

# MEMORANDUM

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## BOTSWANA EXEMPTS UAE CITIZENS FROM VISA REQUIREMENTS

As part of improving relations between the two countries, the Botswana Ministry of Foreign Affairs and International Cooperation has announced that citizens of the United Arab Emirate (UAE) can now travel to Botswana without the need for an entry visa, APA learns here Wednesday.

A release from UAE states that its citizens can stay in Botswana for a period not exceeding 90 days.

Ahmed Saeed Elham Al Dhahiri, Assistant Under-Secretary for Consular Affairs has been quoted as saying that his ministry has received an official memorandum from the government of Botswana stating that the latter signed a decision to exempt citizens of the UAE who hold special, mission and regular passports to enter Botswana without prior entry visa requirements.

Al Dhahiri stressed, "This decision shows the depth of relations between the UAE and Botswana in the light of the development of bilateral cooperation on the one hand, and the UAE's international status on the other."(APA 17-08-2016)

## MOZAMBIQUE AND CHINA: A FAST FRIENDSHIP INTO THE FUTURE



From the pristine, vast beaches of the Quirimbas Islands in the north to the colonial-style café esplanades in the capital of Maputo, Mozambique is a place of sun and leisure not exactly known for being a fast-paced destination. But in a time when heated discourse over the country's recent economic downturn rises above the coffee-shop din, many events are quickly unfolding for a nation previously considered the paragon of economic development on the African continent. And no change can rival that of Mozambique's evolving relationship with China.

The discussions invariably centre around US\$2.3 billion. This is the total off-budget debt that the current Government of Mozambique is being forced to reckon with by its western partners, which includes credit granted by western banks to public security sector companies designated by the preceding government. In restructuring this debt at a time when the local currency, the metical, is weakening, total public debt should surpass 100 per cent of GDP by 2016, according to estimations by Fitch Ratings. Indeed, debt restructuring of some sort seems inevitable in the near-to-medium term.

In addition to a shift in mood, recent events this past May have stirred up Maputo. President of Portugal Marcelo Rebelo de Sousa's visit to the capital brought tidings of bad news. As Portugal currently chairs the G14 group of countries and institutions that finance the Mozambican state budget, he had the very unpleasant task of announcing, standing side by side with his Mozambican counterpart President Filipe Jacinto Nyusi, that the roughly US\$300 million the group dispenses annually to the Mozambican budget was being suspended until the debt crisis is sorted.

That very day, another much more celebratory press conference took place elsewhere in the capital. Sun Jian, the Chinese ambassador to Mozambique, met with Nyeleti Mondlane, Mozambique's deputy minister for Foreign Affairs and Cooperation, to convey China's intentions of providing US\$16 million in much needed infrastructure, including 200 water wells, 80 public buses, and construction of a cultural centre in Maputo. This partnership could not have been timelier.

"We want to increase aid to Mozambique as a way to help the country overcome this tough time," states Sun, adding that "this country has been an example of one of the better-performing economies in the

region.” This extension of aid posed a stark contrast highlighting the different approaches by Beijing versus Washington or Brussels.

Eleven days later, President Nyusi flew to Beijing for a high-level official state visit that analysts were quick to interpret as a dash to negotiate financial assistance. The Mozambican authorities dismissed this presumption, claiming that the visit had been under preparation for months. Regardless, what is certain is that Beijing gave President Nyusi a grand reception to further boost bilateral ties and prove to Maputo that assistance lies not only to the west of Mozambique but to the east as well.

### **Mozambique becomes China’s first true partner in Africa**

President Nyusi may have landed in Beijing under pressure, but during his 5-day visit (16–21 May), Chinese authorities certainly spared no expense or gesture of good faith to reassure him of their support. After conferring with the highest level of government, including President Xi Jinping, Prime Minister Li Keqiang, and prominent local businessmen, the Mozambican president returned to Maputo with a Global Strategic Partnership Cooperation and Agreement in his briefcase.

For China, this is the first agreement of its kind with an African nation. Only Cambodia, Laos, Burma, Thailand and Vietnam have signed similar agreements with Beijing. The document sets out 14 principles by which to govern bilateral relations, with the aim to strengthen cooperation between the army, police and intelligence services of the two countries and to strengthen Mozambique’s national defence capacity, particularly with regards to training, arms supply, equipment and technology.

Additionally, a cooperation agreement was signed during the state visit providing relocation of certain Chinese industries to Mozambique to accommodate China’s ongoing restructuring of its own economy. Also promising is framework agreement advocating energy cooperation between the National Hydrocarbon Company of Mozambique and China. As the African country is set to become one of the world’s top natural gas producers in the coming decade, Chinese companies have taken a foothold in the industry’s development.

President Nyusi was accompanied by a delegation of six members of the Mozambican government including Minister of Foreign Affairs and Cooperation Oldemiro Balói, Minister of Industry and Commerce Ernesto Max Tonela, Minister of Public Works, Housing and Water Resources Carlos Bonete Martinho, and Minister of Culture and Tourism Silva Dunduro.

In summarising the accomplishments at the end of his state visit, President Nyusi made certain to stress that the visit was scheduled prior to the G14’s decision to suspend financial assistance to Mozambique. “We did not come here to ask for help to pay our debts,” which he did acknowledge, “is a problem.”

Given Mozambique’s short-term financing needs, analysts continue to focus on what the visit may yield, for instance, in terms of credit lines. Joseph Hanlon, leading analyst of Mozambican politics and business, considers China’s investment an integral part of the government’s strategy in dealing with the debt issue.

The Mozambican government expects Chinese investment to rush in in exchange for the “selling of state companies and assets such as [the state’s] share of gas,” asserts Hanlon. “This would need to cover a significant part of the US\$2.3 billion debt. If that were done, [the government] hopes that – as always in the past – donors and lenders have so much invested in the Mozambique success story that they will not let Mozambique collapse.”

Only a few weeks after President Nyusi returned from Beijing, the Mozambican government announced a move that could lead to partially privatising the country’s airport enterprise Aeroportos de Moçambique. Additionally, the Council of Ministers decided that the national railway company Caminhos de Ferro de Moçambique (CFM) would sell all its shares in the concession companies running the port of Nacala, Malawi Railways, and the railway from Nacala to the Moatize coal mines. This is expected to raise around US\$150 million.

A government source informed Macao Magazine that despite the “very strong decision” by Beijing to strengthen political relations with Maputo, the preferred assistance route pursued by Chinese authorities over the last few months remains economical and financial, that is, strengthening the presence of Chinese companies and providing technological and unspecified financial support.

Loro Horta, a diplomat and leading analyst of China-Mozambique relations, underlines that the visit’s timing was no “coincidence,” though he is cautious about its results. “I think China will give some support to Mozambique; at least it will be more receptive than the West.” But, he adds, given the current internal and global slowdown Beijing is experiencing, it “has become more selective and careful in foreign aid”, taking a less risk-prone approach to global relations.

“China, though also affected by the [financial] crisis, is still a strong investor abroad, buying large companies in the outside world. Faced with a global economic crisis and the reluctance of Western countries to accept certain political models, many African countries are again turning to China,” Horta informs Macao Magazine. For example, Angola was an early proponent of this strategy with President José Eduardo dos Santos’ visit to Beijing in 2015.

### **A FLURRY OF ACTIVITIES AFTER THE BEIJING VISIT**

Immediately following President Nyusi’s visit to China, a delegation of 70 Chinese businessmen from Shandong Province arrived in Mozambique. During the Mozambique- -China Business Forum held in Maputo, Deputy Governor of Shandong Province Sun Wei, who led the mission, said that the trip’s aim was to “implement the business agreements signed” in Beijing.

The vice president of the Confederation of Economic Associations of Mozambique (CTA) Rogério Samo Gudo said the Chinese mission intended to “materialise the agreements from business and economic points of view,” highlighting areas such as energy, construction, infrastructure, services, hospitality and tourism.

Another indication of the expeditious relationship between the two countries manifested with President Nyusi’s June appointment of former Prime Minister Aires Ali to the post of ambassador to China. As head of government between 2010 and 2012, Ali is a respected political heavyweight, having previously been Minister of Education as well as governor twice, first in Niassa province, north of the country, and then in Inhambane province, in the south. His political cache is perfectly suited to that of an ambassador to a global power and Mozambique’s global strategic partner.

In Beijing, Ali will have a heavy workload. He must first follow up with all the agreements signed in May. Addressing financial issues will also be on his list of priorities. Following a 160 per cent increase in funding to the country since 2012, China is now Mozambique’s foremost bilateral creditor.

Then there is the critical issue of investment. The recent economic downturn, particularly the metical’s depreciation, has been compounded by the downturn in the natural resources sector which was, for many years, one of the country’s strongest sources of growth. Luckily, Chinese companies are now coming forward with billions of dollars in infrastructure investment.

In such dire economic times, Chinese investment projects are ever more beacons of inspiration and progress. Recently, Zimpeto Stadium, the first major sports infrastructure built in post-independence Mozambique, was funded by China. Now, attention is focused on the Maputo-Catembe Bridge project: once completed in 2017, it will be the longest suspension bridge in Africa, constructed to the tune of US\$300 million.

Construction has also begun on the new port at Beira, Mozambique’s second largest city. China Harbour Engineering Co. (CHEC) is leading the project for the new port, an infrastructure key to revitalising the country’s fishery industry. An overhaul of the entire production chain is in the works, including refrigeration and exporting processed products.

Another flagship infrastructure project spearheaded by Chinese cooperation is the Maputo Ring Road, built by China Road and Bridge Corporation who is also in charge of the Maputo – Catembe Bridge project. Eximbank also recently financed the completion of the new terminal at Maputo International Airport in 2012.

An international consortium including CHEC is also planning a US\$1.0 billion investment in a new port serving Mozambique and its neighbouring countries, including South Africa. The Techobanine deepwater port project in Matutuine district, southern Maputo province, is being promoted by another consortium led by Mozambican company Bela Vista Holdings, SA (BVH) that includes, again, CHEC as well as South African public railways company Transnet, according to weekly newspaper Savana.

### **New energy opens up a new chapter**

In mid-2015, a new US\$400 million Chinese credit was announced for the construction of an electricity transmission line between the provinces of Zambezia and Nampula. The interest of major Chinese state-owned enterprises, such as China Three Gorges and State Grid, have been widely referenced in these major Mozambican hydroelectric projects.

Development of the gas sector and related infrastructure is actually expected to take in the biggest investments in the coming years. Mozambique’s vast natural gas resources comprise the country’s most abundant source of wealth and are expected to provide the nation with a new, more prosperous stage in its history. Here too, major Chinese enterprises are gaining a foothold.

This past March, a US\$6 billion investment was announced for construction of a 2,600 kilometre pipeline. The China Petroleum Pipeline Bureau, part of the China National Petroleum Corp Group, and a shareholder in the Rovuma “off- -shore” area 4, is in charge of the feasibility study. Once the investment decision is finalised, 70 per cent of the funding is expected to come from Chinese financial institutions. This financing will be crucial, considering how much the debt crisis has impacted the country’s access to international financing. At a time when many large western banks and companies are giving Mozambique the cold shoulder, China is encouraging its companies to invest heavily, creating conditions for future development.

According to an analysis by Africa Monitor Intelligence, more important than financial aid, Mozambican authorities endeavoured to bring back “moral support” from Beijing.

President Nyusi’s welcome in the Great Hall of the People was certainly an alternative to the reception and support from the West. It was also an international platform upon which Mozambique could save face and retain its respectability, which has often been undermined in recent statements made by foreign partners. The agreements signed indicate that, at least to the East, there is no shortage of confidence in the country’s future. And confidence, more than capital, is what Mozambique needs most. (19-08-2016)

## USAID AND AID GROUPS CAN'T IGNORE POLITICS IN CONGO

In a month, the Democratic Republic of the Congo will be in a state of constitutional crisis — though representatives of President Joseph Kabila’s government don’t see it that way.

The central African country is supposed to open its election season on Sept. 19 and hold a vote two months later. But citing budgetary and logistical constraints, Kabila’s administration is pushing for a longer timetable that would extend the president’s second term. The U.S. government — through U.S. Special Envoy to the Great Lakes Tom Perriello — is pressing for the democratic transition to proceed as scheduled. In the meantime, the [U.S. Agency for International Development](#) cannot afford to ignore politics and carry on with business as usual, according to USAID’s former mission director for the country.

Devex spoke with Tony Gambino, who served USAID in the Congo from 2001 to 2004, at the [Brookings Institution](#), where he joined Perriello and François Nkuna Balumuene, the Congo’s ambassador to the United States, to share their respective views on the way forward to a peaceful political transition — and the U.S. development community’s role in supporting one.

Here are the highlights of our conversation with Gambino, edited for length and clarity.

***A lot of the U.S. assistance to the Congo has been focused on humanitarian concerns, particularly in the eastern part of the country. Where does development fit within the context of what’s happening now with the country’s national election crisis?***

This is a great point to make for a standard Devex reader. There is a body of research that is fully established that says, if you want the space to do what we all want to do in development, what’s the one factor that matters the most? It is the quality and commitment of the leadership of that country. That can’t be questioned. To a degree that there’s a debate, there’s been a debate over [the question,] can one even do anything? There are some people at the extreme who argue incorrectly that in those cases when your leadership is weak and commitment is weak that you should do nothing. I think that’s way too pessimistic. But you don’t want to go to the other extreme and say it doesn’t matter, because that’s just completely counterfactual.

Too many people in the aid world just want to play “turtle,” and put their head in their shell and say, “That’s not my business, I have my little three-year or five-year program to run, I’m just going to put my head down and run it.” I understand that if you’re a contractor — that’s what you’re paid to do. But if you’re in the government, if you’re directing these kinds of things, supervising, I really am critical. The big moment now is that there is a chance in the Congo to get a change. Will the new leadership be better? Who knows. But we have to get the change. Anybody who’s in a position to take their head out of their turtle shell and say, “What do we do to help this change occur?”

I would argue that one should do that absolutely to the maximum extent. If I were there right now, I’d be looking at every single thing that we did and say, what is it that we could do that makes it clear how important it is to the United States — I’m speaking right now as [though I were the] USAID mission

director — that the constitution be respected and that there be a transition of power at the presidential level and that that be done in a peaceful way?

Certainly as you move in the direction of security sector reforms, where you're working directly with the army or the police there are obvious things you can do. But really if you're looking across the board — say you're working with teachers: Let's build civic education into some of the programs. If you're thinking about it that way, almost anything, other than the strictly humanitarian [programs] ... you can put it almost everywhere. And that's where too often the development professional still wants to say, "Oh no, I don't do that highly political stuff. Oh no, that's over there." I don't like that. I think that's a mistake.

***How does that pivot happen in reality? Who can reasonably be expected to affect that kind of mindset change?***

It has to be the ambassador and the mission director and others deciding that across the embassy — one would think in an embassy such as the Congo's right now, there would be a unified message where their discussions would be: whatever it is that we're doing across the board ... what are we doing to promote U.S. goals regarding transfer of power and peaceful elections? With that decision, then that gives the power to the mission director to ask, what does he do to promote that? That gets you immediately to what we just talked about, a specific look at every activity.

***Does this risk reorienting USAID toward shorter-term priorities that the State Department might hold, at the expense of a longer term development outlook?***

That is the pushback that you get. I think that pushback is shortsighted. It's for the development professionals to make the point that unless you can get a higher quality leadership with greater commitments, you're climbing a very steep hill to make the changes you want to make. From a purely developmental standpoint, when you have that opening to make the change, development professionals should be crying out to see that change made, because that creates the ability for us to do ... what we want to do. Unless you're a real masochist, you don't want to run these tough programs where you're like Sisyphus. And to call what's going on in the Congo right now a short-term priority misses the historic opportunity.

The important programs that [USAID] is running ... in health — of course the humanitarian programs have to continue — in democracy, in agriculture. It would be dumb to say we're going to dump all that money into some kind of pro-democracy thing. I wouldn't support that. That said ... USAID has not given enough money to elections support and elections programs in the Congo and plays this poor mouth game of, "Oh we just don't get enough money." I worked in USAID. That's just not true. If you want to find money for something, you can find the money. There should be, and I hope there is, a serious effort underway to see what USAID can do working with State and others to find the resources to first promote this period to get to a plausible process and then to support that process once it's agreed to. In the past the United States has played a heavy diplomatic [role] to get to that point and then when it was time to support it has come up with no money, and we look stupid, frankly.

But, I'm totally opposed to robbing Peter to pay Paul. If you're running a good health program, if you're running a good [agriculture] program, you don't say, "Oh no for these purposes we're going to shut down."

We have a real crisis with some nascent opportunities in it in the Congo. One would hope that Administrator [Gayle] Smith and other people at USAID were looking at that and thinking hard about, is USAID playing its part in promoting this kind of transition? As hard as the U.S. is working at it with special envoy Perriello and others, one hopes that every part of the U.S. government is going at it with that much energy and commitment. (Devex 18-08-2016)

## **ETHIOPIA SET TO RAISE TELECOM COVERAGE TO 100% WITHIN 4 YEARS**



The Ethiopian telecommunication agency is set to carry out an expansion project with intent to raise telecommunications coverage in the country to 100 percent after four years.

A tender has been issued to begin the project, Dr. Debretsion Gebremichael, Deputy Prime Minister for Finance and Economic Cluster and Minister of Communication and Information Technology told reporters on Wednesday.

The expansion project will be executed in two phases, with the first one set to commence this budget year, Dr. Debretsion said.

The two-phase project will be finalized in four years' time and allows the company to add capacity to accommodate 20 million new clients. Currently, Ethio-telecom has the capacity to accommodate 80 million clients.

According to Dr. Debretsion, each phase creates the capacity to accommodate 10 million new clients. The first phase will be finalized within the next two years. The second phase will be commenced after two years and completed in a two-year timeframe.

In addition to raising the telecom coverage and improving the network quality, the expansion project will raise the number of mobile phone subscribers to 103 million from the present 45 million, he said.

Moreover, it will help increase the country's fixed line service coverage to 90 percent from 85 percent and internet users to 56 million from 13 million, he added. (APA 17-08-2016)

## NINE OF ANGOLA'S TEN LARGEST EXPORTERS ARE FROM THE OIL SECTOR



Nine of Angola's ten largest exporters in the first quarter of 2016 operate in the oil sector, and the biggest exporter is state oil company Sonangol, the country's Finance Ministry said.

The statement issued by the ministry said between January and March Sonangol exported the equivalent of 125.9 billion kwanzas (US\$755 million) a year on year fall of 54%, reflecting the sharp decline in the international price of oil in the first three months of 2016.

The only exception to the oil sector companies in the top ten list is state diamond company Sodiam, which is responsible for marketing Angolan diamonds, which in the first quarter exported cut gems worth 31.6 billion kwanzas, rising to second place.

The third company on the list is the Cabinda Gulf Oil Company, a subsidiary of US oil company Chevron for oil production in Cabinda, which exported 28.3 billion kwanzas, 59% less than in the first quarter of 2015.

The biggest drop among Angola's major exporters was experienced by the subsidiary of French oil company Total, which fell to tenth place, having exported 11.9 billion kwanzas, against 83.3 billion kwanzas in the same period of 2015, a decrease of 86% and the loss of the second place it occupied in the first three months of 2015.

Sonangol Pesquisa e Produção and Sonangol Distribuidora, in addition to Esso, BP and ENI were also among Angola's top ten exporters between January and March.

Figures released by the Organization of Petroleum Exporting Countries (OPEC) last week show that Angola is Africa's largest oil producer. (19-08-2016)

## UGANDA IS TRYING TO CLOSE A FOR-PROFIT SCHOOL CHAIN BACKED BY ZUCKERBURG, GATES AND THE WORLD BANK

Ugandan education officials have called for the closure of 63 nurseries and primary schools operated by Bridge International Academies (BIA), a controversial for-profit school chain that offers standardized, internet-based education in developing countries.

Janet Museveni, minister of education and wife of Ugandan president Yoweri Museveni, [told lawmakers](#) on Tuesday (Aug 17) that inspections of Bridge International schools revealed poor infrastructure, hygiene, and sanitation that “put the life and safety of the school children in danger.”

Museveni called for the schools in Uganda to be closed at the end of term in September and to remain shuttered until ministry guidelines are met.

Uganda’s high court previously issued an interim court ruling that the schools should not be closed, in response to [similar calls](#) made by Museveni earlier this month. Bridge said that its schools are still operating and that it expects the court to uphold its ruling at its next hearing. The company called claims of safety issues at its schools “[false allegations](#).”

Bridge International—a startup founded in Kenya in 2008 that now [has funding](#) from Bill Gates, Mark Zuckerberg, Pierre Omidyar, the World Bank, the education company Pearson, as well as the United States and the United Kingdom— offers schooling to poor families for as little as [\\$6 a month](#), delivering lessons to classrooms via tablets, smartphones, and other tools.

Its mission, to bring education to poor communities in Asia and Africa, has been lauded as one of the most [audacious solutions](#) yet to the lack of education resources around the world. Uganda, Kenya, and Liberia host hundreds of Bridge International schools.

But lately Bridge International has been accused of hiring cheap teachers and using shoddy school buildings to keep costs low. Critics says its [scripted teaching plans](#) require the least amount of interaction between students and teachers possible. Others say the company encourages the privatization and [outsourcing of education](#). Last year, more than 100 organizations in Kenya and Uganda signed a statement [criticizing the World Bank’s support](#) of Bridge International.

Bridge said in [a statement](#) that it is sincerely concerned over Uganda “threatening to force 12,000 Bridge children out of school and 800 Ugandans out of work.”

“In the meantime, our academies are running as usual as we continue to work with the relevant educational authorities to uphold our commitment to our parents and communities to provide a world-class education to their children,” said Michael Kaddu, head of public affairs for Bridge International in Uganda. (18-08-2016)

## NIGERIANS EXPERIENCED CONTINUOUS DECLINE IN POWER SUPPLY IN SIX MONTHS

Nigerian Households experienced a downward trend in power supply between January and June this year, the latest poll conducted by NOIPolls Ltd has said.

The report of the new aggregate power poll results released on Wednesday in Abuja by NOIPolls, Nigeria's leading survey and polling firm, said that in spite of relatively high record in January at 60 percent improvement, there was a consistent decline in power supply to households through June 2016, with the highest dip recorded in February at 21-Points from January 2016.

It explained that these findings were reflections of the challenges faced by the power sector, one of which was the issue of vandalism of oil and gas installations.

For instance, the vandalism which occurred in the Escravos area of Delta State resulted in a drop in power generation from about 3,600 megawatts (MW) to 2,500 MW, translating to a loss of 900MW in May 2016, it said.

The poll also revealed that average daily cumulative hours of power supply experienced in Nigerian households nationwide in the month of January, 2016 stood at 10.5 hours; representing the highest daily cumulative hours of power supply during the six months in view.

According to the report, the month of May, 2016 recorded the lowest daily cumulative power supply at 5.6 hours within the same period.

It noted that although several efforts are being made by the Nigerian Government to improve on power supply in the country such as the recent commissioning of four gas power stations in the second quarter of the year, it is, however, clear that these efforts are yet to translate into actual power improvement to impact the lives of Nigerians. (APA 17-08-2016)

## **GOVERNMENT OF MOZAMBIQUE LAUNCHES PUBLIC TENDER FOR COASTAL SHIPPING SERVICE**

Mozambican state sea and river transport company Transmarítima has launched a public tender for the selection of a private partner in order to boost the company's business, which is "almost dying," according to Mozambican newspaper Notícias.

The newspaper also wrote that Transmarítima currently works only with small boats in the transport of passengers and goods on trips throughout the country, due to technical and financial problems.

The selection of a private partner would make it possible to hand over some of the company's services, focused on coastal shipping, in order to reduce congestion on the country's roads.

The tender aims, according to Transmarítima, to set up a partnership with a private entity capable of financing, operating, managing, maintaining and developing a coastal shipping (cabotage) service.

The Minister of Transport and Communications, Carlos Mesquita, said recently the government was making efforts to ensure that the transport of people and cargo within the country by sea begins this year. (19-8-2016)

## **BOTSWANA TO OPEN SECOND ABATTOIR TO SUPPLY EU MARKET**

The Botswana Meat Commission (BMC) will on Friday open a new abattoir in Francistown in the north of the country where it will slaughter cattle for export to the European Union (EU), APA has learnt.

The Ministry of Agriculture said in a statement on Wednesday that the decision to open the abattoir follows a successful audit carried out in October last year by the EU to review the controls in the areas where the cattle for slaughtering will be sourced.

An abattoir in Lobatse, 70 kilometres from the capital Gaborone, has been the only one slaughtering cattle for the EU market.

According to the release, some areas surrounding Francistown abattoir also qualify for export.

However, the release said some areas remain closed for the EU market pending resolution and realignment of the control fence to make it a more effective barrier.

The ministry urged farmers to make necessary arrangements to make their animals compliant with EU requirements, including ear tagging them and updating the system, keeping the necessary records as well as getting the necessary quotas from BMC. (APA 17-08-2016)

## **MUSTANG RESOURCES DISCOVERS MORE RUBIES IN MONTEPUEZ, MOZAMBIQUE**

Australia's Mustang Resources has discovered a new deposit of rubies in Montepuez, Cabo Delgado, Mozambique, following sampling at various points of the concession, the company said in a statement. The company announced last July it had discovered ten rubies during initial sampling, and has now discovered another 19, bringing the discovery to 29 jewels with a combined weight of 5.79 carats. Mustang Resources also said that when the geological survey of the concession is completed it will start wide-scale sampling, which involves daily processing of 800 tons of material to get a clearer picture of the distribution and quality of existing rubies. The Australian company holds majority stakes in two exploration licenses for diamonds on the Save River in central Mozambique, as well as a graphite prospecting license, close to the concessions held by Syrah Resources and Triton Minerals where high quality deposits were discovered. (19-08-2016)

## **CAMEROON CHASES CFA940BN TO BOOST POWER SECTOR**

The government of Cameroon said Thursday that the National Electricity Transport Company (SONATREL) requires CFA940 billion to implement the national network to strengthen electricity distribution.

According to Minister of Energy and Water, Basile Atangana Kouna a loan of CFA180 billion is part of the funding being finalized through the World Bank.

Several other donors are lining up to finance the programme including: China Exim Bank, Societe Generale, Exim Bank India, African Development Bank (AfDB), Development Bank for Central African States (BDEAC), Chinese Bank ICBC and Deutsch Bank of Spain.

To implement its development programme, SONATREL will benefit from the expertise of the French company RTE.

A study by the Energy of Cameroon (ENEO), the country's electricity service concessionaire, suggested that nearly 40 percent of the electricity produced in Cameroon is lost in transport, because of the poor condition of the network.(APA 18-08-2016)

## **VALUE OF MOZAMBIQUE'S CURRENCY FALLS AGAINST MAJOR CURRENCIES**

The metical, Mozambique's currency, depreciated by 9.3% in one month, and now stands at 72.85 meticaïs against the US dollar, whilst on 15 July it was 62.85 meticaïs, according to Mozambican newspaper O País.

The newspaper recalled that on 12 July, 2013 one US dollar cost just 29.9 meticaïs and the current exchange rate, on 17 August, represents a real increase of 42.95 meticaïs or a decline of 58.5%. The Bank of Mozambique has, since the end of 2015, increased benchmark interest rates on marginal lending, which currently stand at 17.25%, in order to control exchange rates and prevent the general rise in prices.

These measures do not appear to be working, with the Mozambican central bank forecasting that the first signs of improvement will appear at the end of March 2017.

The exchange rate table of the Bank of Mozambique quoted by the newspaper indicated that on 1 August one US dollar cost 69.18 meticaïs, which on 10 August increased to 70.07 meticaïs and on 15 August rose again to 72.85 meticaïs.

The newspaper also said the exchange rate of the metical against the rand in South Africa “is not good”, as one rand was worth 4.95 meticais on 1 August 1 and 17 days later the exchange rate rose to 5.5 meticais. (19-08-2016)

### **DIAMONDS NOT FOREVER, EX-BOTSWANA MINISTER WARNS**

Former Botswana Minerals Minister David Magang has urged the country to diversify its economy, warning that it should face up to the reality that “diamonds are not forever”.

Magang is quoted by the state-run Daily News on Thursday as telling a meeting of the Botswana Institute of Chartered Accountants that the fact that diamonds “are responsible for the fairly buoyant economy Botswana is today is the good news.”

“The bad news is that we still depend on diamond revenues to sustain our economy 50 years after we sent the colonialists packing,” the former minister said.

He added: “Over 70 percent of government revenue comes from mineral exports. We are hooked on diamonds folks and that must send shivers in us all.”

Magang reportedly stated that the nation needed to ask itself what happens when the diamonds are “mined to the last pebble”.

“We have of late been told that diamond production will continue until the year 2050. It is actually possible that Orapa and Jwaneng could still be running up to the end of the century,” Magang is further quoted as saying.(APA 18-08-2016)

### **KENYA LOBBYING COUNTRIES AHEAD OF CITES MEETING IN SOUTH AFRICA**

Kenya has been lobbying countries attending the 17th meeting of the Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES CoP17) to accept its fourteen proposals its preparing to table at the meeting.

Already, Kenya’s preparation for the meeting has entered its homestretch for the conference that will take place in Johannesburg, South Africa from 24 September to 5 October 2016.

In total, Kenya has submitted fourteen proposals covering a wide range of wild species, including the African elephant, African Pangolins, species of snakes endemic to Kenya, the thresher Sharks, species of chameleons, plant species and others on measures to combat illegal wildlife trafficking.

Over 180 proposals are lined up for discussion as agenda items of the Conference of the Parties that will bring together 182 States that are Parties to the Convention.

“That is why Kenya is lobbying and persuading Parties to the CITES Convention to ensure discussions of the proposals before the CoP17 bear this intention in mind,” Kenya Wildlife Society (KWS) said in a statement issued on Thursday.

The Parties will take critical decisions on wildlife trade policy and the scope of regulatory control over international trade in specific wild species.

“It is therefore critically important that Parties to CITES adopt the proposals submitted by Kenya, key among them the five complementary proposals on African elephant submitted by Kenya and other Parties under the framework of the African Elephant Coalition calling for decisive action to ban trade in elephants and elephant ivory to save the species from imminent extinction,” added the statement.

Meanwhile, plans are underway to convene a briefing session for national stakeholders, including members of the Parliamentary Committee on Environment and Natural Resources ahead of the conference. (APA 18-08-2016)

## **BOTSWANA: CREDIT RATING AGENCY HAILS ENERGY REGULATORY LAW**



Credit rating agency Moody's said Thursday that the Energy Regulatory Bill that was recently passed by Botswana Parliament boost the Southern Africa country's electricity-generating capacity.

"Although the bill will not instantly boost Botswana's electricity-generating capacity, we expect that it will do so over time," said Moody's .

According to the agency, the law would also help the country attract and facilitate private sector entry particularly independent power producers (IPPs).

In the future, Mood's said the IPPs will be able to charge tariffs, approved by the independent regulator, that are both cost effective and consumer friendly.

"Two recently approved 300-megawatt extensions of the state-owned Morupule B electricity plant rely on IPPs. One of the 300-megawatt plants, to be completed in 2020, will be jointly operated by Korea's POSCO Energy and Japan's Marubeni," said Moody's.

It said the additional electricity generation will reduce severe electricity shortages and frequent outages that Botswana has experienced over the past several years.

In the fiscal year ended March 2015, Botswana imported 1 528GWh, which was almost 40 percent of its distribution; most of this was from South Africa's Eskom.

However, Moody's said, this import dependence has made Botswana vulnerable to Eskom's inefficiencies and South Africa's power shortages, making electricity imports from South Africa increasingly costly and unreliable.(APA 18-08-2016)

## **APEX BANK SAYS NO NIGERIAN BANK IS IN DISTRESS**

The Central Bank of Nigeria (CBN) has reassured Nigerians that all the banks operating in the country are solvent.

Reacting to reports in social media that some banks in Nigeria are distressed, the Acting Director, Corporate Communications Department of the CBN, Mr. Isaac Okoroafor, said that neither Skye Bank, which was mentioned in the reports nor any other bank was in distress.

Okoroafor said in a statement on Wednesday in Abuja that the CBN wishes to state, and emphatically

so, that it has not liquidated Skye Bank or any other Deposit Money Bank for that matter.

He reiterated that Skye Bank was not in distress and remains a healthy bank in the Nigerian banking system.

Indeed, the health of the Nigerian banking system remains strong; all banks in Nigeria are safe and depositors have no cause to fear over their deposits, the statement said.

The statement explained that Skye Bank had corporate governance challenges and that the CBN had since taken proactive steps to resolve the issues identified.(APA 18-08-2016)

### **GAMBIA: GOV'T TO SANCTION FISHING BOATS THAT FAIL TO RENEW LICENSE**

The Gambia government has warned that it will take legal action against commercial fishing boats that fail to renew their licenses to operate in the country's waters.

A statement by the Department of Fisheries on Thursday noted that following the registration of fishing boats in 2015, the operators are required to renew their licenses annually.

The Fisheries department is therefore urging all those, who have not renewed their license for 2016 to do so in good time.

It also warned against illegal fishing by foreign vessels.

According to the statement, the boat owners can report to the Treasury offices of the Fisheries department in Banjul and treasury offices in all the regional offices in the country to effect payment so that they can continue with their business.(APA 18-08-2016)

### **COMMUNICATIONS FROM THE INTERNATIONAL MONETARY FUND**

Cabo Verde - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=44178.0>

Central African Republic - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=44173.0>

Central African Republic - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=44184.0>

Chade - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=44191.0>

Chade - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=44190.0>

Madagascar - <http://www.imf.org/en/News/Articles/2016/07/28/19/38/PR16370-Madagascar-IMF-Executive-Board-Approves-US-304-7-million>

Madagascar - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=44186.0>

Morocco - <http://www.imf.org/external/french/pubs/ft/SCR/2016/cr1635f.pdf>

Morocco - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=44156.0>

Rwanda, Uganda - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=44145.0>

South Africa - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=44149.0>

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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) and SwissCham-Africa to their Members.



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