

# MEMORANDUM

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## UNE COOPERATION RENOUVELEE DE LA BEI ET DU LUXEMBOURG SCELLE 10 ANS DE PARTENARIAT AU SOUTIEN DES MICRO ET PETITES ENTREPRISES DANS LES PAYS ACP



La Banque européenne d'investissement (BEI) et le Grand-Duché de Luxembourg ont scellé un 5<sup>e</sup> accord de coopération dans le domaine de l'assistance technique à la microfinance dans les pays d'Afrique, des Caraïbes et du Pacifique (ACP), au regard des résultats positifs des accords mis en œuvre sur une décennie. Ce nouveau « Protocole d'entente » permettra de continuer à conjuguer l'expertise, les réseaux et les moyens du ministère des Finances et du ministère des Affaires étrangères et européennes avec ceux de la BEI, pour soutenir les projets de micro et petites entreprises de façon ciblée et efficace. L'objectif est de contribuer au développement socio-économique et à la lutte contre la pauvreté.

Ce 5<sup>e</sup> accord visera, entre autres, les projets soutenant les jeunes et développant l'accès à l'éducation, ainsi que les projets des micro- et petites entreprises dans les régions impactées par les migrations. Doté d'une nouvelle enveloppe de 3,6 millions EUR pour les trois prochaines années, il a été officiellement signé le 23 janvier 2017 au siège de la BEI à Luxembourg, par le ministre des Finances, Pierre Gramegna, le ministre de la Coopération et de l'Action humanitaire, Romain Schneider, le président de la Banque européenne d'investissement, Dr. Werner Hoyer et le Vice-président en charge des opérations dans les pays ACP, Pim van Ballekom.

Le Luxembourg et la BEI sont ensemble sur le terrain du développement depuis fin 2006 et en 10 années, ce sont 48 projets de micro finance, dont certains dans les pays les plus pauvres du globe qui ont bénéficié de 11,7 millions EUR au total. Les initiatives sont localisées dans 20 pays ACP avec, au cas par cas, et de manière flexible, quelques opérations remarquées en Asie et au Moyen-Orient.

En travaillant de concert, le Grand-Duché de Luxembourg finançant l'assistance technique des projets identifiés et la BEI prenant en charge ces mêmes projets, ont enclenché un effet de levier appréciable. La BEI ayant consacré 460 millions EUR de financement aux projets identifiés et rendus possible par l'assistance technique luxembourgeoise, c'est plus d'1 milliard EUR de financement au total qui a été généré (un prêt BEI représente 50 % au maximum du coût total d'un projet et souvent moins). Cela fait de ces accords de puissants outils de développement mis en œuvre sur le terrain avec rapidité et flexibilité.

**M. Pierre Gramegna, ministre des Finances a déclaré :** « *La finance inclusive est un élément clé dans la lutte contre la pauvreté et la création d'emplois. L'accord de coopération avec la BEI met un accent particulier sur les performances sociales des institutions de microfinance soutenues mais également sur le développement des nouvelles technologies financières. Il est un autre exemple concret du centre d'excellence qui a été créé ici au Luxembourg où sont hébergés plus de la moitié des avoirs sous gérance de la microfinance du monde entier.* »

**M. Romain Schneider, ministre de la Coopération et de l'Action humanitaire a souligné :** « *Pendant plus de 20 ans, la Direction de la Coopération au développement et de l'action humanitaire s'est engagée dans le domaine de la microfinance et de la finance inclusive. A côté de notre contribution financière dans ce cadre, la Direction de la Coopération a une certaine expérience dans l'assistance technique au profit des pays en développement qu'elle apporte à cet accord.* »

**Dr Werner Hoyer, président de la BEI a déclaré :** « *La complémentarité de l'approche du gouvernement luxembourgeois et de la BEI fait de ces accords de partenariat des outils exemplaires et je souhaite que notre excellente coopération serve de modèle. Les financements de la BEI amplifient cette assistance et rendent possible la réalisation de petits projets qui ont un impact essentiel pour les populations. Ensemble, nous créons des opportunités là où elles sont le plus nécessaires, en prise directe avec les problématiques actuelles, et nous agissons là où les besoins sont pressants. Nous*

*allons notamment, grâce au nouvel accord que nous signons, soutenir des projets dans les régions impactées durement par les migrations, grâce entre autres à l'Initiative de résilience économique ».*

### **Informations complémentaires sur les Protocoles d'entente**

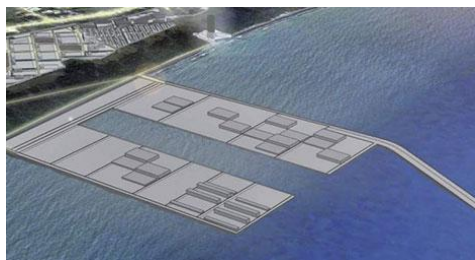
Les bénéficiaires des 4 accords de coopération, au nombre de 48 jusqu'à présent, sont localisés dans 20 pays ACP (Cameroun, Ouganda, Tchad, Ghana, République du Congo, Sénégal, Tanzanie, Namibie, Kenya, Côte d'Ivoire, Nigéria, Rwanda, Niger, Libéria, Mali, Jamaïque, Saint Domingue, République Dominicaine, Ethiopie et Timor Oriental. Quelques projets sont aussi au Pakistan, Afghanistan, Palestine, Tunisie, Liban, Maroc), ainsi qu'au Pakistan, en Afghanistan, en Tunisie, au Maroc, en Palestine et au Liban. Quelques projets régionaux ciblant l'Afrique subsaharienne ont également été soutenus. Sur le montant disponible de 11,7 millions EUR, il reste une tranche de 1,2 millions EUR en cours d'allocation.

Les fonds luxembourgeois sont consacrés spécifiquement aux projets d'assistance technique qui accompagnent les investissements de la BEI (des prises de participation) dans les sociétés et institutions de microfinance – ces intermédiaires qui sont sur le terrain et offrent des services financiers de proximité aux micro- ou petites entreprises. L'assistance technique prend la forme de soutien et de formation en matière notamment de comptabilité, d'administration, de secrétariat, de gestion des risques, de bonne gouvernance.

Ces institutions fournissent des prestations de services financiers à petite échelle, tels que l'épargne, le crédit, l'assurance ou d'autres services financiers de base, à des personnes sans ou à faible revenu exclues du système bancaire traditionnel, ainsi qu'aux micro- et petites entreprises qui ne disposent que d'un accès limité aux services financiers. La mise à disposition de ce type de services financiers aux personnes non bancarisées permet à leurs bénéficiaires d'exercer des activités leur assurant un revenu journalier, de réaliser des projets productifs et si possible de constituer une épargne. Ils contribuent aux objectifs de réduction de la pauvreté, à la création d'emplois et à la lutte contre les fléaux qui freinent le développement.

Selon les termes de l'accord, la BEI, à travers sa participation dans les fonds d'investissement qu'elle soutient, identifie pour le Grand-Duché de Luxembourg les projets d'assistance technique qui sont éligibles à un financement. Le suivi et l'évaluation se font ensuite de façon commune. (EIB 24-01-2017)

## **ANGOLA SOVEREIGN FUND INVESTS US\$180 MILLION IN DEEPWATER PORT**



The Angola Sovereign Fund plans to invest US\$180 million in building the first deep water port in the country, a project to be developed in Caio, Cabinda province, according to a statement issued in London on Tuesday.

Construction of the port will be in two stages, the first of which will build a 630-metre long terminal, connected to shore by a 2-kilometre bridge.

The statement said that the access channel will be 15 metres deep and the terminal will have a depth of 14 metres, and the port will feature a modern shipyard, dry dock, an industrial zone and a duty free zone.

Saying that this investment will create 20 000 jobs and add value, the President of the Fund, José Filomeno dos Santos recalled that, "investment in the industrial sector and trade support infrastructure in the sub-Saharan region has shown high rates of return and resistance to risks associated with countries in Africa."

Dos Santos stressed that investing in maritime infrastructure and logistics and industrial support in Angola makes it possible to diversify other investments in international financial markets in the portfolio of the Angola Sovereign Fund.

Financial news agency Bloomberg reported that the Export-Import Bank of China will provide a loan of up to US\$600 million to be invested in the construction of this port, whose works are being developed by a Chinese construction company.

In the same statement, which shows the status of its portfolio of investments in the second and third quarters of 2016, the Fund said that on 30 September 2016 its assets were valued at US\$4.755 billion. Of that amount, US\$1.833 billion was invested in securities and currency, US\$1.179 billion in income assets and the rest in various funds, including infrastructure, forestry and agriculture. (25-01-2017)

## WHO DIRECTOR-GENERAL CANDIDATES DOWN TO 5

The [World Health Organization's](#) Executive Board whittled its list of candidates running to be its new director-general down to five, with Ethiopian candidate [Tedros Adhanom Ghebreyesus](#) in the lead. Executive Board Chairman Ray Busuttill announced the shortlist Tuesday morning, following a closed-door session. Apart from Tedros, the list included Britain's [David Nabarro](#), France's [Philippe Douste-Blazy](#), Italy's [Flavia Bustreo](#) and Pakistan's [Sania Nishtar](#).

There's little surprise in global health circles that [Miklos Szócska](#), Hungary's candidate, didn't make it through to the next round of the contest. Several global health experts who are following the elections told Devex that they regarded the former health minister as having a thin portfolio when it came to international experience and believed he would likely be the first one to exit the race — although this is not the only factor that likely played a hand in the result.

Szócska's platform had a narrower scope than that of other candidates such as Tedros and Nabarro, according to Dr. Kent Buse, chief of strategic policy directions at UNAIDS, who analyzed candidates' manifestos in a [paper](#) published in The Lancet early this month, titled "WHOse agenda for WHOM? Analysing the manifestos of the candidates for director-general of WHO."

Whoever wins among six candidates for the director-generalship of the World Health Organization will have a consequential impact on the future of agency and of global public health itself. Candidates are promising leadership and bold change. But any reform will have to contest with a WHO's fraught budget, demanding member states and a stultifying bureaucracy. Devex takes an exclusive look at the stakes behind the vote.

"This meant that he would have had the support of fewer global health constituencies," Buse told Devex. In addition, the WHO director-general race is very much a geopolitical contest. With four European candidates, it was "almost inevitable" one of them would be "knocked out at the first round," he said. Buse hopes that with Szócska's departure, other candidates could be more outspoken on the issue of preventing noncommunicable diseases.

"All of the candidates have stated their commitment to tackling NCDs as a priority for WHO. But Szócska seemed to me most outspoken and also specific about how he would deal with the commercial drivers that lead to high consumption of these unhealthy substances," the UNAIDS official said. "He made good progress on this as health minister in Hungary, which he indicated he would take forward through WHO." Szócska garnered the least number of votes from the 34-member WHO executive board — 13 in total — as seen in an unofficial tally circling on social media following the vote.

In a statement posted on Twitter, Szócska thanked "all who supported my program" and wished the other candidates luck going forward.

Tedros, meanwhile, had the full support of the board, with 34 votes in, followed by the two women candidates: Flavia Bustreo (33 votes) and Sania Nishtar (32 votes).

**Read our extended Q&As with the top 5 WHO director-general candidates:**

- ▶ [Q&A: WHO candidate Tedros Adhanom Ghebreyesus](#)
- ▶ [Q&A: WHO candidate Sania Nishtar](#)
- ▶ [Q&A: WHO candidate David Nabarro](#)

► [Q&A: WHO candidate Philippe Douste-Blazy](#)

► [Q&A: WHO candidate Flavia Bustreo](#)

Nabarro, whom observers predict will make it to the top three this week, had 30 votes in, while Douste-Blazy secured 28 votes.

WHO will not confirm the vote breakdown.

“We don’t provide these numbers,” Tarik Jašarević, media relations at WHO, told Devex.

Tuesday’s vote took about an hour or less, but Wednesday’s vote for the top three is expected to dominate the full day of sessions, with the possibility of extending beyond the usual schedule.

The board will interview each candidate for a maximum of an hour, in which candidates are expected to present their vision for the health aid agency and answer questions by members of the board. Again, this will take place behind closed doors, although there are calls for WHO to open the election to the public for transparency purposes.

Board Chairman Busuttill will publicly announce the names of the three nominees — who will advance to the elections in May at the 70th World Health Assembly — by Wednesday evening.

The election in May will be the first time the vote will be open to the organization's entire 194 country membership instead of just the executive board. The contest is being closely watched by development professionals and many others. Ultimately, the leader of the organization will have a major impact not just on the WHO but on all of global health policy.

Also during Tuesday’s morning session, the board appointed Mahmoud Fikri as the new regional director of WHO’s Eastern Mediterranean Regional Office. Fikri, from the United Arab Emirates, will start his term in February. (Devex 24-01-2017)

## IMF SAYS ANGOLAN ECONOMY STAGNATED IN 2016

Angola’s economy stagnated in 2016, with the oil sector growing by 0.8% and the non-oil sector contracting 0.4%, according to the forecasts included in a document from the International Monetary Fund (IMF) on a consultation held in 2016 under Article IV.

The document acknowledges that oil price shock that began in 2014 considerably reduced tax revenues and exports and said that economic stagnation in 2016 was mainly due to the contraction of the non-oil sector, dragged down by industry, construction and services.

“Industrial production, despite the potential for import substitution, was limited by the shortage of imported raw materials due to limited availability of foreign currency,” the document said.

In its assessment the IMF board of directors acknowledged the Angolan government’s efforts to take steps to mitigate the oil shock but noted that it was necessary to adopt additional measures to stabilise macroeconomic conditions, to address more forcefully the country’s dependence on oil and diversify the economy.

The members of the IMF board of directors welcomed the recent steps taken by the central bank to tighten liquidity conditions, but considered it necessary to reinforce the monetary policy framework to better anchor inflation expectations and assist the transition to greater foreign exchange flexibility.

They highlighted the need to preserve the health of the banking sector and expressed support for the authorities’ efforts to strengthen banking supervision and stressed the need to address the effects of the loss of correspondent banking relationships in dollars. (25-01-2017)

## MANAGING MIGRATION ALONG THE CENTRAL MEDITERRANEAN ROUTES

**Ahead of the meeting of Heads of State or Government in Malta on 3 February 2017, the Commission and the High Representative/Vice-President have today set out their contribution to the discussion on how to better manage migration and save lives along the Central**

## **Mediterranean route.**

The Commission and the High Representative/Vice-President are presenting a number of additional measures to strengthen the EU's work along this route, in particular with and around Libya. These actions are focused on fighting human smuggling and trafficking networks, helping to manage migratory flows more effectively, continuing to save lives at sea and improving the living conditions of migrants and refugees in Libya and neighbouring countries.

European Commission President Jean-Claude **Juncker** said: *"Too many people are still dying in the Mediterranean. We have implemented actions to address the situation but we need to do more. Today we are presenting possible short and medium term actions to address the flows to and from North Africa. First and foremost, stability in Libya and the region as a whole is required. While continuing our support to this process, we can take forward actions to help make a difference, save lives and break the smugglers' and traffickers' business model – which will also impact the flows towards Europe."*

Since 2015, the resources and assets for EU operations at sea have tripled, contributing to saving more than 400,000 people in the Mediterranean. However, the increase in migration along the Central Mediterranean route, where over 181,000 migrants and refugees arrived to the EU in 2016, has also led to record levels of loss of life at sea. To help prevent this human tragedy from continuing in 2017, the Commission and the High Representative/Vice-President are identifying operational, short term actions to be taken in cooperation with Member States in relation to the Central Mediterranean route. Part of a comprehensive strategy, the actions proposed take into account the wider regional context (in particular Libyan's southern border, as well as Tunisia, Egypt and Algeria) whilst putting a strong focus on Libya, representing the departure point for 90% of those seeking to travel to Europe.

Building on the European Agenda on Migration and the work undertaken under the Framework aimed at strengthening cooperation on migration with partner countries, key objectives include:

**Reducing the number of crossings and saving lives** by enhancing ongoing support, including through EUNAVFOR Operation Sophia, to the Libyan Coast Guard and Navy, including through expanding the training activities through an immediate €1 million addition to the Seahorse programme and a grant of €2.2 million under the Regional Development and Protection Programme in North Africa and establishing a Maritime Rescue Coordination Centre;

**Stepping up the fight against smugglers and traffickers** by ensuring an operational 'Seahorse Mediterranean' Network by Spring 2017 to strengthen the border authorities of North African countries and allow better operational cooperation amongst them;

**Protecting migrants, increasing resettlement and promoting assisted voluntary returns**, by supporting UNHCR work with the Libyan authorities to address the situation of persons in need of international protection, supporting IOM in improving the situation of migrants in Libya and expanding its assisted voluntary returns programme from Libya to countries of origin;

**Managing migrant flows through the southern Libyan border** by deploying the full range of EU missions and projects to support the Libyan authorities in border management and migrant protection, promoting dialogue between Libya and its neighbours and maintaining the momentum of results with Niger under the Partnership Framework;

**Increasing dialogue and operational cooperation** with partners in North Africa on migration management;

**Stepping up funding** from the EU Trust Fund for Africa by mobilising €200 million for projects in 2017 to support actions such as training and equipping the Libyan Coast Guard, improving the conditions for migrants and stepping up assisted voluntary returns.

These efforts require concerted action by the EU institutions and Member States, relevant partners in North Africa, as well as cooperation with international organisations active in the region, such as the UNHCR and the IOM. The Commission and High Representative/Vice-President recommend that the Heads of State or Government meeting in Malta on 3 February endorse the operational actions outlined above.

### **Background**

The European Union and its Member States have progressively laid out a stronger and more articulated policy response to save lives and better manage migratory flows in the Central Mediterranean.

In 2015, the Commission presented a broad European Agenda on Migration. A permanent EU presence at sea has since been established, rescuing hundreds of thousands of people. Following the [Valletta Summit on Migration](#) in November 2015, the EU has stepped up its cooperation with partners in Africa, including through the [Migration Partnership Framework](#), launched in June 2016, which has taken cooperation with key countries of origin and transit to a new level.

An [External Investment Plan for Africa and the Neighbourhood](#) has also been created to support this new approach and has the potential to raise €44 billion in investments - and up to €88 billion if Member States contribute.

The European Union's support to rights-based migration management in Libya includes capacity-building and training of the Libyan Coast Guard, as well in supporting the Libyan authorities (GNA) in providing essential services to the Libyan population, displaced persons, migrants and refugees through ongoing programmes worth over €20 million. The EU further supports Libya through its Common Security and Defence missions such as [EUNAVFOR Med Operation SOPHIA](#) and EUBAM Libya. (EC 25-01-2017)

### ANGOLA'S POPULATION GROWS TO 28.3 MILLION

The population of Angola has increased to 28.3 million people, according to a projection made by the National Statistics Institute, published on Tuesday in Luanda.

The projection, quoted by Angolan news agency Angop, said that 13.4 million people or 47.3% of the total are males.

The province of Luanda is the one with most inhabitants, 7.7 million with 3.9 million males, and 3.6 million men and 3.8 million women live in urban areas and 100,000 men and 97,000 women in the countryside.

Bengo province, with 413,599 inhabitants, of whom 206,787 are men, is the province with fewest inhabitants, according to the same document.

The National Institute of Statistics in May 2014 conducted the General Census of Population and Housing "RGPH 2014," which made way for the preparation of an updated demographic database. (25-01-2017)

### BANQUE ISLAMIQUE DE DEVELOPPEMENT : UNE TOURNEE OUEST-AFRICAINE RICHE EN ACCORDS FINANCIERS



Conakry (Guinée). Près du centre ville, les immeubles neufs poussent au milieu des quartiers insalubres

L'un des patrons de la Banque islamique de développement (BID), le vice-président Mansur Muhtar, débute lundi matin une tournée dans les capitales sénégalaise et guinéenne où il signera de nombreux accords de financement pour un total d'environ 300 millions de dollars.

Le Sénégal et la [Banque islamique de développement](#) (BID) signent ce lundi à Dakar quatre accords de financement d'un montant global de 92 millions de dollars.

Ces signatures d'accords interviennent dans le cadre de la visite de trois jours que [Mansur Muhtar](#), vice-président chargé des opérations de l'institution multilatérale financière islamique, effectuée depuis dimanche 22 janvier et jusqu'au mardi 24 janvier, à Dakar.

Selon des documents que *Jeune Afrique* a pu consulter, l'enveloppe globale de 92 millions de dollars (51 milliards de F CFA) servira à financer des projets liés au développement de la microfinance islamique (60 millions de dollars), à l'éradication du paludisme (32 millions de dollars), et à un programme d'assistance technique pour instituer un Waqf [un bien dont la jouissance est donnée à un destinataire public dont la jouissance peut bénéficier à divers œuvres de bienfaisance] destiné à la modernisation des écoles coraniques.

La BID s'est aujourd'hui imposée comme l'un des premiers bailleurs du Sénégal.

Enfin, pour renforcer les capacités des PME sénégalaises à accéder aux marchés internationaux, un accord tripartite sera scellé entre la [Société islamique internationale de financement du commerce](#) (SIFC), l'Agence sénégalaise de promotion des exportations (Asepex) et le Bureau canadien de facilitation du commerce (TFO).

La BID s'est aujourd'hui imposée comme l'un des premiers bailleurs du Sénégal. Selon les chiffres du ministère de l'Économie, des Finances et du Plan, révélés lors de la revue de la coopération entre les deux parties en août 2016, le portefeuille actif de la BID au Sénégal est à l'heure actuelle constitué de 24 projets (36 opérations), pour un montant total de 1 136 millions de dollars US, soit environ 648 milliards de F CFA. Les infrastructures routières et énergétiques, l'hydraulique, l'agriculture, l'éducation ou l'inclusion sociale sont les différents secteurs financés.

Elle participe, par exemple au financement de la construction du [Train express régional](#) (TER) et de [l'aéroport international Blaise-Diagne](#) (AIBD), ou encore à la réalisation de la 3<sup>e</sup> phase de la Voie de dégagement nord (VDN), une route desservant la grande banlieue dakaroise.

#### **Tours à Conakry**

À Conakry, seconde étape de cette tournée ouest-africaine, deux accords y seront scellés avec les autorités guinéennes. Un montant de 200 millions de dollars sera alloué au financement d'une infrastructure routière, tandis qu'un second portera sur un projet de Waqf dans le domaine de la construction d'infrastructures immobilières.

Il s'agira, en l'occurrence, d'édifier à Conakry, deux grandes tours de 17 étages chacune. Enfin, un centre de santé communautaire spécialisé dans la lutte contre Ebola, sera inauguré. Trois autres sont en construction, pour un investissement global de 12 millions de dollars. (JA 23-01-2017)

## **US WILL SUPPORT THE NATIONAL BANK OF ANGOLA TO IMPROVE BANKING SUPERVISION**

The National Bank of Angola should receive support this year from the United States authorities to improve banking supervision and prevent money laundering, said the central bank's governor Valter Filipe in a ceremony held on Tuesday in Luanda.

The governor, speaking at the act that marked the fortieth anniversary of the launch of the kwanza, which in 1977 replaced the Portuguese escudo, said the US support is essential for Angolan banks to "redeem their reputation with correspondent banks" and, therefore, once again have access to foreign exchange.

Filipe also said he had been in the United States in October 2016 and "based on the contacts that we have had and we have continued to have I deduce that this year we will have support from the US Treasury," according to Portuguese news agency Lusa.

Speaking specifically of the kwanza, the governor of the Angolan central bank said that it is a fundamental tool to support the economy, which is in a process of diversification.

The governor stressed that the BNA, as an issuing bank and responsible for preserving the value of the national currency, is responsible for ensuring the stability of the value of the currency, whose intrinsic functions are to be a medium for exchange, payment and value reserve. (25-01-2017)



## NOW'S THE TIME TO BET ON AFRICA'S SUPERMARKETS

The investment case for Africa requires taking the long view, especially when it comes to thinking about serving consumers on the continent.

Yes, it's true Africa's macroeconomic environment has [slowed down overall](#), in spite of [several bright spots](#). It's also true that the rate of growth of Africa's middle class consumers is relatively slow. But the absolute numbers will keep rising, and that's a huge opportunity. Overall, business management consulting firm [McKinsey projects](#) household consumption will grow at an average rate of 3.8% from 2016 to 2025 to reach some \$2.1 trillion.

A lot of that growth will be driven by the continuing urbanization of the continent. The UN estimates African cities will add an additional 24 million people every year between 2015 and 2045.

Supermarket chains like South Africa's Shoprite and Kenya's Nakumatt might be tiny blips on the global retail stage today, but the consumer markets they serve are [attracting the attention](#) of investors ready to play the long game. It makes sense if you're look at the growth potential of the consumer base. In addition, the informal economy of open street markets still dominates 90% of retail in large countries like Nigeria and Kenya, meaning it's a near safe bet there's plenty of room to grow.

This week, Nakumatt, which is East Africa's largest retailer, [sold a 25% stake](#) to a yet-to-be named international investor. The family-owned business also hired a former veteran Tesco, the UK's largest retailer, which is a sign of Nakumatt's operational and corporate targets—or perhaps reflects the ambitions of its mystery investor. Africa's top retailer, Shoprite, [has continued to expand](#) across the continent and is now looking to become even larger [with another merger](#).

Supermarkets are generally a very local business and, as McKinsey explains in a [Sept. 2016 report](#), retail is one of a few industry sectors—along with health care and food and agriculture—in which African-owned companies can grow revenue faster than global peers and do so more profitably as the market opportunity expands. With overall African household consumption expected to grow about 45% from 2015 to 2025, now might be the time to get in on Africa's supermarket sector. (Quartz Africa 22-01-2017)

## SOUTH AFRICA REFUTES REPORTS OF PROBLEMS WITH CHINA LOCOMOTIVES DEAL



South Africa's train manufacturer, Transnet, has dismissed reports suggesting its locomotive acquisition programme from China is in tatters, the state-owned firm said on Wednesday.

The local media recently reported that new Chinese-manufactured locomotives had hit a stumbling block as technical problems plagued the first of two trains to arrive in the country.

The two locomotives had pre-commissioning glitches, which CNR has since attended to, Transnet said, adding that its locomotive acquisition programme was on track.

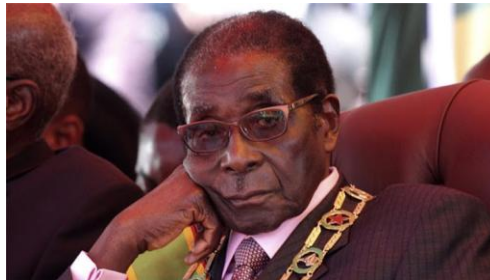
"China North Rail (CNR), which has since merged with China South Rail (CSR) to form CRRC, has delivered two prototype locomotives for testing in South African conditions.

"It is normal procedure to make a prototype and test it before handing it over to the buyer," Transnet said.

The company said it is only once a locomotive is tested and accepted that it becomes part of the normal fleet.

"In terms of the contract, CNR will manufacture the first 20 locomotives in their facility in China, while the balance will be assembled at our Transnet manufacturing facility in Durban," Transnet said. (APA 25-01-2017)

## EFF CONTINUES ITS ASSAULT ON ROBERT MUGABE, WHO 'CAN NO LONGER HOLD A PEN'



"What is revolutionary about being led by a person in old age?" That's the question Zimbabwean ruling Zanu (PF) and its youth wing must ask itself, the EFF's Mbuyiseni Ndlozi said on Tuesday.

They must also ask themselves "what is revolutionary" and being led by a leader "who sleeps all the time in meetings, can no longer even hold a pen or write half a page", Ndlozi said of President Robert Mugabe.

This was in response to the Zanu (PF) spokesperson Psychology Maziwisa's dismissal of EFF leader Julius Malema's scathing comments on Monday, in which he called on "Grandpa Mugabe" to step down. Maziwisa said: "Not bothered at all by Julius Malema's latest ranting. He is a little and irrelevant man who is trying desperately to gain political mileage in SA by insulting a great man in Zimbabwe. Won't win!" Maziwisa reportedly posted on Facebook.

Ndlozi shot back that both the "the Zanu (PF) and its youth wing ... are cowards", and added that they were "afraid ... of President Mugabe".

He was particularly scathing of the youth wing, saying it was "defending and advancing an essentially anti-youth" view.

"This is because there is actually no youth in the Zanu (PF) Youth; what you find are middle-aged men and women, half of which are suffering from a mid-life crises. They should be ashamed of themselves for holding the future from being born in Zimbabwe."

He reiterated Malema's stance and said the party "reaffirms its position that President Mugabe's occupancy of the position of president is not good for the radical African political programme".

"He is the bastion of the reactionary phenomenon of 'lead to the death' that has crippled the image and praxis of post-colonial Africa.

"President Mugabe is not only the contemporary engine of personality cult, but he is protected by a group of cowards around him who hypocritically defend him everyday, whilst harbouring ambitions to lead soon." (TMG Digital 25-01-2017)

## KENYA DROPS IN TI'S CORRUPTION INDEX



Kenya has declined in rankings as it continues to post a poor score in the global Corruption Perception Index (CPI) 2016 released on Wednesday by Transparency International.

Kenya scored 26 on a scale of zero to 100 (with zero perceived to be highly corrupt, and 100 very clean), compared to a score of 25 in 2015.

Kenya ranks 145 out of 176 countries and territories included in the latest edition of the CPI.

The country's score is below the global average of 43 and Sub Saharan Africa's main of 31.

Kenya had a score of 25 in 2014 and 27 in 2013 and 2012.

This indicates that despite the rhetoric of anti-corruption, the fundamental in the fight against corruption have not yielded significant dividend for the country.

The CPI measures the perceived levels of public sector corruption in countries and territories worldwide and is based on expert opinion.(APA 25-01-2017)

## **KENYA BANKS FACE DEPOSIT-LIMITING BILL**



The Nairobi skyline

A new row is brewing between Kenyan banks and parliament after an MP proposed restricting deposits by state-owned companies, months after the state imposed a cap on lending rates.

Public Investments Committee vice-chairman Kimani Ichungw'a drafted a bill seeking to bar state-owned corporations from investing or depositing public funds with lenders in which the government has a stake of less than 20%.

"The bill seeks to provide that a public body may only deposit funds and invest surplus funds in government-owned banks," he said on Monday.

"The bill defines a government-owned bank as a bank in which the government owns or holds at least 20% of the shares of the bank."

Shares in Kenya's biggest banks have fallen as much as 27% since the government introduced a law on August 24 capping commercial lending rates at 400 basis points above the official benchmark rate.

The proposed new law will result in government funds being channeled to various ministries, departments, agencies and counties through either the central bank or the five banks in which the government owns at least 20%: KCB Group, National Bank of Kenya, Consolidated Bank of Kenya, Development Bank of Kenya and the Kenya Post Office Savings Bank.

### **'Major disruption'**

Enactment of the bill would be a "major disruption" to Kenyan banks and could spark a liquidity crisis like one that erupted in neighbouring Tanzania after that country introduced a similar law, ApexAfrica Capital said.

"Withdrawal of deposits, in essence, is estimated to dent the banks' deposit books, lowering the credit multiplier, which may stifle the already sluggish private sector credit growth," it said. "In an electioneering period, the legislators may pass this law in a bid to entice the electorate."

Kenya is scheduled to hold presidential elections in August. President Uhuru Kenyatta's decision to cap interest rates fulfilled a pledge he made before the previous vote in 2013 to cut the cost of borrowing.

### **Interest returned**

Ichungw'a said the bill aimed to ensure that interest on the deposits with commercial lenders is returned to the government instead of being paid to managers of state-owned corporations. (Bloomberg 25-01-2017)

## **EU, CAMEROON SIGN CFA6.5B FINANCING ACCORD**



The Cameroonian government and the country representatives of the European Union Commission have signed a financing agreement valued at CFA 6.5 billion for the improvement of governance, sources told APA on Wednesday.

The funds will be used to improve governance in Cameroon through better involvement of civil society organizations and to boost the system for civil status.

According to Françoise Collet, head of the EU Commission delegation, over half of the children born in Cameroon are unregistered in the civil status registers.

The proportion of unregistered births is 56 percent in the eastern region, compared with 38 percent in Cameroon's Far North. (APA 25-05-2017)

## **TANZANIA SEEKS TURKISH FINANCIAL SUPPORT FOR SGR**

Tanzanian president John Magufuli has asked visiting Turkey leader Recep Tayyip Erdoğan to support the country with a loan through [Exim Bank of Turkey](#) to help in finalizing the construction of a section of the Standard Gauge Railway project.

President Magufuli as well revealed that a Turkish company was among the short-listed contractors that had bid for implementation of the multi-million dollar project that covers over 1,200 kilometres from Dar es Salaam to Mwanza.

Speaking when he hosted his Turkish leader at State House Mr. Recep Tayyip Erdoğan, Dr Magufuli said that his government optimistic that when complete the SGR will help open up east Africa country for trade and its neighbours.

President Magufuli added that they are committed towards improving the construction sector and that's why they are sourcing more funds to carry on various projects in the transport industry which has been lagging behind for years.

"For our economy to grow, we must develop friendship and co-operation with other countries...Turkey, for instance, is ranked the seventh leading producer of food crops in the world. We can use their technology to improve agriculture in our country," President Magufuli noted.

The visiting leader, who arrived in Tanzania and was expected to depart yesterday evening, was optimistic that authorities in Tanzania would provide smooth facilitation for Turkish investors wishing to invest in Tanzania.

President Erdoğan invited President Magufuli at the inauguration of the Tanzania High Commission in Ankara, Turkey, scheduled for the near future.

Since assuming power in 2002 president Erdogan has helped Turkey deepened ties with Africa in a bid to boost its influence in a continent where China and traditional allies like Britain and the United States have deep roots. (CRO 25-01-2017)

### SENEGAL DEBT SERVICE UP BY 5.6 PC IN Q3-2016



Senegal's debt service increased by 5.6 percent at the end of the third quarter of 2016, compared to the same period in 2015, APA learnt Wednesday from the Economy, Finance and Planning Ministry.

This debt service amounted to CFA150.5 billion compared to CFA142.5 billion, representing an increase of CFA 8 billion (1CFA francs = US\$0.0017).

On a quarterly basis, debt servicing increased by CFA 54.6 billion from CFA 95.9 billion in the second quarter of 2016 to CFA 150.5 billion in the third quarter of 2016.

The main debt declined by 13 percent to CFA 51 billion, compared to CFA 58.6 billion in the third quarter of 2015.

On the other hand, commissions have positively changed by 18.6 percent to reach CFA 99.5 billion, against CFA 83.9 billion in the third quarter of 2015. (APA 25-01-2017)

### KENYA TO RELEASE US\$15.4M TO CURB WATER PROBLEM

Kenya has announced plans to release US \$15.4m to boost the water supply in the coming months before the rainy season. The move is aimed at taming the current water problem in the country.

According to the Cabinet Secretary for Water Eugene Wamalwa, the funds will be released towards the end of the month to benefit both humans and livestock.

In a press conference where the Cabinet Secretary for Treasury Mr. Henry Rotich, Mr. Willy Bett for Agriculture and Mr. Mwangi Kiunjuri in charge of Devolution said that the government was in talks to raise beyond US \$91.5M that was initially set aside to downplay the deteriorating effects of the current drought.

Approximately 1.5 million people are faced with the water problem and require urgent assistance. The Cabinet Secretary said that much reliance was on the meteorologists to give constant updates on the situation to allow for restructuring of the budget.

The government also has plans of reducing the distribution in relief food by at least 50%. This is all in a bid to avail more water to the people that will be able to last till the rainfall season. The amount is expected to cater for the up scaling of water trucking and storage for livestock, wildlife, people and rehabilitation of boreholes.

This news comes days after the Ndakaini dam dropped in water levels from 45% to 41% in the previous week forcing the government to seek alternative measures.(CRO 24-01-2017)

## TOXIC CHEMICAL PLANTED IN GAMBIA'S STATE HOUSE



The Gambia's seat of power or State House was padded with a toxic chemical that would have been dangerous to its new occupants, according to a local newspaper report on Wednesday quoting unidentified sources.

*The Point* newspaper quoted what it called informed sources as claiming that ECOMIG troops combing the presidential compound had discovered that all the air conditioners in its rooms had been stuffed with an unnamed toxic substance, allegedly meant to poison its future occupants.

Prior to these reports there were voice messages on social media by Gambians sympathetic to the incoming administration warning its officials not to occupy the building until it has been fumigated.

The Point's report also appears to be corroborated by accounts on some Gambian online news outlets suggesting that the official seat of government had been rigged with explosives and turned into a security threat after former leader Yahya Jammeh vacated the premises.

There were also reports that the occupying forces have been unable to find a large cache of sophisticated weaponries rumoured to have been stockpiled on the grounds at State House during Jammeh's reign.

The former leader was the official occupant of State House until last Saturday when he flew into exile after vacating the presidency, ending a protracted and potentially explosive dispute over the outcome of the December 1 elections which he lost to former Real Estate businessman Adama Barrow.

Still ensconced in Dakar, Senegal where he took his official oath of office on January 19, the new leader was not given the all-clear by the regional grouping Ecowas to return to The Gambia over lingering security fears.

However, his aides have confirmed that he will return to the country on Thursday, five days after his predecessor left on a plane bound for exile in Equatorial Guinea. (APA 25-01-2017)

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Business Association, NABC- Netherlands Africa Business Council, SwissCham-Africa 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 - Canadian Council on Africa, CCA - Corporate Council on Africa (USA), ELO,HTTC ,NABA,NABC (by posting selected news) and SwissCham-Africa to their Members.



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