MEMORANDUM

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The publication of the Memorandum is resumed today after the Summer Break

SUMMARY

LIBYAN SWF CHALLENGES GOLDMAN SACHS FOR $1.2BN

Libya’s $67bn sovereign wealth fund takes Goldman Sachs to court in London this week over claims the US investment bank exploited the fund by encouraging it to make risky and ultimately worthless investments.

In what will be one of the most closely watched cases in the City of London, the Libyan Investment Authority (LIA) is attempting to claw back $1.2bn from the Wall Street giant from nine disputed trades carried out in 2008.

The LIA’s claim hinges in part on its allegations that the trades were procured under "undue influence". It specifically cites an internship that Goldman Sachs provided for Haitem Zarti, the brother of Mustafa Zarti, the LIA’s former deputy chief. Neither Zarti is connected with the fund now. Neither of the brothers could be reached for comment.

Goldman Sachs, which denies all the allegations, maintains that its relationship with the LIA was at all "material times an arm’s length one" between banker and client, and that the trades in question "were not difficult to understand".

"The claims are without merit and we will continue to defend them vigorously," the bank said on Friday.

The case is expected to shine a light on the way some of the world’s biggest investment banks conducted business with the late Muammar Gaddafi’s regime, doing deals that generated large fees, but which the Libyans say did little to benefit the oil-rich state’s sovereign wealth fund.

Libya set up the LIA in 2006 with the aims of investing the large reserves accumulated from its oil revenues and integrating its economy into the international financial system after years of sanctions.

An internal quarterly LIA management report obtained by the anti-corruption campaign group Global Witness in 2011 suggested the fund had suffered heavy losses. One of the biggest was a 98.5% fall in the value of the fund’s $1.2bn equity and currency derivatives portfolio.

The LIA is also pursuing the French investment bank Societe Generale for some $2.1bn in relation to another set of trades entered into between 2007 and 2009. SocGen is contesting the case, which is only expected to come to trial in January 2017.

The business advisory firm BDO has been appointed by the court to manage the litigations on the LIA’s behalf, as two rival chairmen are still laying claim to control of the LIA.

It was hoped this issue would be resolved with the formation of a UN-backed unity government for Libya, but this is still struggling to establish itself. The Goldman Sachs case is scheduled to run for seven weeks. *(*Reuters 13-06-2016)

MOZAMBIQUE AND INDIA SIGN MEMORANDUMS OF UNDERSTANDING

The governments of India and Mozambique will cooperate in the agricultural sector, for example in the production and sale of pulses, combating drug trafficking and the promotion of youth and sports, according to three memorandums signed Thursday in Maputo.

The three memoranda were signed by the Deputy Minister of Economy and Finance, Isaltina Lucas, and by the Secretary for Economic Affairs of India, Amar Sinha, as part of the one-day visit that Prime Minister Narendra Modi made to Mozambique, part of a tour that also includes South Africa, Tanzania and Kenya.

The President of Mozambique at the end of the signing of the memorandums noted the importance of the bilateral relationship with India, a country that “finances several development programmes in Mozambique in the areas of agriculture and food security, water and sanitation, as well as socio-economic infrastructure, mining and iron.”

Filipe Nyusi also said that about 25 percent of the investment that India applies in Africa is destined for Mozambique, “which shows the importance that the country has in the investment strategy of Indian companies.”

In discussions with the Indian delegation, the parties stated they want to deepen cooperation in training human resources and in the oil and gas sector and Mozambique requested more Indian investments in water supply and sanitation networks as well as in information technology. (08-07-2016)

ZAMBIAN SOLAR AUCTION SETS AFRICAN LOW PRICE BENCHMARK

A World Bank-led solar power auction in Zambia has set a new low-cost benchmark for Africa, with two development groups winning backing to build generating plants in the next year, the international lender said on Monday.

Neoen, First Solar and Enel Green Power were the winners of the initial auction for the "Scaling Solar" programme, the World Bank Group's International Finance Corporation (IFC) said.

France's Neoen and US-based First Solar jointly bid 6.02c/kWh and will build a 45MW solar plant in the African nation. Enel Green Power, a subsidiary of Italy's largest power utility, Enel, bid 7.84c/kWh and will build a 28MW.

Those bids compare with recent solar contract prices of more than 7c/kWh in SA and nearly 12c/kWh in India.

The two new solar plants are expected to expand Zambia's generating capacity by 5%, easing the strain of drought that has reduced the country's hydroelectric output, the IFC said.

"These are the lowest solar power tariffs seen to date in Africa, and among the lowest prices for solar power anywhere in the world — a game changer for Zambia and other countries in the region facing electricity shortages," IFC CEO Philippe Le Houérou said.

The Zambian auction initially attracted interest from 48 development groups, seven of which submitted final proposals.

The World Bank programme aims to help governments deliver cheap and clean energy by helping them run competitive auctions and reducing investment risks. It includes a full suite of World Bank products and services, including IFC financing and advice, as well as guarantees from the group's Multilateral Investment Guarantee Agency arm.

The IFC said Senegal and Madagascar also have signed up to run Scaling Solar tenders, which are expected to move to the prequalification phase in the coming months.

The programme, which hopes to develop 1GW of solar power in the next three years, also is supported by the US Agency for International Development and the Dutch and Danish governments. (Reuters 13-06-2016)

GOVERNMENT OF MOZAMBIQUE REDUCES PUBLIC EXPENDITURE IN AMENDING BUDGET

Mozambique's economy is expected to grow this year by just 4.5 percent, against an initial forecast of 7.0 percent, according to the proposal to amend the state budget, approved Thursday at an extraordinary cabinet meeting.

The Minister of Economy and Finance, Adriano Maleiane, said after the meeting that the proposal will be submitted to Parliament no later than Monday, in order to be approved in the current legislative session.

Adriano Maleiane, quoted by Mozambican news agency AIM also said that the current budget includes expenses amounting to 246 billion meticais (US$3.82 billion), and the amending budget reduces that figure to 243 billion meticais, following cuts in investments, buying goods and services and travel.

The Amending Budget includes a deficit of 11.3 percent of GDP against 10.2 percent in the original budget due to the drop in the collection of revenues from 25.9 percent to 24.1 percent of GDP, which fell from 176 billion meticais (US$2.73 billion) to 165 billion meticais (US$2.56 billion).

The minister said that the review of the budget law is dictated by the need to adjust the macroeconomic assumptions to recent developments in the global and national economy, especially the fall in commodity prices, reduced foreign direct investment and the flow of direct budget support. (08-07-2016)

SOUTH AFRICAN AIRWAYS EXPOSES ITS OWN MISDEEDS

There is delicious irony in the statement issued by South African Airways (SAA) over the departure of Nico Bezuidenhout, the CEO of its low-cost subsidiary Mango.

While wishing him well, it also tries to undermine him.

Lest it be thought that Bezuidenhout built and operated a more efficient and profitable airline than its parent over the past decade, SAA hints that he didn't.

Amid reports that SAA chairwoman Dudu Myeni was about to investigate Bezuidenhout yet again, the airline said in the statement sent out on Saturday that there was no "nexus between Bezuidenhout's resignation and internal investigations across the group".

It reminded us that it had defended Bezuidenhout when his academic qualifications were twice overstated in annual reports, prompting public scrutiny.

But in the past, Myeni did investigate Bezuidenhout and Mango, even though previous investigations had found nothing untoward.

Nevertheless, in a tone that can best be described as snide, SAA assures us that Bezuidenhout's departure will make no difference to Mango.

And then comes a really startling admission.

SAA revealed: "As an initial investment to subsidise the start-up of Mango Airlines, SAA subleased 10 aircraft, at a significantly discounted cost to Mango Airlines, while continuing to pay the market-related premium to the lessor."

The inadvertent admission is likely to provide ammunition to its competitors.

The national carrier has spent a lot of time at the competition authorities in the past decade, often losing cases for abusing its dominance, and engaging in a variety of anti-competitive behaviours.

It is currently fighting in the courts damages suits brought by rivals Comair and Nationwide relating to competition issues. If it loses both cases, SAA could be in for more than R1.3bn in damages.

Comair and other low-cost airlines have long been concerned that 10-year-old Mango was being subsidised covertly, giving it an unfair advantage in the low-cost airline market. But SAA has always insisted all transactions between it and Mango were at an arms-length basis.

Evidently not, by the airline's own admission.

Competition lawyers say the discounted leasing deal could be a form of predatory pricing, in which Mango is charging ticket prices that are lower than the actual costs it incurs on its fleet.

SAA's overt admission could provide the basis for a case to be brought against it for abusing its dominant position in the low-cost airline market.

However, tempted as we might be to crow over SAA's apparent own goal, the statement is more tragic than comic.

Given SAA's desperate financial state and Myeni's apparent imperviousness to any efforts to unseat her, or bring proper governance to the ailing airline, it means the one bright spot in the group has dimmed.

It is not clear what Mango's financial position would look like without the leasing deal, as it never published financial statements and merely issued statements proclaiming low-budget carrier's successes.

Comair CEO Erik Venter is convinced that Mango is, in fact, operating at a loss.

It is, therefore, quite possible that we now have not two, but three loss-making, state-owned airlines.

Billions of taxpayers' money have already been sunk in efforts to bail out SAA and the latest disclosure adds to the story of wasteful expenditure on state-owned assets.

It adds, too, to concerns that it is impossible for private sector operators to compete fairly in the low-cost airline market space.

Meanwhile, Bezuidenhout is joining Fastjet, the London-listed low-cost carrier focusing on Africa. We hope his success at Mango was not just a mirage. (BD 14-06-2016)

AFRICAN IP TRAFFIC TO GROW 6-FOLD BY 2020

According to the Cisco Visual Networking Index (VNI) Complete Forecast for 2015 to 2020, Africa's IP traffic will grow 6-fold and fixed broadband speed will increase 2.4 fold with an average mobile speed connection of 5Mbps. Increased connectivity and internet usage will positively impact South Africa's digital migration journey.

Global digitization transformation, based on the adoption of personal devices and deployment of machine-to-machine (M2M) connections will have an even greater impact on traffic growth. Over the next five years, global IP networks will support up to 10 billion new devices and connections, increasing from 16.3 billion in 2015 to 26.3 billion by 2020. Within Africa, a renowned mobile centric hub, there will be approx. 1, 5 networked devices per capita in 2020, 77% of which will be mobile-connected.

Advancements in the Internet of Things (IoT) are continuing to drive IP traffic and tangible growth in the market. Applications such as video surveillance, smart meters, digital health monitors and a host of other M2M services are creating new network requirements and incremental traffic increases. Globally, M2M connections are calculated to grow nearly three-fold from 4.9 billion in 2015 to 12.2 billion by 2020, representing nearly half (46 percent) of total connected devices. Within Africa, M2M modules will account for 22% of all networked devices by 2020.

Video services and content continue to be the dominant leader compared with all other applications. Internet video will account for 79 percent of global Internet traffic by 2020—up from 63 percent in 2015. The world will reach three trillion Internet video minutes per month by 2020, which is five million years of video per month, or about one million video minutes every second. HD and Ultra HD Internet video will make up 82 percent of Internet video traffic by 2020—up from 53 percent in 2015.

With the growing dependence on mobile and fixed broadband networks, security concerns are increasingly becoming top of mind for service providers, governments, businesses and consumers. For the first time in this forecast, Cisco collaborated with Arbor Networks to help quantify the current and future threats of DDoS (Distributed Denial of Service) attacks. DDoS incidents can paralyze networks by flooding servers and network devices with traffic from multiple IP sources. The new DDoS analysis suggests that these types of breaches can represent up to 10 percent of a country's total Internet traffic while they are occurring. Over the next five years, DDoS attacks are projected to increase from 6.6 million to 17 million attacks. These initial findings underscore the need for more comprehensive security measures to protect data and reduce network exposure to such risks.

"The digital transformation is happening now for billions of consumers and businesses users across the globe," said Cathy Smith, General Manager for Cisco South Africa. "Innovation is imperative for Cisco and its service provider customers to deliver scalable, secure, high-quality services and experiences over all types of broadband network infrastructures."

Key Findings & Milestones from Global Traffic Projections and Service Adoption Trends within Africa

– Internet traffic in Middle East and Africa in 2020 will be equivalent to 527x the volume of the entire Internet in the region in 2005.

– Mobile data traffic will grow 15-fold from 2015 to 2020, a compound annual growth rate of 71%, meaning 2 times faster growth than fixed IP traffic.

– Mobile was 15% of total IP traffic in 2015, and will be 40% of total IP traffic in 2020.

– IP video traffic will grow 8-fold from 2015 to 2020, a compound annual growth rate of 50%.

– Total Internet video traffic (business and consumer, combined) will be 79% of all Internet traffic in 2020, up from 59% in 2015. Approx. 39% of internet video traffic will be HD, 3% will be ultra HD.

– Internet gaming traffic will grow 8-fold and will be 2% of consumer internet traffic in 2020.

– M2M modules will account for 22% of all networked devices by 2020.

– By 2020, it is expected that 21% of IP traffic will be generated by PC's (vs 67% in 2015), 4% by TVs, 60% by smartphones (up from 20% in 2015), 12% by tablets, 2,4% by M2M modules.

– Average fixed broadband speed will grow 2,4 -fold from 2015 to 2020, from 7 Mbps to 16,5 Mbps. Average mobile connection speed will grow 6-fold and will reach 5 Mbps by 2020. Between 2014-2015, average fixed broadband speed grew 15%. (IT News Africa 13-06-2016)

ANGOLA LAUNCHES HYDROKINETIC PRODUCTION PROGRAMME

Hydrokinetic production will be introduced in Angola over the next decade under a memorandum of understanding signed by the Minister of Energy and Water, João Baptista Borges, with the Privinvest industrial group, according to a statement.

The memorandum was signed under Angola's 2025 Energy Security Plan, through which the government aims to reach production of 9,000 megawatts of electricity by 2025, with special priority for hydropower.

In the statement, the Privinvest group claims to be the leading producer of hydropower, a sector that it joined in 2012, with its subsidiaries Constructions Mécaniques de Normandie (CMN) and Hydroquest designing and manufacturing special turbines for use along rivers and in the sea.

Under the memorandum, Angola's state power production company Prodel and Privinvest will set up a company in partnership that will initially be responsible for the manufacture and operation of hydrokinetic facilities in Angola.

Prodel pledged to buy all the electricity production that the partnership produces and operations are expected to start at three test sites, which have a combined output of 12 megawatts.

Palomar Capital Advisors, a subsidiary of the Privinvest group was mandated by the government of Angola to structure the financing of the project, which will be guaranteed by the Republic of Angola. (08-07-2016)

MOBILE MONEY COULD GIVE KENYAN ENTREPRENEURS A BUSINESS BOOST

Much has been said and written about how person-to-person mobile money transactions are transforming Kenya's economy, but the technology also has the potential to help entrepreneurs take their businesses to the next level.

That's according to Dr. Rutendo Hwindingwi, divisional director for Sage East and West Africa, who says that the explosion in mobile money across Kenya is helping to drive entrepreneurship and efficiency for small businesses. The single biggest benefit of mobile money, he adds, is that it allows smaller businesses – even informal, microbusinesses without banking accounts – to take advantage of the benefits of digital payments.

He notes that mobile money has changed Kenyans' lives by making it quick and easy for people to pay each other. Now, it promises to also make it simpler and safer to do business for entrepreneurs, and potentially even open up new markets for them.

Kenya, one of the world's pioneers in the mobile money space, racks up Sh3 billion in mobile transactions each day, according to statistics from the Communications Authority of Kenya. The country has Africa's highest level of mobile money penetration at 58%.

Yet, despite the impressive numbers, there is still plenty of room for mobile money in Kenya to grow. According to one Nielsen study, 95% of Kenyans still pay with cash in a retail environment, 12% make use of mobile money, and just 2% use credit or debit cards. Small & Medium Businesses, particularly those in the retail and transport environment, could benefit significantly by driving more transactions through mobile money, says Dr. Hwindingwi.

"In Kenya, cash still dominates transactions between many Small & Medium Businesses and their customers," he adds. "Many small businesses still like cash because they are reluctant to pay card transaction fees. However, cash has many disadvantages, and we expect more and more entrepreneurs to start opting for digital, mobile payments."

Dr. Hwindingwi notes that cash has a range of drawbacks for businesses: it is expensive to manage, exposes them to the danger of theft, and means that they need to keep a float to give customers change. Mobile and digital payments are easier to track in a financial system; what's more, someone who lives in another town or city can easily pay you without physically being there.

Dr. Hwindingwi says that mobile money and payments solutions for merchants are maturing all the time, thanks to companies such as Kopo Kopo, which use mobile money systems as a platform for merchant services such as mobile payment acceptance and merchant cash advances. The result is that mobile money is slowly moving beyond the person-to-person arena into the business-to-business and business-to-consumer spaces.

According to Dr. Hwindingwi: "The future is mobile and we at Sage are giving our customers the power to control their businesses from the palm of their hand.

Likewise, our customers' consumers are mobile and want to use convenient mobile services to pay and interact with the companies they interact with. Mobile money is a game-changer for companies and customers because it makes it so simple, safe and convenient to transact." (IT News Africa 10-06-2016)

TWENTY YEARS OF SHARING EU EXPERTISE: TAIEX HOLDS WORKSHOP ON MARKETING STANDARDS IN FRUIT AND VEGETABLES

Representatives of Ministries of agriculture and other relevant public bodies from the Southern Mediterranean countries are attending a workshop on marketing standards in the fruit and vegetables sector, held today and tomorrow in Zagreb, Croatia in the framework of the EU-funded Technical Assistance and Information Exchange Instrument (TAIEX).

The workshop is one of the five events organised to mark the twentieth anniversary of the TAIEX instrument. It focuses on EU marketing standards in fruit and vegetables, import and export conditions and producers organisations in the sector.

TAIEX is the Technical Assistance and Information Exchange instrument of the European Commission. It supports public administrations with regard to the approximation, application and enforcement of EU legislation as well as facilitating the sharing of EU best practices.(Taiex 14-06-2016))

GUINEA-BISSAU PLANS TO ISSUE PUBLIC DEBT

Guinea-Bissau plans to issue Treasury Bonds issued in the amount of 11 billion CFA francs (US$18.4 million), the public debt management agency of the West African Monetary Union (UEMOA) said in a statement.

The UEMOA – Securities Agency also said the public debt issue, scheduled for next Monday through an auction, has a maturity of three years paying an interest rate of 5.5 percent.

This is the second time in 2016 that Guinea-Bissau has raised funds by issuing public debt. The first time, in the amount of 12 billion CFA francs (US$20 million) took place in April.

This operation is part of a set of six issues of public debt scheduled for July in the UEMOA countries, which also includes Benin, Burkina Faso, Ivory Coast, Mali and Togo. (08-07-2016)

THE AFRICA INFRASTRUCTURE DEVELOPMENT INDEX 2016: UPDATE

The Africa Infrastructure Development Index (AIDI) is produced by the African Development Bank and serves a number of key objectives, principally: (i) to monitor and evaluate the status and progress of infrastructure development across the continent; (ii) to assist in resource allocation within the framework of ADF replenishments; and (iii) to contribute to policy dialogue within the Bank and between the Bank, RMCs and other development organizations.

The AIDI also serves as a key tool in evaluating and monitoring the continent's progress toward attainment of the "High 5s," the number one priority being to "light up and power Africa." The indicators produced by the AIDI also generate other indices relating to High 5s, namely the "Feed Africa Index," "Industrialize Africa Index," and "Integrate Africa Index."

The methodology on which the AIDI is based, and the background and rationale for its development, are expounded in an earlier brief, namely “The Africa Infrastructure Development Index (AIDI), May 2013.” Readers are requested to refer to that document for full details. A revision of the original methodology is currently underway as more data are collected under the auspices of the Africa Infrastructure Knowledge Program (AIKP).

The current AIDI covers the latest data collected by the Bank over the period 2000-2013 under the infrastructure statistics component of its Statistical Capacity Building program in African countries. The AIDI is updated and released annually.

The annual update presents selected indicators that comprise the Index’s major components, namely: (i) Transport; (ii) Electricity; (iii) ICT; and (iv) Water and Sanitation.

This brief charts the progress made by African countries over the period 2010- 2013 and discusses the reasons behind the latest trends.

The AIDI 2016 Highlights

A marked overall improvement in AIDI 2016 scores: In general, AIDI scores are improving for all countries, although the rate of progress for some nations has been insufficient to gain promotion in the AIDI rankings.

The top winners in terms of rankings: Mali gained 9 positions (owing to fast ICT growth), followed by Kenya and Mauritania (5 positions due to ICT and transportation improvements), Ghana (4 positions due to ICT growth), Nigeria (3 positions thanks to ICT growth), Gambia, Senegal, Tanzania, and Madagascar (2 positions each due to improvements in ICT, water supply & sanitation, and transport – the latter to a lesser degree).

The main losers in terms of rankings: Zimbabwe lost 5 positions (owing to slower growth in the sectors of transport and water supply & sanitation), followed by Burundi and Djibouti (4 positions owing to slow growth in ICT), and Lesotho (3 positions owing to slower growth in the power sector).

Subregional rankings remain stable: The best performing subregion to emerge was North Africa, followed by Southern Africa, West Africa, Central Africa, and East Africa.

ICT emerges as the main driver of AIDI improvements:

The ICT sector has driven the greatest improvements in the AIDI ratings over the past decade, compared to all other sectors. It is no coincidence that the top ten ranked countries in the latest AIDI were those with the highest growth in their ICT sectors. According to the AfDB report “African Telecom Infrastructure Investment Needs, April 2015”, the period 2005-2010 was a period of very high growth for mobile telephony, marked by the emergence of new operators in the market, massive growth in coverage extensions, broadband speeds, as well as user subscriptions. The period 2010-2015 also witnessed the development of new submarine and regional overland cables, which provided huge new capacity around coastal Africa, as well as facilitating mobile operator consolidation.

This period also saw large investments by the private sector and the emergence of public-private partnerships (PPPs) in some countries, which has been a major factor behind the growth. Over the next few decades, there will be a need to upgrade and modernize the mobile networks to support the shift to smartphones. The need for fiber broadband networks and the demand by both corporations and the general public for superfast fiber access at national levels have emerged as urgent priorities to keep pace with global developments, and this will require major financial investment. It is anticipated that in the near to medium term, ICT will continue to lead the growth and improvement in infrastructure development, as captured by the AIDI scores.

Transport and power sectors remain crucial to infrastructure development, though recording slower growth:

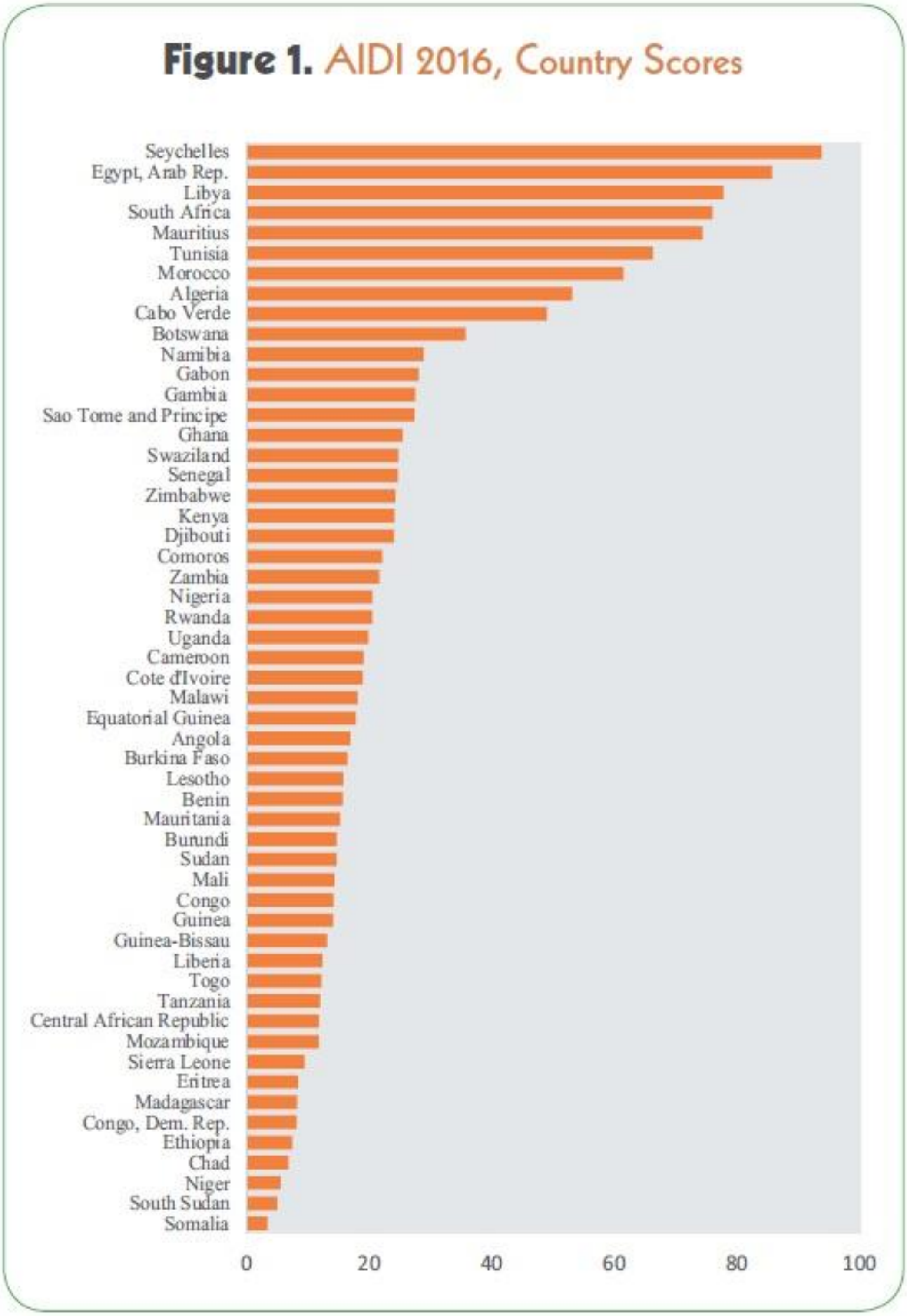
The transport and power sectors require a much higher level of investment to fuel their growth. Although these sectors are crucial components of the AIDI, their impact in terms of boosting the rankings of African countries has of much lesser significance than that of the ICT sector. Although progress has been made in both sectors across the continent, the rate of that growth has not been great enough to affect individual country rankings in the AIDI. As the Bank's first objective over the next decade, in terms of the High 5s, is to "Light up and Power Africa", investments by the AfDB targeting this sector should eventuate in major improvements in the AIDI rankings. The Bank's key role in catalyzing resources from development partners and from the private sector through its own participation in projects and programs in this sector, will also boost investment levels.

Water supply and sanitation – disappointing progress for many countries:

Slower progress in water supply and sanitation can be observed in many African countries, compared to developing countries in other global regions. Surprisingly, some countries that ranked in the top ten according to the AIDI scores still lack improved sanitation facilities, particularly in rural areas. In about half of the countries that make up the African continent, less than 35% of their populations have access to improved sanitation facilities and less than 76% have access to improved water sources. The progress made in this area still lags well below the targets set by the UN's Sustainable Development Goals (SDGs). This needs to be addressed urgently, given the massive impact of this sector on the quality of life of Africans and its linkages to other sectors such as health – particularly in rural areas. Clearly, policies and investments targeting this sector are imperative to drive up overall AIDI scores and to achieve many of the SDGs.

Main results

The AIDI 2016 results are presented in the form of scores and rankings using data collected by the Bank for the period 2010-2013. In general, scores are improving for all African countries, although not necessarily at a sufficient rate to boost the rankings of many countries. Figure 1 shows the status of all African countries according to the 2016 scores.



The AIDI 2016 shows that the top ten ranked countries remained the same as in the AIDI 2013, namely Seychelles, Egypt, Libya, South Africa, Mauritius, Tunisia, Morocco, Algeria, Cabo Verde, and Botswana, although their specific rankings sometimes changed. These top ten countries are characterized principally by a robust performance in the following sectors: ICT, transport and power. It is worth noting that within this top performance group, Egypt and Libya rose respectively one position in the rankings, against South Africa which lost two positions. This was due to progress made by Libya with faster growth in international internet bandwidth and by Egypt in respect of its growth in road density per capita compared to South Africa.

The bottom ten countries in the rankings are Mozambique, Sierra Leone, Madagascar, Eritrea, Democratic Republic of Congo, Ethiopia, Chad, Niger, South Sudan, and Somalia. Notably, this group is characterized by low performance in ICT, transport and power. It is evident that these three sectors are responsibly primarily for the wide differentiation between the most advanced countries versus the less developed countries in Africa, according to the AIDI.

The AIDI 2016 results reveal an improvement in the bottom ten countries compared to the AIDI 2013 rankings. The two countries that elevated themselves out of the 2010 bottom ten were Mali and Tanzania. Mali gained nine positions (from rank 44th to 35th) and Tanzania two positions (from rank 45th to 43th). This was due to accelerated progress in phone (landline plus mobile) subscriptions for Mali, and in wired broadband internet subscriptions for Tanzania compared to the bottom ten countries. The accelerated growth was already evident for these two countries over the period 2000-2010 due to their progress in ICT improvements. However, the Central African Republic and Mozambique have slipped in their rankings to join the bottom ten group of countries. (African Development Bank 10-06-2016)

GREEN BEAN FARMERS IN KENYA CONTINUE TO LOSE GROUND IN EU MARKET

Green bean farmers in Kenya have continued to lose ground to their competitors in the EU market due to what Homefresh Horticulture Export Ltd marketing manager Sheila Wachania calls ‘crazy’ sanctions.

The Kenyan government has also done little to pacify the situation leaving farmers and exporters to find their place on their own in the cut-throat competition.

“Our revenue has gone down by 50% in the last three to four years due to the strict rules that have left us at a disadvantage. Ten per cent of our produce has to be tested at the airport before shipping. Testing is a good thing because we also have to meet what our clients on the other end want, but we feel like orphans, the government has done too little to help us retain our market out there, we are on our own and it’s not easy,” explains Sheila.

With Homefresh Horticulture Export Ltd profits margins going done by almost half in the last three years, this year things might even be worse, due to the erratic weather patterns.

“This year we have had too much rain as well as too much sun, this has affected our harvest. We don’t expect to harvest enough. Most of our farms are 10 to 30 acres in different parts of the country. In a good season, we harvest 5 to 10 tonnes,” Sheila explains.

Homefresh Horticulture Export Ltd exports 80% of its produce with United Kingdom taking the lion’s share (40%). The Netherlands, Middle East, Denmark and the other Scandinavian countries take up the other half. The remaining 20% is sold locally even though the market is volatile.

From Homefresh Export Ltd point of view, “The local market though not stable, has shown significant signs of growing, even though this might take a while since green beans are for a niche market. Save for the haricot verts which are a bit more common, sugar snaps and snow peas are a bit rare on the local menu.”

Homefresh Export Ltd earns $50,000-$100,000 annually from its export market while the local market brings just $5,000 to $10,000 a year.

For the haricot verts varieties, which Homefresh Horticulture Ltd grows, Teresa is the favourite in terms of adapting to weather patterns. It is also the most preferred in the market due to its rich green hue compared to the rest. The rest are, Samantha, Amy, Vanilla, Star and Serengeti.

For the snow peas, Oregon sugar pod, Kennedy and Snow Pea green are the only varieties Homefresh Horticulture Export Ltd grows while for the sugar snaps, Cascadia is the only variety.

Homefresh Horticulture Export Ltd expects a dip in its profits this year compared to last year.(Fresh Plaza 06-07-2016)

NESTLÉ TO TRAIN 1,000 NORTHERN NIGERIAN FARMERS IN AGRICULTURAL PRACTICES

Nestlé has launched a scheme in Africa which aims to train around 1,000 farmers in northern Nigeria on good agricultural practices and become more entrepreneurial.

The two-year pilot scheme, which will run until 2018, is being launched with the International Fertilizer Development Centre (IFDC).

Its aim is to help smallholder famers, around 40 percent of whom are women, in the country so they can increase yields of staple crops millet and sorghum in West African meals.

Nestlé sources about 7,000 tonnes of sorghum from farmers in northern Nigeria which it uses as a substitute malt ingredient to tailor its products to match the preferred tastes of the local population.

Nestlé will train the farmers to manage farming as a business, with a focus on crop quality and safety.

It is hoped the training scheme will run beyond two years and grow in size over time.

“Our new collaboration with IFDC, together with farmer groups and supplier partners, looks to support farmers in northern Nigeria by providing them with the tools and capabilities to produce high-quality, disease-resistant crops for future food security,” said Dharnesh Gordhon, managing director for Nestlé Nigeria.

“Improving the quality of sourced millet and sorghum will not only provide safer ingredients for local communities and consumers, it will also empower farmers to develop a sustainable farming business and boost their financial status and independence.”

“We are looking forward to our new collaboration with Nestlé Nigeria,” said Dr Arno Maatman, an executive with IFDC.

“The company is a fitting private partner because of its strength, professionalism and high standards that it instils to produce quality products for local consumers, and also because of the close and fair relations it wants to build and maintain with smallholder farmers. Through this partnership, we seek to achieve better and more sustainable incomes for the smallholder farmers involved.”

The training scheme forms part of Nestlé’s long-standing Nestlé Grains Quality Improvement Project (GQIP) which it launched in 2008 in Nigeria. (BD 02-06-2016)

KENYA SETS SIGHTS ON FRUIT EXPORTS

Kenya has set its eyes on horticultural crops and fruits in a bid to shore up earnings from the export market.

Kenya Plant Health Inspectorate Service (Kephis) acting managing director, Ms Esther Kimani, said according to a survey they undertook, there is a high demand for the produce in foreign markets.

“We want to encourage farmers to venture into fruits cultivation because there is a huge market,” Dr Kimani told *Smart Company* last week.

He said European Union has removed some of the 10 per cent requirements after the country met its standards.

Agriculture Cabinet Secretary Willy Bett urged local farmers to shift their focus to horticulture from over-reliance on traditional crops to improve their income and boost the country's economy.

"We want to tell our farmers to plant crops such as macadamia and avocados.

The markets for these crops are insatiable. As they maize, farmers need to diversify," said Mr Bett, when he launched grafted Hass variety of avocado in Kaptel, Nandi County last week.

He said that there is a huge market for the crops in the European and Middle East countries.

"This programme will be championed throughout the country.

We want farmers in the North Rift region to also take advantage of the Eldoret International Airport as most flights return without any cargo," said Mr. Bett.

AVOCADO PEST CONTROL MEASURES

Some of the countries where Kenya is eyeing their markets include United Arabs Emirates (UAE) and South Korea.

At the same time, Dr Kimani said South Africa experts are dissatisfied with Kenya's progress of pest control measures on avocados.

"We were unable to meet their requirements of the avocado exports due to fruit flies.

We want to adopt the strategy used in fighting the pest in mangoes in Elgeyo Marakwet County that bore fruit," she said.

Ms Kimani said to win the war against pests, more public-private investments are needed.

"Counties also need to develop by-laws because you cannot eradicate fruit flies on your farm when your neighbour has not done so. Creation of pest-free areas is the way to go," she said.

In 2010, South Africa banned the export of avocado after the local produce was found to be infested with fruit fly.

Dr Kimani said this dealt a big blow to Kenyan farmers noting that avocado exports to South Africa were on average earning local farmers Sh120 million every year.

According to experts, although the South African market is relatively small for the Kenyan avocado industry, the ban has the potential to shake the confidence of international market of the local produce.

After South Africa shut its market, Mauritius followed suit.

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Origin of the pest

Concerns over fruit fly emerged in 2003, and industry insiders say the pest is thought to have originated from Sri Lanka.

Apart from avocados, fruit fly attacks mangoes, guavas, citrus, papayas, tomatoes, bananas, cashew nuts, pepper, pears, melons and other tropical fruits. (BD 06-06-2016)

LE PARLEMENT EUROPEEN S'OPPOSE AU COLONIALISME AGRICOLE EN AFRIQUE

Les eurodéputés réclament un changement radical de cap pour la Nouvelle Alliance pour la sécurité alimentaire et la nutrition, qui tend à répliquer le modèle d'agriculture intensive dans les pays africains.

Le programme du G7 en faveur de la sécurité alimentaire en Afrique fait fausse route en misant sur l'agriculture intensive, a tranché le Parlement européen, dans un rapport adopté le 7 juin à une vaste majorité.

« Nous avons déjà fait cette erreur de l'agriculture intensive en Europe, nous ne devrions pas la reproduire en Afrique, car ce modèle détruit l'agriculture familiale et réduit la biodiversité » a averti la rapporteure Maria Heubuch (Vert).

Lancée en 2012 par les pays du G7 et 10 pays africains, la Nouvelle alliance pour la sécurité alimentaire et la nutrition (NASAN) a pourtant un objectif louable : sortir d'ici 2022 50 millions de personnes de la pauvreté en dynamisant les investissements dans le secteur agricole de 10 pays africains, tels que le Bénin, le Nigéria, ou la Côte d'Ivoire.

Contreparties

Mais en contrepartie des investissements, ce vaste partenariat pousse les pays africains partenaires à mettre en place des réformes politiques sur l'accès au foncier, l'utilisation de semences certifiées (hybrides, OGM), ou encore sur la fiscalité pour faciliter les investissements privés dans le secteur agricole.

Des réformes qui favorisent les grands groupes au détriment des petits agriculteurs, qui représentent pourtant plus de 70 % de la production agricole dans le monde.

>>Lire : Divergences d'opinion sur la décision de l'UE sur les OGM dans les pays en développement

« Les petits exploitants produisent […] grâce à des techniques beaucoup plus durables et respectueuses du climat que les grandes entreprises agricoles.[…] La NASAN fait exactement le contraire, en facilitant la mainmise des grandes entreprises agricoles sur les systèmes alimentaires dans divers pays africains. » a regretté Aisha Dowell, en charge de l'agriculture à Global Justice Now.

Rejet des OGM

Concrètement, les eurodéputés appellent à un arrêt du soutien aux OGM dans le cadre du partenariat public-privé. La NASAN demande en effet aux pays partenaires de soutenir «la distribution, l'adoption et la consommation de variétés agricoles biofortifiées ».

« Le rapport appelle les pays du G7 à ne pas soutenir les semences génétiquement modifiées en Afrique. C'est un véritable succès » s'est félicité la rapporteure allemande Maria Heubuch (Vert).

Si aujourd'hui seuls trois pays africains autorisent officiellement la culture et la commercialisation d'OGM (Afrique du Sud, Burkina Faso, Soudan), plusieurs pays membres de l'Alliance comme le Ghana, le Malawi et le Nigeria ont lancé des essais en champs, le dernier étant même en processus de changement législatif.

Autre biais pointé par le rapport, le risque d'accaparement des terres. Pour sécuriser les investissements privés, la NASAN soutient la prévalence du droit foncier. « Mais en Afrique, le droit foncier est l'exception, puisque la propriété des terres agricole fonctionne selon les principes du droit d'usage et du droit coutumier » rappelle une connaisseuse du dossier.

« Il faut donc que le partenariat respecte les différentes formes de propriété afin de ne pas mettre en danger les petites exploitations » souligne-t-elle. Une approche que le rapport parlement appelle de ses vœux, en s'appuyant sur les directives de la FAO.

Privatisation des semences

Le dernier avertissement lancé par le Parlement concerne la privatisation des semences. En Afrique, près de 90 % des agriculteurs vivent de leurs semences (vente, échange, etc.). Un système qui leur permet de conserver «une certaine indépendance vis-à-vis du secteur semencier commercial » souligne le rapport.

« Mais le secteur privé, qui finance une partie de la NASAN, demande à ce que les pays changent leur législation », explique une connaisseuse du dossier. « Cela obligerait les paysans à renoncer à l'échange et à la vente libre de leur semence ». Et donc à une partie fondamentale de leurs revenus.

Critiques récurrentes

Si les critiques sur la NASAN ne sont pas nouvelles, le rapport du Parlement européen est la première prise de position officielle d'une institution contre la philosophie du partenariat.

« Si la Nouvelle alliance ne remédie pas aux problèmes graves que nous observons, l'UE devra retirer son soutien à cette initiative » a de son côté affirmé la rapporteure Maria Heubuch. Dans le texte, la prise de position est plus nuancée puisque les eurodéputés appellent l'UE à « remédier à toutes les lacunes de la NASAN ».

« Les pays européens et l'UE peuvent faire évoluer les choses » soutien Maria Heubuch. « Par exemple, l'Allemagne qui est en charge du partenariat avec le Bénin n'a pas demandé d'évolution sur la propriété des semences.

En France, un pays traditionnellement hostile aux OGM, la critique est aussi de mise. En décembre dernier, le ministère des Affaires étrangères avait indiqué que Paris était « consciente des inquiétudes que suscite la NASAN et partageait une partie des critiques formulées par les ONG, notamment sur le manque de transparence dans la gouvernance et l'absence de règles définissant les investissements à privilégier ».

« La France […] doit agir dès le prochain Conseil de gouvernance de l'Alliance en juillet au Rwanda pour bloquer toute expansion de la NASAN et mettre en œuvre une évaluation transparente et inclusive des impacts de l'initiative dans les 10 pays africains concernés » réclame Jean-Cyril Dagorn d'Oxfam France. (EurActiv 08-06-2016)

SENEGAL'S INDUSTRIAL PRODUCTION DOWN BY 3.4 PERCENT IN APRIL

Senegal's industrial production fell by 3.4 percent in April 2016 compared to the previous month, APA learns Wednesday from the National Agency of Statistics and Demography (ANSD).

"This evolution is explained mainly by the underperformance in food processing industries (-14.2 percent), paper and cardboard (- 8.1 percent) and other manufacturing products (- 3.9 percent)," ANSD says.

In comparison to April 2015, industrial production increased by 5.3 percent.

Concerning the overall production of the first four months of 2016, it improved by 1.4 percent compared to the same period in 2015. (APA 15-06-2016)

ETHIOPIA GETS $857M WORLD BANK LOAN TO REVAMP INFRASTRUCTURE

World Bank on Wednesday extended $857 million loan to Ethiopia for expansion of infrastructure facilities in the east African nation.
Abdulaziz Mohammed, Minister of Finance and Economic Cooperation of Ethiopia and Carolyn Turk, World Bank Country Director for Ethiopia, Sudan and South Sudan signed the loan agreement in Addis Ababa.

The loan will be used to improve road safety, strengthen small and medium enterprises and for energy development Abdulaziz said after signing the agreement.

The World Bank recently approved a $300 million credit to improve mobility along selected corridors in Addis Ababa and the effectiveness of road safety compliance systems throughout Ethiopia.//(APA 15-06-2016)

COMMUNICATIONS FROM THE INTERNATIONAL MONETARY FUND

Angola - http://www.imf.org/external/np/sec/pr/2016/pr16283.htm

Angola, Ghana, Nigeria, Mozambique - http://www.imf.org/external/np/tr/2016/tr061616.htm

Benin - http://www.imf.org/external/np/sec/pr/2016/pr16290.htm

Burkina Faso - http://www.imf.org/external/np/sec/pr/2016/pr16278.htm

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Burkina Faso - http://www.imf.org/external/pubs/cat/longres.aspx?sk=43985.0

Burkina Faso - http://www.imf.org/External/NP/LOI/2016/BFA/052616.pdf

Cote d'Ivoire - http://www.imf.org/external/np/sec/pr/2016/pr16325.htm

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Mali - http://www.imf.org/External/NP/LOI/2016/MLI/052516.pdf

Rwanda - http://www.imf.org/External/NP/LOI/2016/RWA/052516.pdf

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São Tomé e Príncipe - http://www.imf.org/external/np/sec/pr/2016/pr16289.htm

São Tomé e Príncipe - http://www.imf.org/External/NP/LOI/2016/STP/051816.pdf

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Sierra Leone - http://www.imf.org/external/np/sec/pr/2016/pr16327.htm

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South Africa - http://www.imf.org/external/pubs/ft/survey/so/podcast.aspx#407

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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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