

MEMORANDUM

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MULTILATERAL DEVELOPMENT BANKS JOIN FORCES TO RAMP UP CLIMATE ACTION IN TRANSPORT

Eight multilateral development banks today issued a joint statement, committing to accelerate their efforts to mitigate transport emissions and recognizing the need for more action on the resilience of transport to climate change. The sector accounts for about 60% of global oil consumption, 27% of all energy use, and 23% of world energy-related CO₂ emissions.

In their statement, the African Development Bank, Asian Development Bank, CAF-Development Bank of Latin America, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, Islamic Development Bank, and the World Bank pledged to speed up action on:

- **Climate Finance:** MDBs have recently committed to substantially increase financing for climate change mitigation and adaptation over the next few years. Transport is expected to play a key role in that commitment.

- **Low-carbon Transport Solutions:** The MDBs will increase their focus on low-carbon transport solutions and will continue to harmonize tools and metrics to assess transport-related GHG emissions.

- **Adaptation:** The MDBs will jointly develop a systematic approach to mainstream climate resilience in transport policies, plans and investments.

"We, the multilateral development banks, believe that climate change is a defining challenge of our time. Actions to reduce greenhouse gas emissions and stabilize warming at 2 degrees Celsius will fall short if they do not include the transport sector. We commit to support countries in the implementation of sustainable transport solutions by providing critically needed financial and technical support to assist them in responding to rising aspirations for greater mobility and connectivity, in a sustainable and resilient way," said **Luis Alberto Moreno, President of the Inter-American Development Bank.**

Moreno presented the statement on behalf of the eight MDBs during the Transport segment of the Lima Paris Action Agenda. Among the [Intended Nationally Determined Contributions](#) (INDCs) submitted as of November 12, 2015, about three quarters explicitly identify the transport sector as a mitigation source, and more than two thirds propose transport sector specific mitigation measures. In 2012, the MDBs pledged \$175 billion by 2022 in financial resources for sustainable transport.

"Transport infrastructure investments made in rapidly growing rapidly growing African cities need to be low-carbon and climate-resilient. The African Development Bank, leading financing institution in the transport sector in Africa, always takes climate issues into account. Global cities produce three-quarters of the greenhouse gas emissions. Therefore, the Bank going forward will put greater emphasis on improving urban transport and mobility through innovative public transportation systems, and efficient traffic management systems," said **AfDB Vice-President Vice-President for Infrastructure, Private Sector and Regional Integration, Solomon Asamoah.**

"Asia's burgeoning cities and remote communities alike need low-carbon, climate-resilient transport systems to thrive. ADB will prioritize bus and metro systems in cities, pedestrian and cycle pathways, and long distance railways to reduce emissions and congestion while providing safe and efficient transport in Asia," said **Bambang Susantono, ADB Vice-President for Knowledge Management and Sustainable Development.**

"Transport plays a key role in the climate change agenda worldwide, but Latin America's engagement becomes a more critical factor in developing sustainable solutions given the high motorization rates the region is facing. Today, Latin America is suffering the most challenging impacts of climate effects; today not 2050 or 2100. Our countries, emerging economies, carry greater challenges and responsibility into building faster solutions understanding that we are becoming a larger player in emissions," said **Enrique Garcia, President and CEO of CAF -Development Bank of Latin America.**

"Transport is a core sector in our climate finance activities. With the adoption of a Green Economy Transition approach, the EBRD will aim to increase its environmental financing to 40 per cent of total annual finance by 2020. Low-carbon transport solutions will continue to play a crucial role in boosting our contribution to global efforts to combat climate change," said the **EBRD Managing Director for Infrastructure, Thomas Maier.**

"Investment to ensure more sustainable transport is crucial to cutting greenhouse gas emissions and delivering environmental, social and economic benefits. The European Investment Bank is committed to supporting schemes that transform national mobility and cut congestion in growing cities. Transport is the second largest source of carbon emissions and sharing experience from projects elsewhere around the world and greater cooperation amongst the world's public banks will ensure that new sustainable

transport projects can make a more effective contribution to fighting climate change. We look forward to increasing cooperation with key partners to make this possible," **said Jonathan Taylor, European Investment Bank Vice President responsible for climate action.**

"Supporting our member countries to develop efficient transport systems that are climate smart and resilient is a major goal for us. We will work together with other MDBs to ensure that we come up with innovative solutions that will help reduce carbon emissions," **said Dr Ahmad Mohamed Ali, President of IsDB.**

"Transport must be a significant piece of the climate solution. We have the opportunity to transform transportation services so they are low-carbon and resilient to climate impacts. Now is the time to turn our commitments into action and we stand ready to work with countries as they develop low carbon and climate-resilient transport activities," **said Laura Tuck, World Bank Vice President for Sustainable Development.**(EIB 03-12-2015)

TRADE BETWEEN CHINA AND THE PORTUGUESE-SPEAKING COUNTRIES FALLS 25.71 PCT FROM JANUARY TO OCTOBER

Trade between China and the Portuguese-speaking countries registered a year on year fall of 25.71 percent in the period from January to October, to US\$84.179 billion, according to Chinese official figures released by the Macau Forum.

In the first 10 months of the year China exported to the eight Portuguese-speaking countries goods worth US\$31.129 billion (-16.52 percent year on year) and imported goods worth US\$53.049 billion (-30.22 percent), leading to a trade deficit for China of US\$21.920 billion.

China's trade with Brazil in the period amounted to US\$61.175 billion (-18.63 percent), as a result of Chinese exports totalling US\$23.733 billion (-17.20 percent) and imports of US\$37.441 billion (-19.51 percent).

Angola comes second in terms of importance, with bilateral trade of US\$17.159 billion (-44.77 percent), due to China's exports of US\$23.733 billion and imports of US\$37.441 billion (-47.49 percent).

China's trade with Portugal from January to October came to a total of US\$3.684 billion (-7.06 percent), with China exporting goods worth US\$2.421 billion (-5.80 percent) and Portugal exporting products worth US\$1.262 billion (-9.37 percent).

With Mozambique, China had trade worth US\$2.012 billion (-31.58 percent), a result of Chinese exports amounting to US\$1.636 billion (+13.66 percent) and imports fell 74.93 percent to US\$376 million.

Trade with other Portuguese-speaking countries – Cabo Verde (Cape Verde), Guinea-Bissau, Timor-Leste (East Timor) and São Tomé and Príncipe – in the January to October period reached US\$147 million.

Trade in October between China and the Portuguese-speaking countries fell 10.84 percent to US\$7.701 billion, as a result of Chinese exports worth US\$2.461 billion (-12.70 percent) and imports amounting to US\$5.239 billion (-9.94 percent). (03-12-2015)

ENERGIAS DE PORTUGAL GROUPS TAKES ELECTRICITY TO MOZAMBICAN VILLAGE

The Energias de Portugal (EDP) group in Mozambique will build a small power plant to supply electricity to the village of Titimane, in Niassa province, said the Director of Planning Pedro Neves Ferreira.

Neves Ferreira told Portuguese newspaper Público that this was a pioneering project, with a business logic, where the electricity produced from the sun and biomass at the plant, will be charged for, "thus covering operating costs."

The company to be set up has the support of cotton company Sociedade Algodoeira Niassa, of the João Ferreira Santos group, which buys cotton produced by the inhabitants of Titimane and will produce cotton pellets for burning at the biomass plant.

Cotton cropping was an important factor in selecting Titimane out of 30 potential isolated villages as it added biomass to the solar component, and it was precisely that fact “that pleased us, EDP and the United Nations Environment Programme.”

Neves Ferreira, without detailing the amount of investment put in by EDP alone, said that “between international donors and the Mozambican government, it is about one million and some euros”, with 860,000 euros relating to financing of the “Energy and Environment Partnership “(EEP) and the OFID/ARE (the fund of the Organization of Petroleum Exporting Countries).

The group’s Director of Planning also said that the share capital of EDP in the new company was still being discussed with the Mozambican government along with the terms of the concession contract and the entire tariff structure, which provides for the use of a prepayment solution. (03-12-2015)

LE COMMISSAIRE MIMICA ANNONCERA UNE NOUVELLE AIDE À LA CÔTE D'IVOIRE LORS DE SA VISITE

Quelques semaines après l'élection présidentielle, il y exprimera son soutien à la consolidation de la démocratie dans le pays.

Le Commissaire européen chargé de la coopération internationale et du développement, Neven Mimica, se rend en Côte d'Ivoire pour une visite de deux jours. Quelques semaines après l'élection présidentielle, il y exprimera son soutien à la consolidation de la démocratie dans le pays. Le Commissaire discutera également de la mise en œuvre actuelle et du futur de la coopération avec l'UE.

Lors de sa rencontre avec le Premier Ministre de la Côte d'Ivoire, Daniel Kablan Duncan, le Commissaire Neven **Mimica** signera le Plan d'Action annuel de 2015 pour un total de €111,7 millions, dans le cadre du 11^{ème} Fonds européen de développement (FED).

Ce plan d'action est constitué de deux projets, l'un dans le secteur de l'énergie, et l'autre dans le domaine du développement rural. Le premier projet est cofinancé par la Banque européenne d'investissement pour €117 millions et vise à contribuer au redressement du secteur énergétique afin de fournir aux populations de l'électricité de qualité à moindre coût. Le deuxième projet contribuera à la prévention des conflits liés à la propriété foncière en milieu rural par l'identification et l'immatriculation des exploitations agricoles.

Avant son départ pour la Côte d'Ivoire, le Commissaire **Mimica** a fait la déclaration suivante: «*Le processus électoral qui vient de se terminer en Côte d'Ivoire est un exemple pour la région et pour le continent. Cinq ans après des élections contestées, il montre que le peuple ivoirien veut tourner la page du passé et consolider la réconciliation nationale qui est la seule voie durable pour le pays. Quelques semaines après ma rencontre avec le Président Ouattara à La Valette, je tenais aussi à me rendre en Côte d'Ivoire pour saluer les efforts importants du pays dans l'accueil et la gestion de tant de migrants, la priorité mise sur la question de la jeunesse et de l'emploi. La Côte d'Ivoire est sur la bonne voie pour retrouver son rôle de pôle régional de stabilité et de croissance, tout en continuant les nécessaires réformes dans le pays, et elle peut compter sur l'appui constant de l'Union européenne. Partenaire de longue date de la Côte d'Ivoire, y compris dans les moments de crise, l'Union européenne continue à accompagner le pays dans ses efforts pour renforcer la paix et la cohésion sociale et garantir une croissance inclusive. Le Plan d'action annuel que je signerai demain apportera un soutien clair et substantiel aux Ivoiriens.*»

Lors de son voyage en Côte d'Ivoire, le Commissaire **Mimica** visitera également un projet de lutte contre les violences basées sur le genre financé par l'Union européenne. Ce projet de prévention et de prise en charge des violences sexuelles faites aux femmes soutiendra 300 femmes victimes de violences sexuelles suite à la crise de 2010-2011, 1 000 jeunes filles vendeuses de rue et 5 000 adolescentes exposées aux grossesses précoces et aux risques de mutilations génitales féminines.

Le Commissaire visitera également un lycée professionnel soutenu par deux projets financés par l'Union européenne. Le projet Proforme a réhabilité le lycée en lui permettant ainsi de fournir aux jeunes une formation en adéquation avec les besoins du secteur privé, et le projet Désarmement, Démobilisation et Reinsertion (DDR) a aidé 8 000 anciens combattants à se réinsérer, entre autres avec une formation au métier de la manutention portuaire.

Le Commissaire se rendra ensuite au Centre Hospitalier Régional de San Pedro pour inaugurer le service d'imagerie et le bloc opératoire remis à neuf grâce aux financements européens, et il assistera à la remise des nouveaux équipements médicaux et des ambulances.

Contexte

Bien que classé comme pays à faible et moyen revenu, la Côte d'Ivoire se situe actuellement au 171^{ème} rang sur 187 de l'indice de développement humain du Programme des Nations Unies pour le Développement (PNUD). De plus, le pays est l'un des pays de migration les plus importants d'Afrique de l'Ouest, au point qu'environ 25% de la population est composé de migrants.

L'UE a alloué une enveloppe de €273 millions au pays pour la période 2014-2020; en ciblant la consolidation de la paix et de l'état, l'agriculture et l'énergie renouvelable. Le soutien à ces secteurs est soutenu par une aide à la société civile et au renforcement des institutions publiques et des ministères. (EC 03-12-2015)

GOVERNMENT OF MOZAMBIQUE APPROVES FOREIGN EXCHANGE CONTROL MEASURES

The government of Mozambique has approved a package of incentives for food production and foreign exchange control measures, said the spokesman of the Cabinet at the end of a meeting held in Maputo. Mouzinho Saide also said that the package of measures included provision of foreign exchange “exceptionally” to import basic goods and an increase of foreign exchange intervention to ensure greater availability of foreign currency.

The spokesman said that public companies would be instructed to contribute to the replacement the dollar with the metical in the economy, as part of implementation of the foreign exchange law.

The metical has suffered a depreciation of over 40 percent against the dollar since the beginning of the year, accompanied by a fall in international prices of raw materials, with impact on imports, foreign currency supply and prices of goods.

In addition to incentives for industry, the measures provide for the re-launch of agricultural companies in order to “ensure more availability of services and goods in the country.”

On Monday, the Bank of Mozambique announced the introduction of limits on the use of credit and debit cards abroad in order to prevent foreign currency outflows. (03-12-2015)

OBTALA RESOURCES DEFENDS MORATORIUM ON LOGGING IN MOZAMBIQUE

The company Obtala Resources welcomed the adoption by the government of Mozambique of a two-year moratorium on simple licensing for logging, according to a statement issued Wednesday.

In a statement, the executive vice president, Kevin Milne said the company had received inquiries from shareholders regarding the recently announced decision of the Mozambican government.

Under Mozambican law there are two types of logging license, the first being a simple license that allows operators to log without obligatory processing in the country.

The second license is a forestry concession contract, which involves much larger areas and requires concessionaires to respect limits on logging and initial wood processing in the country.

Milne said the government of Mozambique had introduced the moratorium only for simple licenses, and thus did not affect the company, which has several forest concessions.

Obtala Resources is a Guernsey-based company that focuses its business on sub-Saharan Africa, both in agricultural production and in exploration of forest resources, and is present in Tanzania, Mozambique and Lesotho. (03-12-2015)

FICHE D'INFORMATION SUR LA COOPÉRATION EUROPÉENNE AU DÉVELOPPEMENT EN CÔTE D'IVOIRE

L'engagement de l'Union européenne auprès de la Côte d'Ivoire a été constant malgré les périodes de crise et les changements de gouvernement. L'objectif de l'UE est de soutenir la stabilité en Côte d'Ivoire et faciliter l'émergence du pays comme pôle régional de développement économique.

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Entre 2008 and 2020, l'UE a engagé 964 millions d'euros en Côte d'Ivoire, grâce à différents instruments dont le 10^{ème} et le 11^{ème} Fonds européen du Développement (FED), les lignes thématiques en appui à la société civile, les mesures d'accompagnement pour la relance des filières bananes et sucre, l'*Instrument* contribuant à la *stabilité* et à la paix, l'aide humanitaire.

La Côte d'Ivoire a en effet vu augmenter l'intervention de l'UE en volume, en passant de 254.7 à 444.4 millions d'euros sous le 10^{ème} Fond européen de développement, y compris une contribution post-crise exceptionnelle. L'aide européenne s'est aussi diversifiée en termes d'instruments financiers accompagnant l'urgence et la sortie de crise politique du pays en 2011.

S'inscrivant dans le cadre de la stratégie de développement du gouvernement ivoirien tel que déclinée dans le Plan National de Développement (PND), l'intervention de l'UE dans le cadre du 11^{ème} FED se monte à 273 millions d'euros et se concentrera sur trois secteurs principaux :

1. **Renforcement de l'Etat et la consolidation de la paix**, avec 60 millions d'euros, en soutenant le gouvernement dans ses efforts pour conforter la cohésion sociale, la bonne gouvernance et l'efficacité de l'Etat, en visant aussi l'amélioration des indicateurs sociaux notamment en matière d'emploi des jeunes.
2. **Agriculture et sécurité alimentaire**, avec 60 millions d'euros. L'intervention de l'UE contribue à l'amélioration de la gouvernance via la sécurisation du foncier rural et la promotion des productions vivrières périurbaines durables et résilientes aux changements climatiques.
3. **Energie**, avec 139 millions d'euros. L'intervention de l'UE vise à contribuer de manière durable à la sécurité énergétique en vue de fournir de l'énergie de qualité à moindre coût. L'efficacité énergétique et la production d'énergies renouvelables devraient permettre d'améliorer l'accès à l'électricité de toutes les couches de la population.

L'enveloppe comprend aussi une aide européenne pour renforcer les capacités de la société civile et appuyer l'administration pour la mise en œuvre de la coopération.

La Côte d'Ivoire bénéficiera également du Programme Indicatif Régional (PIR) au titre du 11^{ème} Fond européen de développement. Le pays étant le poumon économique de la sous-région, le PIR appuiera entre autres la promotion du commerce régional et des infrastructures.

Au-delà des programmes indicatifs du FED, plusieurs lignes budgétaires continueront à soutenir des interventions en Côte d'Ivoire, tant en appui aux acteurs non étatiques et aux autorités locales, qu'aux droits de l'homme. Les programmes en soutien aux filières de production bananes et sucre se poursuivent.

La coopération de l'Union Européenne avec la Côte d'Ivoire a été couronnée de succès.

Le Programme d'appui budgétaire à la consolidation des services de l'Etat, avec 127 millions d'euros déboursés sous forme d'appui budgétaire de 2012 à 2014, accompagné d'appuis complémentaires dans le domaine de la justice, la police et l'appui au processus de Démobilisation et Réhabilitation, a permis la reprise des audiences civiles et pénales dans 36 tribunaux, la reprise des cours d'assises, la mise aux normes des commissariats, districts et préfectures de police sur tout le territoire, et la réinsertion de 69000 ex-combattant dont 8000 dans des programmes soutenus par l'UE.

Dans le secteur routier, plus de 200 km de routes non revêtues ont été réhabilités en 2012 et 2013 dans les zones cotonnières du pays, 54 ouvrages hydrauliques et ponts ont été construits en milieu rural à travers tout le pays, contribuant ainsi au désenclavement des populations.

De plus, le projet de préservation du réseau routier en Côte d'Ivoire, doté de 70 millions d'euros, a permis la réhabilitation (en cours) de 87.5 km de l'axe Adzopé / Abengourou / Agnibilékro, deuxième corridor pour rejoindre le Burkina Faso, générant ainsi un trafic moyen sur cet axe de l'ordre de 1000 véhicules par jour (hors 2 roues) et il devrait se développer après sa réhabilitation. Enfin, un système de gestion de l'entretien routier du réseau a été mis en place pour 15 500 km.

Dans le domaine énergétique, l'aide européenne a permis l'électrification des quartiers périurbains de la ville d'Abidjan avec prolongement du réseau existant pour 10.000 ménages, la fourniture des équipements électriques et les travaux d'électrification de 16 localités rurales en Côte d'Ivoire, le renforcement et extension du réseau électrique de distribution dans 107 localités en milieu rural, et l'électrification des communautés rurales avec des micro-réseaux d'énergie solaire dans 7 communautés de la Région de Zanzan.

Dans le domaine de l'eau et de l'assainissement, l'UE a financé entre 2003 et 2012 la réhabilitation et la construction de nouvelles infrastructures en milieu rural et urbain pour près de plus de 80 millions d'euros ayant permis à environ quatre millions de personnes d'avoir accès à l'eau potable et à l'assainissement.

L'UE a initié en 2013 le Programme d'Hydraulique et d'Assainissement pour le Millénaire (PHAM). Financé sur le 10^{ème} FED par un don d'environ 25 millions d'euros, le programme vise à accroître l'accès à l'eau potable, l'assainissement et à l'hygiène en milieu rural pour plus d'un million de personnes par la réalisation de systèmes d'hydraulique villageoise améliorée dans 100 villages (environ 400.000 personnes bénéficiaires). Six cent villages cibles ont vu l'arrêt de la défécation à l'air libre, et 31.000 ménages ont bénéficié de la construction de latrines.

L'UE a également soutenu la production agricole et sa rentabilité avec d'une part un programme d'appui à la filière coton, qui a significativement contribué à la hausse du rendement en coton graine de 760 kg/ha à 1 100 Kg/ha et à la hausse de la production de coton graine de 120 000 tonnes à 405 000 tonnes en 4 ans. D'autre part le programme d'appui à la filière banane, entre 2000 et 2014, a permis à la production exportée d'augmenter de 18%, atteignant 260.000 tonnes en 2014, et faisant de la Côte d'Ivoire le premier exportateur africain. Le chiffre d'affaire annuel du secteur est de l'ordre de 85 milliards de francs CFA.

La surface exploitée a évolué de 5.000 à 6.500 hectares, employant directement 9.400 personnes. L'UE subventionne actuellement la création de 800 nouveaux hectares qui impliqueront la création de 1.100 nouveaux emplois. 85% des logements des travailleurs ont été réhabilités et modernisés, avec accès à l'eau potable, douches, latrines et cuisines. (EC 03-12-2015)

MONETARY AGREEMENT BETWEEN ANGOLA AND NAMIBIA SUSPENDED UNTIL 21 DECEMBER

Namibia failed to accept Wednesday the Angolan kwanza as a trade currency in the north of the country, five months after an agreement between the central banks of the two countries came into force, according to a joint statement from the two central banks.

The statement recalled that the monetary agreement, which came into force on 18 June, covered residents of the border towns of Oshikango (Namibia) and Santa Clara (Angola), and they could use

their national currencies in the neighbouring country, up to 3,500 euros per person to “facilitate payment for goods and services.”

The statement said there had been “challenges” in the application of the agreement, such as “currency trading outside the scope of the agreement”, particularly in terms of amounts.

Despite the “measures” introduced in the meantime, these challenges “have not been solved completely,” and the two institutions announced that a “new mechanism” for currency conversion would be launched on 21 December 2015, centralised by the National Bank of Angola (BNA) and only available in Angolan commercial banks.

The Bank of Namibia will issue Namibian dollars for the BNA, which will take over the management and disbursement of money to commercial banks and at the border post of Santa Clara (south of Angola). (03-12-2015)

AFRICITIES 2015: AFDB COMMITS \$600B TO AFRICA’S INFRASTRUCTURAL DEVELOPMENT

The African Development Bank (AfDB) has said it is committing \$600 billion toward the funding of development initiatives in Africa over the next few years.

Confirming this to delegates on the fourth day of deliberations at the Africities summit in Johannesburg, South Africa on Wednesday, AfDB official Amadou Oumarou said the bank is poised to scale up its financial involvement in mainly infrastructural development projects in Africa where towns and cities were bound to benefit like in the past.

The AfDB is a significant funder in Africa with some 60 percent of its funding going toward upgrading or building infrastructures in line with national development objectives set out by governments.

Mr. Oumarou claimed that over the past decade some \$60 billion has been disbursed by the AfDB to funding infrastructure projects in Senegal, namely the Dakar-Diamniadio toll road and new highways in Kenya and Ivory Coast, interventions which highlighted the institution’s drive to keep in line with the needs of towns and cities in Africa.

The AfDB scribe said the bank has also pumped \$20 billion toward strengthening the continent’s private sector through lines of credit to support small scale enterprises.

However, Mr Oumarou made a note of caution that although the AfDB was prepared to flex its financial muscles on behalf of Africa; huge financial gaps remain to deal with the challenges of urbanization.

He said over a 20-year period, the population of city dwellers on the continent would have risen to a mind-boggling 900 million, a feat which took decades for Asia to pull off.

Mr. Oumarou said despite the challenges that may result in such a population bulge, African cities should be viewed as the engines of economic growth and the AfDB would be involved in the drive to facilitate this process.

He called for policy change, in order to clarify policy roles and give local government authorities greater say in the areas under their jurisdiction.

The seventh Africities summit which began on Sunday and ends on Thursday has so far witnessed four days of passionate debates and deliberations in over 50 open sessions concerning themselves with a wide range of issues such as migration, youth empowerment and the role of local authorities in improving the African condition. (APA 02-12-2015)

DOWNGRADE RISK FOR SOUTH AFRICA AS DREADFUL DATA PILE UP

A slew of data in the past week shows up SA's economic malaise, raising fears of a downgrade by ratings agencies on Friday.

Manufacturing activity plummeted to a six-year low of 43.3 last month from 48.1 in October according to the Barclays purchasing managers' index (PMI) out on Tuesday.

This came just a day after a worse-than-expected trade deficit pushed the rand to record low of R14.46/\$.

Business confidence is wallowing in a five-year hiatus.

Fitch is expected to downgrade SA from BBB to BBB— the lowest investment grade rating and a notch above junk status — but change the outlook to stable from negative.

Standard & Poor's already has SA one level above junk and is expected to keep its BBB-rating unchanged but alter its outlook from stable to negative.

A downgrade raises SA's cost of borrowing.

The manufacturing PMI is a concern as it showed just how weak demand has been even after load shedding eased and with no strikes in the sector this year.

"Expectations that demand will not improve significantly are likely weighing on manufacturers' willingness and ability to increase output," Barclays Africa economists said.

The PMI suggests weak economic growth in the fourth quarter and more job losses in manufacturing.

This is the first time since the recession in 2009 that all of the PMI's major sub-components are below the neutral 50-point mark, indicating a contraction.

Barclays said the data showed that manufacturing's rebound in the third quarter was not sustained and that economic growth would be weaker.

New sales orders and business activity dropped sharply.

The employment index fell to 40.7 — its lowest level since May last year, suggesting the sector could shed more jobs after 7,000 employees were laid off in the second quarter.

The index on expected business conditions in six months' time slumped to an almost seven-year low.

This reflected persistently weak consumer demand and low commodity prices, and suggested manufacturers did not foresee a quick turnaround, Barclays said.

A 25 basis points interest rate increase last month could also have dampened companies' expectations, Capital Economics Africa economist John Ashbourne said.

A slowdown in manufacturing would only increase the degree to which economic growth was dependent on spending by consumers, who were debt-ridden, Mr Ashbourne said.

SA is not the only country experiencing a drop in manufacturing activity.

China's PMI fell from 49.8 in October to a three-year low of 49.6 last month according to the Chinese National Bureau of Statistics.

Activity was, however, slightly better in the eurozone. The Markit manufacturing PMI rose from 52.3 in October to 52.8 last month — its highest level since April last year.

The lack of optimism in SA's manufacturing prospects could also be driven by the fact that costs are rising. The local PMI price index ticked up again last month on renewed rand depreciation.

The rand is expected to stay soft ahead of an expected increase in US interest rates this month.

The Reserve Bank is concerned that a weak rand will encourage price increases or inflation, which will result in more interest rate hikes. (BD 02-12-2015)

BOTSWANA, BURKINA, LESOTHO, SENEGAL STAND OUT IN TRANSPARENCY INDEX

The 2015 corruption perception index of Transparency International has revealed that Botswana, Burkina Faso, Lesotho and Senegal are the four African countries that have distinguished themselves in the fight against graft.

"Despite the disappointing findings of the survey in 28 African countries where 58% of the 43,143 respondents said corruption had increased over the previous 12 months, Botswana, Burkina Faso,

Lesotho and Senegal have stood out. The citizens of these four countries have commended the efforts by their governments in curbing the phenomenon,” the index covering the period running from March 2014 to September 2015 suggests.

In Senegal, 47% of the respondents said they found satisfactory the efforts by the government, citing the Act of the declaration of personal assets, the creation of the national anti-graft and embezzlement office (OFNAC) and conviction of Karim Wade, an ex-minister under the previous regime.

The former state minister is serving a six year prison sentence plus a fine of more than CFA 638 billion francs after he was found guilty of illicit enrichment.

In South Africa, 83% of respondents believe that corruption has increased by 76% in Ghana and 76% in Nigeria.

The police has been pointed as the most corrupt sector followed by the business sector. (APA 02-12-2015)

CABO VERDE WANTS MORE COOPERATION WITH CHINA

The President of Cabo Verde (Cape Verde), Jorge Carlos Fonseca, intends to present new cooperation projects with China during the 6th China/Africa Summit, which begins Friday in Johannesburg, South Africa, the Cape Verdean presidency said in a statement.

The statement, cited by the Cape Verdean press, said the summit was of “great importance” to Cabo Verde, taking into account the historical and cooperative relations between the two countries and a series of projects that will be introduced.

Bilateral cooperation between China and Cabo Verde dates from the independence of the African country (5 July, 1975) and China has carried out large-scale projects in Cabo Verde, such as the palaces of the Assembly and the Government, the National Auditorium, National Library and the National Stadium and the Poilão dam.

China, one of the largest financiers of Cabo Verde development also cooperates in areas such as politics, education, culture, and, after a long period of government cooperation, has now started to support non-governmental organisations.

The head of the Cape Verdean state will be accompanied by Foreign Minister Jorge Tolentino and the Ambassador of Cabo Verde in China, Tania Ramualdo. (03-12-2015)

SOUTH AFRICA IN THE QUEUE AS BRICS BANK GEARS UP TO LEND

The New Development Bank set up by the Brics bloc expects to start lending in the second quarter of next year, according to bank vice-president Leslie Maasdorp.

Brics groups five of the biggest emerging markets — Brazil, Russia, India, China and SA — accounting for about 30% of global gross domestic product.

Tuesday’s announcement is expected to benefit SA, whose multibillion-rand infrastructure and development projects, particularly in the energy and water sectors, need funding.

Eskom CEO Brian Molefe has already indicated that he would approach the bank once it was operational to borrow money for its infrastructure development programme. The utility is building two new power stations to add energy to an under-pressure grid.

Processes to ensure the bank would meet its “ambitious target” of starting to lend in the second quarter of next year were well under way, Mr Maasdorp said on the sidelines of a lecture hosted by the Department of International Relations and Co-operation.

"The most important function now in my area is to begin to look at how can we raise fresh capital because in the next few weeks we will get the first paid capital from the five member countries," Mr Maasdorp said.

Another important priority for the bank at the moment was assessing the quality of projects member states have identified as those needing financing.

Mr Maasdorp, a South African, is the bank's chief financial officer and is responsible for the treasury and portfolio management as well as the finance, budgeting and accounting functions.

The bank opened its headquarters in Shanghai, China, in July, two years after the idea to establish it emerged.

It has a board of directors, a president (Kundapur Vaman Kamath) and four vice-presidents.

Each member state will initially contribute \$10bn but in smaller amounts.

Mr Maasdorp, Mr Kamath and other officials are in the country to discuss the logistics around the establishment of the bank's regional offices, which will be based in Johannesburg.

The bank will initially mainly lend to member states and extend lending to other countries once more capital has been raised.

It is understood interest rates on loans will be cheaper than at other global finance institutions such as the World Bank. This will work particularly in SA's favour given its rising debt levels and increasing borrowing costs.

The four vice-presidents were last week allocated responsibilities and more staff are expected to be employed soon.

Mr Kamath said the bank preferred to partner existing development finance institutions rather than compete with them. Some believe leaders in emerging countries wanted to create a bank to rival traditional global lenders such as the World Bank and the International Monetary Fund, which normally attach conditions such as political, social and economic reforms to their loans.

The bank's main aims included raising capital, building partnerships and speedy implementation of targets, Mr Kamath said.

The South African government is already investing heavily in infrastructure development as a way to grow a sluggish economy and create jobs.

About R800bn is projected to be spent on infrastructure development over the next three years, particularly in energy, transport and social infrastructure.

The government and state-owned enterprises have already spent more than R1-trillion on infrastructure development over the past five years.

The eighth Brics summit will be held in India next year under the theme Building responsive, inclusive and collective solutions.

India also plans to use the summit to hold the first Brics trade fair, a film festival and an under-17 football tournament.

It is hoped that the New Development Bank will be operational and lending by the time the summit is held on a date to be decided.

The five countries will also have to discuss how to continue growing their economies, which have faced severe headwinds this year.(BD 02-12-2015)

SWAZILAND: SUGAR FIRM FAILS TO ISSUE DIVIDEND OVER DROUGHT

One of Africa's biggest sugar producers Illovo Sugar has not declared a dividend for its interim period ending September 30, 2015, citing weather-related crop declines and increased working capital levels, APA reports on Thursday.

In the six months to September 30 2015, unaudited financial statements reflect that Illovo, which has operations in KwaZulu Natal, South Africa, reported a 58 per cent decline in diluted headline earnings per share (HEPS), to 71.7 cents compared with a year ago.

Operating profit fell 37 per cent to E881.4 million, while revenue slipped by 7 per cent to E5.5 billion compared with the year-earlier period.

In an analysis posted by the group on its official website, challenging commercial environment “sustained pressure on export sugar prices were cited as one of the contributing factors of the decline.

It was mentioned that group sugar production was down by 10 per cent due to drought in South Africa, while operating profit decreased 37 per cent.(APA 03-12-2015)

NIGERIA SLASHES MTN FINE TO OVER \$3BN

The Nigerian Communications Commission (NCC) has reduced the hefty penalty slapped on South African telecoms giant MTN over unregistered SIM cards, from \$5.2 billion to \$3.4 billion. MTN said on Thursday that the Commission was now looking for a fine of \$3.4 billion (3.2 billion euros), down from an earlier \$5.2 billion, after negotiations with the regulator.

MTN was slapped with the penalty in October after it missed a deadline to disconnect 5.1 million unregistered SIM cards.

According to local media reports, the reduced fine has to be paid by December 31.

MTN said in a statement that it was “carefully considering” the revised fine by the NCC.

It said Executive Chairman Phuthuma Nhleko “will immediately and urgently re-engage with the Nigerian authorities before responding formally...to ensure the best outcome for the company, its stakeholders and the Nigerian authorities.”

“All factors having a bearing on the situation will be thoroughly and carefully considered before the company arrives at a final decision,” the statement said.

Meanwhile, two senior executives at the company’s operation in Nigeria have stepped down, the firm announced.

MTN Nigeria’s CEO Michael Ikpoki and the head of regulatory and corporate affairs, Akinwale Goodluck “have tendered their resignations with immediate effect,” MTN said in a statement.

Nigeria is MTN group’s largest market where it has more than 62.8 million subscribers by the second quarter of this year.(APA 03-12-2015)

MOROCCAN MEDIA STAKEHOLDERS DISCUSS CREATION OF WOMEN EXPERTS’ DIRECTORY

A consultation on the creation of a regional tool to increase women’s visibility in the media, has brought together 15 participants in the Moroccan capital Rabat, including representatives of national media organisations, and international experts in the framework of the EU-funded MedMedia programme.

The discussion is part of a series of exchanges with national stakeholders to enhance gender equality policies in the media. It builds on recent recommendations to “introduce gender equality charters and directories of women experts in the media, strengthen monitoring and combat discriminatory programming”.

Discussions were supported by various studies showing the under-representation of women in the press and in broadcasting (number of appearances and time allocation), including recent findings establishing the proportion of women experts in French media at 20% and in Moroccan media at a mere 9%.

The EU-funded **MedMedia** project aims to create an enabling environment for media reforms in the Southern Mediterranean region. It is part of the €17 million EU programme “Media and culture for development in the Southern Mediterranean” which aims at supporting the media and culture reform processes in the region.

MedMedia focuses on media legislation, regulation, programming, strategy and leadership with a view to helping state media fulfil their public service mandate and compete with the commercial sector. It will also work to build public trust by strengthening the media’s role as an independent watchdog and a forum for democratic debate. (EU Neighbourhood 26-11-2015)

S/AFRICA, LESOTHO TO SIGN COMMUNICATION DEAL IN MASERU

A senior South African official is expected to take advantage of the Southern African Development Community (SADC) Information, Communications and Technology and Postal Services ministers’ meeting starting on Thursday in Lesotho to sign bilateral agreements on digital migration with Maseru, APA learnt on Wednesday.

Communications Minister Faith Muthambi will join her SADC counterparts in Maseru to discuss the migration from analogue to digital broadcasting, mobile roaming and broadband in the region, her office said.

During the two-day visit to the mountain kingdom, Muthambi is expected to sign the deal with her Lesotho counterpart on a range of issues – including a broadcasting content exchange programme, which is a commitment on the part of the South African government to assist Lesotho in implementing its own digital migration programme.

The accord will also outline an undertaking that South Africa’s Government Communication and Information System (GCIS) will aid Lesotho with the creation of its own state news agency modelled on the GCIS.

“It is imperative that we strengthen collaboration with the Lesotho government in areas of communications, broadcasting and provide assistance where we can,” Muthambi said.

Earlier this year, when the SADC ministers met in Walvis Bay, Namibia, those SADC countries that missed the June 2015 ITU deadline, that are still using analogue broadcasting signals, committed to migrate to digital broadcasting by June 2016. (APA 25-11-2015)

S/AFRICA’S GDP INCREASES BY 0.7 PERCENT

South Africa’s seasonally adjusted real Gross Domestic Product (GDP) at market prices increased by an annualised rate of 0.7 percent in the third quarter of 2015, according to Statistics South Africa (Stats SA) on Wednesday.

The increase comes after the GDP contracted by 1.3 percent during the second quarter of 2015, Stats SA said. But the economy was busy with a “very slow and gradual recovery,” said Joe De Beer, Stats SA’s deputy director-general for economic statistics.

On his part, Stats SA’s executive manager for national accounts, Michael Manamela, said the main

contributors to the increase in economic activity in the third quarter of 2015 were the manufacturing industry (0.8 percent); finance, real estate and business services (0.6 percent), and the wholesale, retail and motor trades, catering and accommodation services (0.3 percent).

“Negative contributions were recorded by the mining and quarrying industry (-0.8 percent) and the agriculture, forestry and fishing industry (0.3 percent),” he said.

According to Stats SA, the seasonally adjusted annualised value added by the primary sector recorded a decrease of 10.4 percent, while the secondary and tertiary sectors recorded increases of 3.3 and 1.9 percent, respectively, during the third quarter of 2015.

The unadjusted real GDP at market prices for the third quarter of 2015 increased by 1 percent compared with the third quarter of 2014, the state agency said.

The estimate of GDP for the first nine months of 2015 increased by 1.5 percent compared with the corresponding period in 2014, it added. (APA 25-11-2015)

The Memorandum is supported by the Chamber of Commerce Tenerife, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, NABA - Norwegian-African Business Association and other organisations.



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Fernando Matos Rosa

fernando.matos.rosa@sapo.pt

fernando.matos.rosa@skynet.be