

MEMORANDUM

N° 160/2015 | 06/10/2015

The Memorandum is issued daily, with the sole purpose to provide updated basic business and economic information on Africa, to more than 4,000 European Companies, as well as their business parties in Africa.

More than 1,455 Memoranda issued from 2006 to Jun 2015. More than 17,300 pages of Business Clips issued covering all African, European Institutions and African Union, as well as the Breton Woods Institutions. The subscription is free of charge, and sponsored by various Development Organisations and Corporations.

Should a reader require a copy of the Memoranda, please address the request to fernando.matos.rosa@sapo or fernando.matos.rosa@skynet.be.

2006 – 2015, 9 Years devoted to reinforce Europe – Africa Business and Development

SUMMARY

Latest report reveals stalled progress of African governance	Page 2
Kenya: Airtel to finalise Eaton Tower deal	Page 2
Govt imposes temporary ban on commercial motor cycle operators in central Liberia	Page 3
Angola's Sonangol concludes awards of onshore oil blocks in November	Page 3
Anglo closes office in Mozambique in cost-cutting drive	Page 4
High transport fares and Ebola stories dominated Sierra Leone newspapers	Page 4
Chinese companies bolster oil sales in Angola	Page 5
Congo miner Gecamines backs Glencore delay	Page 6
Morocco's Crown Prince pleads for substantial support for Africa	Page 7
Angola has new agency to promote investment and exports	Page 7
Scott blames overuse of Kariba for Zambia's power crisis	Page 7
At least 3.5million Cameroonians are illiterate - UNESCO	Page 9
ADB pays for studies for hydropower plant construction in Guinea-Bissau	Page 9
Africa Must Depend Less on Development Aid, Says New Study	Page 9
S/Africa: Zuma praises economic sectors for global ranking	Page 11
Cabo Verde's economy grows 0.1 percent in second quarter	Page 11
EU-UNICEF: Safer learning for more than 2 million children caught in Syrian conflict	Page 13
World Bank approves US\$25m loan for Mozambique financial sector	Page 12

LATEST REPORT REVEALS STALLED PROGRESS OF AFRICAN GOVERNANCE

The progress made by African countries in achieving good governance has stalled over the last four years, the Mo Ibrahim Foundation reported on Monday.

And while SA continued to rank highly in many aspects of governance, "some concerning trends" were noted with respect to human rights, gender, public management and health, the foundation said when releasing the annual findings of the Ibrahim Index of African Governance (IIAG).

The index provides a comprehensive assessment of governance performance for each of the 54 African countries. The 2015 index consists of 93 indicators which fall into four categories, namely safety and the rule of law; participation and human rights; sustainable economic opportunity; and human development. SA maintained its ranking as fourth out of the 54 countries evaluated in terms of overall governance, coming second in the non-island countries after Botswana. The island countries of Mauritius and Cape Verde came first and second respectively in terms of overall governance.

The only area of deterioration noted was in the participation and human rights category, with freedom of association and assembly and freedom of expression showing declines.

SA performed strongly in terms of the rule of law and ranked second highest in terms of sustainable economic opportunity; first in terms of public management; second in business environment; and third in infrastructure and the rural sector.

The country's score for public management has declined by five points since 2011, falling to its weakest level since 2000. This was attributable to declines in the scores for statistical capacity, diversification, ratio of external debt to exports and access to financial records of state-owned companies.

With regard to human development, SA's weakest performance was in education. It was one of only 13 countries, and the only one of the top-five performers, to show a decline in health. This was driven almost entirely by the low scores for immunisation and public health campaigns. It also scored low on personal safety, which showed a deterioration related to the decline in the score for social unrest.

Improvements were recorded with regard to judicial process, investigations of public sector corruption and political violence.

The foundation's report showed that 21 African countries, including five of the top 10, had deteriorated in their overall governance performance in the period between 2011 and 2014. Only six countries — Côte d'Ivoire, Morocco, Rwanda, Senegal, Somalia and Zimbabwe — registered an improvement across each of the four categories of the index.

Southern Africa remained the best-performing region, with an average score of 58.9 out of 100, followed by West Africa (52.4), North Africa (51.2) and East Africa (44.3). Central Africa is the lowest-ranking region with an average score of 40.9, and is the only region to have deteriorated since 2011.

Positive performances at a continental level were recorded in only two categories, namely human development (+1.2) and participation, and human rights (+0.7), with both sustainable economic opportunity (-0.7) and safety and the rule of law (-0.3) having deteriorated.

Foundation chairman Mo Ibrahim said: "While Africans overall are certainly healthier and live in more democratic societies than 15 years ago, the 2015 IIAG shows that recent progress in other key areas on the continent has either stalled or reversed, and that some key countries seem to be faltering. This is a warning sign for all of us. Only shared and sustained improvements across all areas of governance will deliver the future that Africans deserve and demand." (BD 05-08-2015)

KENYA: AIRTEL TO FINALISE EATON TOWER DEAL

According to a report via The East African Weekly, Bharti Airtel is preparing to close a USD 186 million deal with Eaton for the sale of its 1,100 towers in Kenya.

The report revealed that the company is expected to invest the money in its operations in Kenya, where it has struggled to make money due to intense competition. Citing sources close to the transaction, it said the deal could be closed in the next few weeks and indeed as early as the end of September.

According to the report, the sale agreement was signed in September 2014 for 3,500 towers in Kenya, Rwanda, Ghana, Uganda, Zambia and Tanzania. As public knowledge, the proceeds were to be used to

settle debts and raise money to turn around its loss-making business in the continent. Airtel has already sold its towers in Nigeria, Uganda, Ghana, Rwanda and Congo Brazzaville for USD 1.3 billion.

Christophe Soulet, Airtel Africa executive director, said it is selling assets to reposition itself, although it is being affected by huge currency depreciation in Southern, West and East Africa. He declined to comment on when the deal will be sealed, this is according to the report.

In November 2014, American Tower acquired 4,700 communications sites in Nigeria from Bharti Airtel. In December 2014, Bharti Airtel sealed a deal to divest 1,100 telecoms towers in Rwanda and Zambia to IHS Holdings. Airtel will sell and lease back towers in both countries under a ten-year, renewable contract. Meanwhile, agreements to sell towers in Tanzania and Chad to Helios Towers Africa were terminated in June, but discussions are back on. (IT News Africa 28-10-2015)

GOVT IMPOSES TEMPORARY BAN ON COMMERCIAL MOTOR CYCLE OPERATORS IN CENTRAL LIBERIA

The government of Liberia has imposed a ban on the operations of commercial motorcycles in Ganta City, Nimba County in central Liberia until investigations into Wednesday's mob violence allegedly carried out by motorcyclists is finalized.

Making the pronouncement on behalf of the Liberian government in a special address to the nation on Wednesday evening, Justice Minister Benedict Sannoh said any motorcyclist caught violating the ban will be dealt with in keeping with the law.

Sannoh said the government regrets the act of violence perpetrated by some lawless citizens in Ganta on Wednesday, and that a full-scale investigation has been launched to ensure that those involved in the unlawful acts are brought to justice.

"Liberia is and will continue to be a country of laws and not of men; the government takes what happened in Ganta seriously and will not relent in dispensing justice to the fullest against those who attempt to tamper with the peace Liberians now enjoy," the Attorney General stressed.

He announced the arrest of six suspects linked to the vandalism, looting and mayhem that took place in Ganta and that they are currently undergoing investigation, while the police are in pursuit of others who are said to be linked to the incident.

On Wednesday morning, violence erupted in Ganta, Nimba County when some residents of the Bligaye Town Community discovered the body of an unidentified motorcyclist who was gruesomely murdered on the Ganta United Methodist High School sport pitch.

The unidentified motorcyclist who is believed to be in his early 20s, was believed to have been murdered for ritualistic purposes; a situation which sparked off the violent protest by some angry citizens, most of who were motorcyclists. They set ablaze buildings, looted and destroyed properties and killed a man they suspected to be among those ritual killers. (APA 01-10-2015)

ANGOLA'S SONANGOL CONCLUDES AWARDS OF ONSHORE OIL BLOCKS IN NOVEMBER

Angolan state oil company Sonangol is expected to conclude in November its examination of the proposals from 2014-2015 for onshore oil blocks in the basins of the Kwanza and Lower Congo, the state company said.

Sonangol, in a statement issued in Luanda, reported that 45 days after opening the proposals, which took place last Friday, it is expected to award concessions and sign contracts with contractor groups.

The blocks up for concession are doe oil exploration in the onshore basins of the Kwanza (seven blocks) and Congo (three blocks) which, according to Sonangol may represent over half of all known reserves in Angola, or at least 7 billion barrels.

Among the 38 oil companies pre-qualified in this bidding process – which began in April 2014 – were, as operators, companies such as Italy's ENI, US Chevron or Colombia's Ecopetrol and Portugal's Galp Energia and Partex.

In the running as non-operators (minority contractors in groups to be established by block) according to information from Sonangol, 47 companies were selected in pre-qualification, although it is not known which companies put forward final proposals. (05-10-2015)

ANGLO CLOSES OFFICE IN MOZAMBIQUE IN COST-CUTTING DRIVE

Anglo American has closed its office in Mozambique, 18 months after calling off the A\$540m (\$380m) purchase of a majority stake in a coal asset in the country, as the company seeks to preserve cash and reduce costs in response to a commodities slump.

"As we said at the time of our half-year results, we have been reviewing our offices around the world as we seek to reduce our overhead costs across the group," Anglo spokesman Pranill Ramchander said.

"As part of that process, we took the decision to close our representative office in Maputo." The office shut on Wednesday.

At the end of March 2013, London-based Anglo said that despite deciding against buying a 58.9% stake in the Revuboe metallurgical coal project in the northeast Tete province from Talbot Group Investments, the company "expects to continue with its objective of establishing a position in the emerging metallurgical coal basin in Mozambique."

CEO Mark Cutifani told investors in July that the company would "look at our overheads and indirects" in London, Johannesburg and all regional offices.

"If you don't touch product, you're an overhead," he said.

The Revuboe project, whose minority shareholders are Nippon Steel & Sumitomo Metal with a 33.3% interest and South Korean steel maker Posco with a 7.8% stake, was granted its mining concession by the Mozambican government four days after Anglo withdrew from the purchase.

The resource borders one Rio Tinto Group sold to International Coal Ventures Private Limited (ICVL) of India for \$50m last year, having paid A\$3.9bn for it two years earlier.

Revuboe is also near Vale's concession at Moatize. The Rio de Janeiro-based company is developing a project to double its output at Moatize to 22-million tonnes a year and constructing a rail line from Tete through Malawi to the northern Mozambican port of Nacala, where it has built a coal-export terminal.

Vale is seeking \$2bn to \$2.5bn in financing for its Moatize coal project in Mozambique, in addition to a previously announced equity deal with Mitsui. Talks were complex and an arrangement probably would not be completed until the first quarter of next year, rather than the fourth quarter of this year, Vale chief financial officer Luciano Siani said on Thursday. (Bloomberg 02-10-2015)

HIGH TRANSPORT FARES AND EBOLA STORIES DOMINATED SIERRA LEONE NEWSPAPERS

Difficulty in accessing public transport, the government's participation at the ongoing United Nations General session, and news on Ebola dominated Sierra Leone newspapers on Thursday.

Public transport has for a long time been a major constraint for Sierra Leoneans, and the purchase of 100 buses a few months ago was meant to address the issue. But, according to a report in the Premier News newspaper, this has not been the case.

The paper reported that residents of Kaffu Bullom Chiefdom, the home of the airport town of Lungi, were decrying the high fares charged by the government for its recently established bus service to the town. The bus service was meant to ease the difficulty involved in traveling the alternative way, by ferry through the estuary that links Freetown to Lungi. The land route is longer but less stressful.

The Sierra Leone Road Transport Corporation is charging Le75, 000 (about US\$15), as against Le1 (a fraction of a dollar) by ferry. The residents want the fares reduced.

The Premier News also featured a story on its front page warning against violating anti-Ebola regulations. It quoted the Chief Executive Officer of the National Ebola Response Center threatening that anyone who violated the rules will be arrested.

Premier also reported on the participation of the country's First Lady at the UN General Assembly session. Mrs Sia Nyama Koroma, who is an activists in her own rights, called for action by global leaders to end HIV/AIDS.

A similar story is on the Global Times, which focused on President Ernest Bai Koroma's return and the speech of US President Barack Obama who warned against dictatorship and corruption.(APA 01-10-2015)

CHINESE COMPANIES BOLSTER OIL SALES IN ANGOLA

Chinese companies are bolstering Angola's oil sales, even at a time of uncertainty when Chinese purchases from other countries in the region, such as Nigeria, are falling, according to figures from financial news agency Thomson Reuters.

China International United Petroleum & Chemicals Co. (Unipecc) has been one of the most active buyers on the spot market, absorbing most of the Angolan oil shipments marketed for November, according to the agency.

"Angola is selling quite well, with Chinese companies buying a large number of oil shipments," a trader told Thomson Reuters.

Only a third of the 55 Angolan oil shipments scheduled for November had not been auctioned by the end of September, compared with Nigerian oil shipments, the majority of which had yet to be sold.

In October, according to figures from Thomson Reuters, exports from West African countries to China are expected to have been the lowest of the last four years – about 735,000 barrels per day (bpd).

India increased its purchases from countries in the region from 475,000 barrels to 552,000 barrels, as did Taiwan.

Angola is the main African oil supplier to China with exports of 806 million barrels in 2014.

Long-term supply contracts to China, which have intensified since 2002, have come to be regarded as a financial "cushion" for Angola in the current environment of falling prices, due to the way the price is set, which is favourable for Angola in times of market fluctuation.

The Africa Intelligence Monitor, citing senior officials of the Angolan regime, said the sharp drop in oil prices has to some extent been mitigated by these long-term contracts.

According to figures recently compiled by Reuters, China's funding to Angola, including the latest loans, already amounts to US\$20 billion, support that has become increasingly necessary due to the sharp decline in oil revenues over the last year.

In recent years, the Chinese state oil companies have been acquiring major stakes in Angolan oil wells.

In 2005, the acquisition by China Petroleum & Chemical Corporation (Sinopec) of Block 3/80 coincided with the announcement of a new loan of US\$2 billion to Angola and, in 2010, the same Chinese state oil company bought 50 percent of Block 18, while the first tranche of a loan from the China ExIm bank was paid out.

Also with Chinese capital, the China International Fund (part-owned by China Sonangol), is starting the construction of the new Soyo refinery (northern Angola), which should be operational in 2017, with a processing capacity of 110,000 barrels of fuel per day.

Angolan economic growth forecasts have been revised downwards, given the uncertainty about a recovery in oil prices, the government now pointing to 4.4 percent, which is significantly above the figure put forward by the International Monetary Fund (3.5 percent in 2015 and 2016). (05-10-2015)

CONGO MINER GECAMINES BACKS GLENCORE DELAY

Gecamines, the Democratic Republic of the Congo's state-owned copper miner, backed Glencore's decision to suspend output at Katanga Mining, rebuffing criticism from the Carter Centre that the stoppage will delay revenue for the country.

"If Glencore feels that this is the best way to bring the mine back to profit, then we are confident in their decision," Arthur Katalayi, senior executive adviser to Gecamines chairman Albert Yuma, says.

Glencore declined to comment and Congo's mines ministry did not respond to a request for comment. Baar, Switzerland-based commodities supplier Glencore said last month it will suspend copper and cobalt output at Katanga and Mopani mine in Zambia for one and a half years to build new processing facilities that will cut output costs.

Congo is the world's largest miner of cobalt, used in rechargeable batteries, and Africa's top copper producer. Katanga Mining accounted for 15% of copper production in Congo last year and employs more than 5,000 people. As much as a fifth of Katanga's workforce may be fired, the firm said on September 11.

Glencore shares have plunged 69% this year as sliding commodity prices reduced earnings and forced the company to scrap its dividend and sell new stock.

Suspending operations at Katanga will increase the copper project's interest payments on debt at a time when it is not producing, delaying the prospect of it becoming profitable, says Elisabeth Casens, senior technical adviser to the Atlanta-based Carter Centre's extractive industries governance programme. Congo's government should negotiate a suspension of the interest payments to ensure it begins to earn revenue from the project.

The Carter Centre, a non-governmental organisation founded by former US president Jimmy Carter, has been active in Congo since 2006.

Katanga Mining's public statements show that about 60% of Glencore's investments in copper-rich Congo have been structured as loans to Kamoto Copper Company, its operating subsidiary. Kamoto Copper is 75% owned by Katanga Mining and 25% by Gecamines.

Katanga Mining's interim financial statement shows debt under a facility with Kamoto Copper totalled \$2.91bn at the end of June. The debt is repayable at a rate of 10%, capitalised twice a year and payable on maturity in 2021. Based on these figures, Kamoto Copper's debt to Glencore will increase by more than \$459m during the 18-month production shutdown, according to Ben Davis, a mining analyst at Liberum Capital in London.

"As long as it is not selling its production, Kamoto Copper cannot reimburse the billions of dollars of debt it owes Glencore. By the end of 2017, when output is expected to resume, Glencore will be entitled to several hundred million dollars in accrued interest," Ms Casens says.

Katanga said on September 11 Glencore would "provide or procure" an additional \$880m to fund investment projects during the shutdown, including processing-plant upgrades and removing waste material at the KOV and Mashamba open pits. If that loan was structured in the same way and drawn down, it would bring Kamoto Copper's debt to Glencore to more than \$3.79bn and raise interest payments during the shutdown to about \$597m, says Mr. Davis.

Glencore plans to keep its community-development programmes in Congo, including financial support for 40 agricultural co-operatives, 14 primary schools and a university, says its website. (Bloomberg 02-10-2015)

MOROCCO'S CROWN PRINCE PLEADS FOR SUBSTANTIAL SUPPORT FOR AFRICA

The Moroccan Crown Prince, Moulay Rachid, on Wednesday pleaded in his speech at the UN General Assembly session for a "substantial and tangible international support" for Africa, warning that otherwise "the continent might show acute and serious disparities between its countries."

"While some countries are engaged in the process of development and progress, others are grappling with serious issues including abject poverty, ignorance and instability. Today, despite its promising assets, the African continent is at the crossroads," he explained.

The Crown Prince has therefore launched "an appeal to the UN and other regional and international financial institutions to elaborate an action plan for economic transformation of Africa and provide sustainable resources for its funding" Prince Moulay Rachid pleaded.

Speaking about Morocco, he observed that the National Human Development Initiative launched by the authorities ten years ago "helped curb poverty and exclusion while reducing regional disparities."

With regard to efforts to tackle the effects of climate change, he pointed out that Morocco had adopted a National Charter for the Environment, launched a Green Morocco Plan and an ambitious program for renewable energy aimed at covering 42% of energy needs by 2020.

"Faithful to its environment commitments, the Kingdom officially presented in 2015 its contribution at the domestic level that contains "strong and ambitious commitments towards the establishment of an inclusive and equitable international environmental program," he told the General Assembly.

He announced Morocco's wish to host in 2016 the 22nd Conference of the States Parties to the United Nations Framework Convention on Climate Change (COP22).(APA 01-10-2015)

ANGOLA HAS NEW AGENCY TO PROMOTE INVESTMENT AND EXPORTS

The government of Angola has made official the extinction of the National Private Investment Agency (ANIP), which is replaced by the new Agency for Investment Promotion and Exports of Angola (Apiex), according to a presidential decree issued last week.

The decision is based on the new Private Investment Law, approved in July, through which ANIP now has the task of promoting private investment abroad, leaving its previous duties of definition, analysis and handling of investments in the hands of sector departments.

The presidential decree that brings an end to ANIP determines, according to Portuguese news agency Lusa, the transfer of all assets and liabilities to the new Apiex.

ANIP ensured the management and negotiation of private investment in Angola, dealing with processes, validating incentives and signing contracts.

The new Private Investment Law in Angola, approved on 22 July by the National Assembly, offers more incentives to private investors based on the size of the Angolan stake in each project. (05-10-2015)

SCOTT BLAMES OVERUSE OF KARIBA FOR ZAMBIA'S POWER CRISIS

Zambia's overuse of the world's biggest manmade reservoir to generate electricity has depleted its water levels, according to Guy Scott, a former vice-president who led the country for three months until January this year.

His comments contradict government assertions that drought is to blame for the worst power crisis the country has seen.

Lake Kariba straddles Zambia's border with Zimbabwe, generating hydropower for both Southern African countries.

Poor oversight has allowed both nations to compete in overexploiting this source of electricity, Scott said, driving water levels down to 29% of capacity this month from 70% a year ago.

"What we have now is a weak regulator sitting between two puppies drinking milk from the same saucer," Mr. Scott, who is still a member of parliament, told MPs in the capital, Lusaka, according to a transcript posted on parliament's website on Wednesday. "If one does not lick fast enough, it will not get as much as the other one."

Kariba's low water levels have compelled both countries to cut electricity generation and have led to rotating power cuts that last as long as 14 hours a day.

Zambia's energy shortage has also led to mine suspensions in Africa's second-largest producer of copper and thousands of planned job cuts, and has contributed to this year's 47% depreciation of the kwacha, the world's worst-performing currency, against the dollar.

The power crisis, along with low copper prices, will cause Zambia's economic growth to slow to 3.4% this year from the government's initial target of more than 7%, according to Barclays. That would be the most sluggish pace since 1998, when the economy contracted.

The government is trying to shield mines from the electricity shortage as copper accounts for 70% of exports, Finance Minister Alexander Chikwanda said last month.

While operators have been asked to cut their power use by 30%, most mines are able to continue normal production through more efficient use and buying imported power, according to Copperbelt Energy, their biggest supplier.

Zambia made the situation at Kariba worse by continuously running a 360MW hydropower expansion, designed only to operate for 3½ hours a day during peak demand, said Mr Scott, who became acting president when Michael Sata died in October.

Mr Scott officially opened the plant, which increased generating capacity on the Zambian side of the dam by 50%, in August last year.

"I am the one who turned it on and I said, 'Is there enough water for this?' It was a huge contraption and everybody said 'yes'," he told legislators on September 23.

"When I went to sleep at the hotel down from the Kariba Dam, all night and morning the water gushed past. Once they had their toy, they pushed the button, turned it on and left it, and down went the water."

Meagre water levels at Kariba and at the Kafue Gorge power station, which account for almost 90% of the country's generation capacity, mean Zambia could supply an average of only half of normal peak power demand in September, Mines and Energy Minister Christopher Yaluma said.

Total installed generation capacity from all power plants is 2,300MW, according to Zesco, the state-owned power supplier.

'Sharing difficult'

While data from Zesco show that water inflows from the Zambezi river were lower than previous years, the company has also used more water than it is allocated, figures in a September 5 statement from the utility indicate.

The Zambezi River Authority, which regulates Kariba and is run by the two countries' governments, allocated Zesco water to generate 1,944 gigawatt hours of electricity from April through September, according to the statement. Instead, it produced 2,971 gigawatt hours, 46% more than it was supposed to.

Zambia uses hydroelectricity for more than 95% of its power needs. Zesco said on September 5 that Kariba North Bank power station had fewer than 70 days from that day before it exhausted its water allocation.

Zambia's power shortages and the effects of climate change were "inextricably inseparable", President Edgar Lungu, who won the January elections to replace Sata, said in a speech to the United Nations General Assembly in New York on Tuesday.

Munyaradzi Munodawafa, CEO of the Zambezi River Authority, did not answer two calls to his mobile phone seeking comment, and a Zesco spokesman was not immediately able to comment when contacted by mobile phone.

"It is very difficult to share hydroelectric facilities with other countries," Mr. Scott said. "It is a well-known problem throughout the world and I think it needs to be addressed." (Bloomberg 01-10-2015)

AT LEAST 3.5MILLION CAMEROONIANS ARE ILLITERATE - UNESCO

Some three and a half million Cameroonians are illiterates, according to the national office of the United Nations agency for Science and Education (UNESCO).

The announcement was made during celebrations on Thursday of the World Day Against Illiteracy.

The evaluation of the literacy situation in Cameroon was jointly conducted by the government and the UN agency in the country.

In a bid to curb the trend, UNESCO has, in collaboration with the government of Cameroon, launched several initiatives aimed at enabling “wider access to education for all children.”

The measures include financial support to schools for them to hire more staff.

Illiteracy in Cameroon particularly affects rural areas where thousands of children are early dropouts or never sent to school.

UNESCO also noted that “more and more children living in urban areas are illiterate because of lack of means or delinquency.”

Almost 40 percent of the population in the regions of Adamawa, in the east, far north and south regions are illiterate because of cultural and economic motives including farming and pastoral activities as well as gender.

Many girls are forced to enter into marriage at an early age, which the human rights associations regularly denounce as well as the Muslim Women’s Association (ADDFM). (APA 01-10-2015)

ADB PAYS FOR STUDIES FOR HYDROPOWER PLANT CONSTRUCTION IN GUINEA-BISSAU

The Sustainable Energy Fund for Africa has approved a grant of 866,000 euros to prepare the construction of a hydroelectric power plant in Saltinho, southern Guinea-Bissau, said the African Development Bank (ADB).

The hydroelectric power station with an installed capacity of 20 megawatts, will supply the city of Bissau and even neighbouring countries within the scope of the Organization for the Development of the River Gambia.

“The money is intended to pay for technical assistance to prepare the project in order to attract private investors and contribute to bank funding,” reads the statement, which stresses that the grant will cover a technical feasibility study, the definition of institutional and financial relationships to create an independent power producer, or create a public-private partnership.

The Sustainable Energy Fund for Africa (SEFA) is managed by the African Development Bank and funded with 54 million euros by the governments of Denmark and the US, to support renewable energy projects and energy efficiency on a small and medium scale in Africa. (05-10-2015)

AFRICA MUST DEPEND LESS ON DEVELOPMENT AID, SAYS NEW STUDY

As the U.N.’s Millennium Development Goals (MDGs) reach their targeted date by the end of December, one of the lingering questions has long remained unanswered – at least, until now.

Why did most African nations make progress in some, but failed to reach their targets in most others?

A new study, titled “Assessing Progress in Africa Toward the Millennium Development Goals” released here, points out that poor implementation mechanisms and excessive reliance on development aid

undermined the economic sustainability of several of the eight MDGs, including the elimination or reduction of extreme poverty and hunger.

The report, produced jointly by the Economic Commission for Africa (ECA), the African Union (AU), the African Development Bank (AfDB) and the U.N. Development Programme (UNDP), says: "Having made encouraging progress on MDGs, African countries have the opportunity to use the newly launched Sustainable Development Goals (SDGs) to tackle remaining challenges and achieve a development breakthrough."

The 17 SDGs, adopted at a summit meeting of world leaders last week, targets the year 2030 for the total elimination of poverty and hunger worldwide.

With official development assistance (ODA) to Africa projected to remain low over the period 2015-2018, at an average of around 47 billion dollars annually, the focus should be on boosting and diversifying economies, mobilizing domestic resources and new partners, unleashing the economic potential of women and fighting illicit financial flows, says the report.

Asked about the slow progress made by African nations in implementing the MDGs, Abdoulaye Mar Dieye, Director of UNDP's Regional Bureau for Africa, told IPS lack of adequate financial resources has been one of the biggest constraints in meeting the MDGs.

And ODA seems to be reaching a plateau, he said.

"Therefore, there is a need for countries to make concerted efforts to mobilize domestic resources, build up financial infrastructure, and ensure appropriate regulatory measures and institutions are put in place."

Still, he pointed out, mobilizing resources is not enough; this must be accompanied by appropriate policies for effective utilization of the resources for the purpose intended.

He also said: "We must design strategies for overcoming the funding challenge. ODA should serve as a catalyst."

For instance, a substantial proportion of ODA should be used to development institutional capacity for domestic resource mobilization in Least Developed Countries (LDCs).

In addition, other sources of funding need to be mobilized, such as remittances, the private sector, South-South cooperation, financing from extractives and other sectors, he added.

Although overall poverty rates are still hovering around 48 percent, according to the most recent estimates, most countries have made progress on at least one goal.

The Gambia reduced poverty by 32 percent between 1990 and 2010, while Ethiopia decreased its poverty rate by one third, focusing on agriculture and rural livelihoods.

Some policies and initiatives have been groundbreaking, says the report, pointing out Niger's School for Husbands, which has been successful in transforming men into allies in promoting women's reproductive health, family planning and behavioral change towards gender equality.

Cabo Verde increased its forest cover by more than 6.0 percentage points, with millions of trees planted in recent years.

Still, the study says much more work lies ahead to ensure living standards improve for all African women and men.

"While economic growth has been relatively strong, it has not been rapid or inclusive enough to create jobs. Similarly, many countries have managed to achieve access to primary schooling however considerable issues of quality and equity need to be addressed. "

Projecting into the future, the study says achieving sustainable development will also be impossible unless African nations and communities are resilient, able to anticipate, shape and adapt to the many shocks and challenges they face, including climate-related disasters, health crises such as the Ebola epidemic in West Africa and conflict and instability. Investments now in prevention and preparedness will minimize risk and future costs.

Africa has seen an acceleration in economic growth, established ambitious social safety nets and designed policies for boosting education and tackling HIV and other diseases.

Africa has also introduced women's quotas in parliament, leading the way internationally on gender equality, and increased gender parity in primary schools.

The continent's new development priorities, as embodied in the African Union's Agenda 2063 and the 17 Sustainable Development Goals, are both comprehensive and universal, while their implementation will entail mobilizing additional resources and partners, and putting in place more robust monitoring systems. (IPS 29-09-2015)

S/AFRICA: ZUMA PRAISES ECONOMIC SECTORS FOR GLOBAL RANKING

President Jacob Zuma has congratulated South Africa on its positive progress in various global sectors as indicated in the 2015/16 results of the World Economic Forum's Annual Global Competitiveness Index report, the Presidency said Thursday.

The WEF report released on Wednesday showed that South Africa reversed a four-year downward trend with an impressive seven-place jump to land back into the top 50 -- at position 49.

"We are happy to learn that South Africa, as a maturing democracy, continues to make significant strides towards ensuring that we are a globally competitive destination. Team South Africa has worked very hard in a trying global economic climate.

"We congratulate all South Africans for the hard work," Zuma said after returning from the 70th session of the UN General Assembly held in New York City.

The report is an annual assessment of the factors driving productivity and prosperity in 140 countries, representing 98.3 percent of world gross domestic product (GDP).

Much of South Africa's progress, according to the report, could be attributed to a 16-place jump in one of the efficiency-enhancer pillars -- technological readiness -- that saw the country jump from 66th to 50th position in the rankings.

South Africa's other biggest improvements come in the areas of health and primary education which showed that the country had moved up six places, efficiency was up six places, and innovation was up five places, according to the Presidency. (APA 01-10-1015)

CABO VERDE'S ECONOMY GROWS 0.1 PERCENT IN SECOND QUARTER

Cabo Verde's (Cape Verde's) economy grew by 0.1 percent in the second quarter of 2015, compared with 2.4 percent in the same period of 2014, reported the National Statistics Institute (INE) of the archipelago.

Figures issued by INE show that the Quarterly National Accounts of the second quarter of 2015 showed a slowdown in the growth rate of the Cape Verdean economy, which was due to decreased agricultural, manufacturing, trade, telecommunications and real estate activities.

The most significant contributions to GDP growth occurred in construction, lodging and restaurant, and public administration sectors.

The most significant negative contributions were recorded in agricultural, manufacturing and trade activities.

In the first two quarters, the slowdown was evident in the areas of agriculture, trade, real estate and public administration, also according to INE. (05-10-2015)

EU-UNICEF: SAFER LEARNING FOR MORE THAN 2 MILLION CHILDREN CAUGHT IN SYRIAN CONFLICT

More than 2 million children whose lives have been torn apart by the conflict in Syria will have better access to education in safe environments through an agreement signed yesterday by the EU and UNICEF.

The grants worth €62 million will scale up UNICEF and the EU's joint response in providing boys and girls with access to education in protective and empowering environments in Syria, Lebanon and Turkey. Part of this support will be provided from the EU's newly created [Regional Trust Fund in response to the Syrian crisis](#).

“The needs are enormous. The EU has been at the forefront of the international response to the Syrian crisis, specifically in the education sector in partnership with UNICEF and host governments in the region,” said Johannes Hahn, EU Commissioner for European Neighbourhood Policy.

UNICEF and the EU warned that with 7.6 million Syrian children in need of humanitarian assistance, the country risks losing an entire generation of children. (EU Neighbourhood 02-10-2015)

WORLD BANK APPROVES US\$25M LOAN FOR MOZAMBIQUE FINANCIAL SECTOR

The bank said in a statement that the strategy was “aimed at promoting greater financial inclusion and market stability”.

According to the statement, the loan, approved by the board on Tuesday, was the second credit channelled through the World Bank Programmatic Financial Sector Development Policy Operation (DPO).

The release said the operation “seeks to reinforce financial stability by supporting improvements in the banking supervision and regulations, safety net, and crisis preparedness frameworks.”

It added that the operation also supported reforms to promote financial inclusion focused on credit reporting systems, branchless banking and mobile banking, consumer protection, payment systems and insolvency frameworks.

“For Mozambique to achieve broad-based growth and for the private sector to generate jobs, it is imperative to deal with the ongoing challenges of access to finance for firms and households,” it said.

The DPO series has three main objectives, increase financial inclusion, improve financial stability, and strengthen long term financial markets in Mozambique, according to Mark Lundell, World Bank country director for Mozambique.

The official added that the Mozambican government “recognizes the importance of financial services development to reduce poverty and improve the business environment”.(APA 02-10-2015)

Fernando Matos Rosa

fernando.matos.rosa@sapo.pt
fernando.matos.rosa@skynet.be