.

Collective action by the EU could change this picture. For example, Europe could lead a global drive to support the development of health systems that deliver universal coverage. It could develop initiatives that tackle the killer scourges of pneumonia and diarrhea that claim the lives of so many children. Europe could put child labor and early marriage, two of the greatest barriers to education, at the center of its development strategy. Better coordinated action across Europe's aid agencies and development finance institutions could also help to unlock affordable public and private finance for infrastructure — a major bottleneck for economic growth.

In all of these areas the U.K. is in an unrivaled position to exercise leadership. Having been there and done it on the 0.7 percent aid target, it is well placed to call on others to follow suit. The Department for International Development has a well-developed agenda for combating poverty and gender inequality, and for supporting growth. Viewed through the other end of the telescope, leveraging EU aid would dramatically enhance DfID's objectives.

The idea that any of this could be achieved in the event of Brexit is a fiction. If Britain wants to leverage the assets of the EU development club it needs to retain club membership. (Devex 06-06-2016)

MOZAMBIQUE: CHINESE FIRM PREPARES $50M ACQUISITION OF GRANITE PLANT

China's Huaxi Group has said it is preparing $50 million for the acquisition of a granite processing plant in Mozambique.

According to a statement from the firm on Saturday, the plant could be in operation from next October in Chimoio, capital of the Central province of Manica.

The group's chairman, Hu En Xie said the venture includes the exploitation of a granite mine in Manica at the cost of $17 million.

The granite processed in Manica will be exported to China before it is sold to other interested countries.

Hu En Xie said Mozambique is the first African country to benefit from his firm's investment which is will expand to other regions of the world.

"Manica is the first region of Africa where we are putting a concrete investment. So it shows the friendship between these two peoples Chinese and Mozambican. We are first investing in the mining area" Hu added.

"In the future we intend to get involved in our investment package, agriculture, tourism and trade, because we know that this region has the potential to be exploited," he added.

For his part, the governor of Manica, Alberto Mondlane, expressed satisfaction with the investment and spoke about the potential to generate many jobs and help increase the volume of exports from Mozambique.

Mondlane explained that initially the granite processing plant will employ 200 people.

"It's a big win for us. This investment, in addition to creating more employment opportunities, will increase export levels and, consequently, generate more revenue for the state" said Mondlane.

The official also said that the factory will process another type of existing stones in Manica and the surrounding provinces.(APA 04-06-2016)

YOUTH EMPLOYMENT: W/BANK ADVOCATES COMPREHENSIVE APPROACH

A comprehensive approach is required to address the youth employment challenge in sub-Saharan Africa, according to a senior economist at the World Bank during a Dakar forum on the employment, training and inclusion of young people organized by the bank on Monday.

Mr. Deon Filmer was showcasing the results of a regional report on youth employment in sub-Saharan Africa, jointly published by the international financial institution and the French Development Agency (AFD).

“In order to make strides in the area of youth employment, we need a comprehensive approach to curb the restrictions on human capital and the business environment that prevent the private sector to seize opportunities and increase productivity in agriculture, family businesses and the modern employment sector,” Filmer said.

He said African policymakers need a wider vision on how they should address the long-standing challenge.

“They must take ownership of the whole problem,” the economic experts suggested, pointing out that government interventions must be focused on mainly public services.

Filmer believes that in the short term specific actions can tackle the most important constraints such as "improving access of family and modern enterprises to finance, improving young people's access to a land and technology in a bid to boost agriculture-driven incomes."(APA 06-08-2016)

ECONOMICS OF MIDDLE EAST AND NORTH AFRICA IN FOCUS AT EBRD SYMPOSIUM

When waves of political change swept through the Arab world just over five years ago, the focus of the international community was firmly on providing economic support to a new generation of people who were demanding improvements in their daily lives.

The European Bank for Reconstruction and Development (EBRD) became part of that international response, applying its experience in helping to promote vibrant private sector economies in the former eastern bloc to a new set of countries. The Bank began its engagement in Egypt, Jordan, Morocco and Tunisia in 2011. It had already been investing in Turkey since 2009.

The Middle East and North Africa (MENA) region is the topic of a two-day research symposium being held by the EBRD, the Centre for Economic Policy Research (CEPR) and the Economics of Transition journal on 2-3 June. It will take a stand-back look at some of the more intractable challenges facing the region.

Many of the difficulties currently confronting the MENA region lie well outside the control of the countries themselves. To varying degrees, their economies are being negatively affected by the global slowdown, sluggish world trade and volatile financial flows, as well as the impact of terror attacks and the influx of refugees from war-torn neighbouring countries.

What this symposium will focus on, however, are the more home-grown challenges, the responses to which are in the gift of the authorities but which often require strong political will to implement, along with a determination to tackle vested interests and to take a long-term political perspective.

In a global environment where competition for finance is fierce, countries are under pressure to improve their business climates and to make their economies more attractive to investment, both from abroad and domestically.

That means getting to grips with social ills such as corruption, improving judicial systems, ensuring that skills are in line with the demands of the economy, and making societies fairer and more inclusive. Inequality is not only a social malaise but a major constraint on economic development.

Progress is being made and it is important to continue the reforms that were embarked on at the start of the period of political transition.

The EBRD is playing a strongly supportive role in the elaboration of policies that promote investment and improve the business climate, for example in helping to develop regulations for the renewable energy sector or frameworks to strength the financial industry. Still more has to be done.

'The Economics of the Middle East and North Africa' symposium will analyse these challenges in detail.

Discussions will focus on areas such as job creation – crucial in a region where youth unemployment in particular is a major social and economic problem and where women are often systematically excluded from the marketplace.

In addition, papers will be delivered on migration, trade and political connections as well as the role of religion.(EBRD 02-06-2016)

Working papers:

Upward or downward: occupational mobility and return migration

Liberation technology: mobile phones and political mobilization in Africa

The Power of the Street: Evidence from Egypt's Arab Spring

BURKINA SECURES CFA7B DANISH FUND TO TACKLE INSECURITY

Burkina Faso has been granted CFA7 billion by Denmark to strengthen its fight against insecurity on the one hand and deepen the culture of human rights on the other, the Justice Ministry disclosed.

The Danish funding follows on the heels of a first phase (2014-2016), which covers “security services capacity building to promote civic engagement, trust and strengthen social cohesion” of the Sahel region.

Its latest intervention is an integral part of the second phase (2016-2020) entitled “Contribution to the improvement of local access to justice and the promotion of human rights."

It will be implemented in the North, Sahel and East regions of the country.

“This commitment through its financial capacity and its coverage area will not only consolidate the achievements of the first phase, it will also lay the foundations of a true community spirit to install security,” the Burkinabe government said.

Over CFA3.3 billion will be allocated to security, in view of the rise of terrorism and insecurity on the roads.

“To enable the population enjoy peacefully their other fundamental rights and participate in the country’s local development, security is essential,” the Danish Ambassador to Burkina Faso, Bo Jensen said.(APA 06-06-2016)

ETHIOPIA GETS $300M W/BANK CREDIT TO REDUCE TRAFFIC

The World Bank has approved a $300 million credit to improve mobility along selected corridors in Addis Ababa and the effectiveness of road safety compliance systems throughout Ethiopia, the bank said in a statement on Monday.
According to the statement, the project aims to improve mobility in Addis Ababa and road safety countrywide.

This will involve expanding the existing traffic signal and control systems in Addis Ababa and improving the conditions on selected streets for pedestrians.

It will modernize the operations of Anbessa City Bus Enterprise, build the operational and managerial capacity and efficiency of urban transport agencies in dealing with urbanization and transportation and support the adoption of best practice methods of driver training and testing, as well as establishing a secure database for driver and vehicle licensing country-wide.

“By helping to ease traffic congestion and develop a modern public transport system, this project will enable Addis Ababa to remain a great city in which to live and to do business,” said Carolyn Turk, World Bank Country Director for Ethiopia. “Expanding the current traffic signal and control systems and providing pedestrians amenities and modernizing vehicle and driver licensing systems will improve road safety.”

The Transport Systems Improvement Project comprises traffic Management and road safety in the city of Addis Ababa, improvement of Integrated Urban Planning and Transport System, and Road Safety Interventions and Institutional Strengthening of Selected Federal Transport Institutions.

The improvement of selected streets through providing pedestrian amenities and safety, sidewalks, street lighting, bus stops and development of a parking strategy bring solace to the pedestrians who account for 54 percent of all trips” said Haileyesus Adamtei, the Project’s Co-Task Team Leader.(APA 06-06-2016)

UBER TAKES TO THE ROADS IN KAMPALA

Uber started services in Uganda's capital Kampala on Thursday, adding a fourth sub-Saharan African market for the rapidly-expanding ride-hailing company.
Kampala is the seventh sub-Saharan African city to start the Uber service, following Nigeria's Lagos, Nairobi in Kenya and four South African cities.

The US company will start operations in two further countries in the region within a month, Alon Lits, the GM of Uber Africa, told reporters in the Ugandan capital.

"We are inspired by the city's rapidly developing infrastructure," Lits said. The company "looks forward to giving people in the city an affordable, easy and flexible choice to move around the city safely and reliably."

Uber has signed up "hundreds" of drivers in Kampala to work with the company, which allows passengers to summon cars using a smartphone app, Lits said. The next two countries will be Ghana and Tanzania, Lits said in an interview earlier this year. *(*Bloomberg 02-06-2016)

S/AFRICA WELCOMES CREDIT RATING FROM STANDARD & POOR'S

President Jacob Zuma has welcomed credit rating agency Standard and Poor's (S&P) decision to maintain South Africa's positive investment rating, APA learnt on Monday.

"The decision by S&P, which follows on the footsteps of yet another encouraging decision by Moody's, demonstrates that working together we can reignite our economy, attract investment and create jobs for our people," Zuma said.

The president also congratulated Team South Africa consisting of government, business and labour for the sterling work done over the last few months to turn the country's economy around.

"Let us use these positive developments to work even harder together to move South Africa forward," Zuma said.

Acting Director-General of Government Communication and Information Services, Donald Liphoko, said: "Government is committed to cutting US$1.7 billion spending over the next three years to ensure we implement the National Development Plan, the blueprint which aims to achieve socio-economic growth and development" for the country.

International investors and multinationals continued to affirm the attractiveness of South Africa as an investment destination with new and additional investments into the country, he added.

"S&P's announcement therefore must be seen as motivation to further improve the economic climate of our country. We will continue to have robust engagements with business leaders as well as labour in efforts to sustain progress to move South Africa towards a sounder economic level," Liphoko said. (06-06-2016)

MALAWI PLANS BANANA IMPORTATION BAN

The Malawian government said on Monday that it will ban the importation of bananas from outside the country by the end of the year.
Malawi imports banana fruits from neighbouring Zambia, Tanzania, Mozambique and South Africa.

Minister of Finance and Economic Planning Development, Goodall Gondwe told Parliament on Monday that the government has been buying and distributing banana suckers to people ahead of the ban.

"Resources have been made available to the Ministry of Agriculture to buy and distribute suckers to all banana growing districts," he said.

He said all farmers have been told to uproot the old banana plants so that they can be replaced with the new ones.

Banana farmers in Malawi faced huge losses following a disease, Banana Bunchy Top Virus (BBTV) which attacked the plant in the previous years.

The challenge resulted into the country importing the fruit from other countries.(APA 06-06-2016)

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, AHEAD-GLOBAL, Business Council for Africa, Corporate Council on Africa, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABA - Norwegian-African Business Association, NABC- Netherlands Africa Business Council, and other organisations.

The Memorandum is also made available by AHEAD-GLOBAL, BCA, Chamber of Tenerife (by posting it at the Africa Info Market), CCA - Corporate Council on Africa (USA), ELO,HTTC ,NABA,NABC (by posting selected news) to their Members.

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