MEMORANDUM

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SUMMARY

EU OPENING A NEW CHAPTER OF RELATIONS WITH THE GAMBIA

Neven Mimica, Commissioner for International Cooperation and Development, is in The Gambia today meeting the newly elected President Adama Barrow and his new Government.

Commissioner **Mimica** made the following statement: *"The peaceful democratic change in The Gambia is the result of the determination of the Gambian people, as well as the regional and international coordinated efforts of the Economic Community of West African States. Gambians have shown commendable resolve, patience and courage during a period of high tension. The EU is fully committed to engage with President Barrow and his Government. We want to be a privileged partner of The New Gambia. In addition to the €75 million package of immediate support signed today, we are already preparing a medium term package of €150 million, which will focus on building the capacities of the State and on job creation."*

This visit is a clear signal of the EU's readiness to provide immediate financial and technical support to the democratic process in The Gambia and its dividends for the population in terms of good governance, respect for human rights and the rule of law. The EU will also step up its support to sustainable and inclusive development of the country in close consultation with the new authorities. The EU is committed to support progress regarding democracy, human rights, good governance and sustainable and inclusive development.

The package of measures, amounting to €75 million, was signed by Commissioner Mimica today. It comprises a project of €10.5 million to reinforce access of the most vulnerable populations, including female-headed households, to markets and socio-economic facilities. This will be done through a feeder road rehabilitation programme. Further, a project of €20.5 million will aim to create growth and employment opportunities, in particular for youth, as well as better access to food. A project of €11.5 will seek to improve food security, e.g. through supporting the provision of food, cash, treatment of acute malnutrition as well as prevention of all forms of undernutrition. Under the EU Emergency Trust Fund for Africa, The Gambia will benefit from a contribution of €11 million aimed at increasing job opportunities for youth. Finally, interventions amounting to €21.5 million in the areas of climate change, food security, support to civil society organisations, democracy and human rights, among others are also part of this first package.

Commissioner Mimica has also announced today the preparation of a second package of €150 million, which will be made available for medium and longer-term actions in favour of the Gambian population. An EU technical mission is visiting Banjul to identify and discuss areas of mutual interest.

Background

The EU-Gambia partnership has helped deliver important development goals for The Gambia, including for example the paving of nearly 50% of the Gambian road network through projects funded by the European Development Fund. Relations have also flourished in other areas such as trade, fisheries and tourism.

The European Union's total allocation for the Gambia under the 11th European Development Fund (EDF) for the period 2014-2020 was set at EUR 150 million. It was decided to start with an initial envelope (EUR 33 million for 2015-2016) to support the development priorities of The Gambia, as defined in the "Programme for Accelerated Growth and Employment" (PAGE 2012-2016). The main sectors of the first phase are Agriculture for economic growth and food security/nutrition and Exit strategy to the transport sector. With the new government in place, the key priorities of the EU in terms of development cooperation include rapidly supporting stability and reconstruction of the Gambian State.

The Gambia also stands to benefit from the regional agenda of ECOWAS, whose priorities are focussed on five areas of intervention, notably, peace and security, infrastructure development, agriculture and resilience, common market and regional competiveness and capacity building.
The Gambia also benefitted from the Environment budget line. A Global Climate Change Action project is being implemented in the area of integrated coastal zone management and climate change. Interventions in the areas of food security, agriculture and rural development, job creation, in particular for youth and women, as well as actions to support civil society organisations, democracy and human rights, are currently ongoing.

The Gambia is eligible for the EU Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa. Since the Valletta Summit, two new actions have been adopted in favour of Gambia for a total of EUR 14,9 million aiming, among others, to offering economic opportunities and jobs to reinforce the capacity of youth. (EC 09-02-2017)

ANGOLA PAYS 2014 AND 2016 ARREARS TO COMPANIES AND INDIVIDUALS

Payment arrears from 2014 and 2016 will be repaid under a strategy approved on Thursday in Luanda by the economic team of the government of Angola.

The Secretary of the Treasury, Mario Ferreira do Nascimento, said at the end of the joint meeting of the Economic Commission and the Commission for the Real Economy of the Council of Ministers that the strategy, which is designed to authorise withdrawals, which were not made due to financial difficulties, prioritises social sectors (education and health) and infrastructure, including ongoing projects under the Public Investment Programme (PIP).

The repayment priorities also include small businesses and individuals, who have payment orders issued in 2014 and 2016 and that as a result of financial difficulties remain in arrears.

The Secretary of State said that this measure will begin to be implemented this month (February) and will ultimately give greater liquidity to companies and, “thus allow them to continue with their investments.”

The settlement of arrears has both a cash and a bond component, “which was necessary to provide liquidity to companies as well as to combat rising prices.”

Ferreira said, however, that small businesses and individuals will not be covered by the payment in cash and Treasury securities.

The Secretary of State said that debts of over 500 million kwanzas (US$3 million) will be paid 30% in cash and the rest in bonds, and all others are left out of this scheme. (10-02-2017)

CHINA MUST ACT MORE WISELY IN GIVING OUT FOREIGN AID, SAYS XI JINPING

Country has provided 600 billion yuan in ‘foreign assistance’ since 1949

China must act more wisely when giving money to foreign countries by “optimising the strategic layout” of foreign aid, President Xi Jinping told a meeting in Beijing this week.

Xi’s comments at the meeting of the Communist Party’s leading small group on comprehensively deepening reform reflect his desire to extract greater returns from China’s spending abroad as Beijing seeks to increase its international influence.

China must “improve management over foreign aid funds and projects, reform the foreign aid administration system and improve the overall results of foreign aid,” the official Xinhua news agency quoted Xi as telling Monday’s meeting.

How China’s development story can be an alternative to the Western model

The country’s foreign exchange reserves have been shrinking rapidly, putting constraints on the financial resources available to Beijing for overseas spending. The reserves fell below US$3 trillion at the end of January, the lowest level in six years.

At the same time, the central government has faced domestic criticism for being too generous when giving money to foreign governments and failing to consider possible returns.

“China needs to make sure that foreign assistance is used in the right places,” said Su Ge, president of the China Institute of International Studies, a foreign ministry think tank.

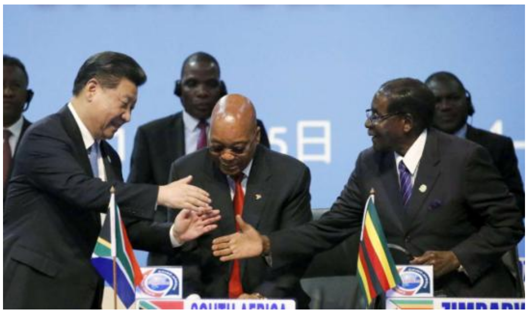
A key foreign aid priority for China was to reduce “wasteful” use of Chinese funds, Su said.

According to a government white paper issued at the end of last year, China has provided 600 billion yuan (HK$678 billion) in “foreign assistance” since the founding of the People’s Republic in 1949. In the early days, foreign aid when mainly to countries with similar ideologies, such as North Korea, North Vietnam and Albania.

Beijing pledged billions to aid developing country over 15 years, says Xi Jinping

A government report in 2014 said China gave 89 billion yuan in foreign assistance in the three years from 2010 to 2012, with half of that going to Africa.

China is trying to boost its global clout via programmes such as the ‘One Belt, One Road” infrastructure initiative and new institutions, including the Asia Infrastructure Investment Bank, and foreign assistance is also expected to facilitate overseas investment.



President Xi Jinping shakes hands with Zimbabwean President Robert Mugabe (right) while South African President Jacob Zuma looks on during the Forum on China-Africa Cooperation in Johannesburg, South Africa, in December 2015

It was “normal” for China to adjust its foreign assistance strategies according to differences in recipients’ levels of development, Liu Naiya, a West Asian and African studies expert at the Chinese Academy of Social Sciences, said. Improving the way foreign aid worked would help China gain an image as “a responsible country in the world”, Liu said.

China’s foreign aid projects have, however, sometimes been criticised as sweeteners offered by Beijing to gain deals abroad.

China says foreign aid budget over six decades tops US$58 billion

Professor Axel Dreher, an economist at the University of Heidelberg in Germany who specialises in international and development politics, said some aid had been diverted to the tribal homelands of African leaders or members of their tribe.

“It thus seems that the aid does not purely finance development,” he said

But given that China stressed the principle of non-interference in recipients’ policies, it “should grant its aid as pure budget support, allowing the recipient government to chose what to use the aid for”. (South China Morning Post 09-02-2017)

NATIONAL BANK OF ANGOLA GUARANTEES CURRENCY TO COMMERCIAL BANKS

The National Bank of Angola (BNA) will continue in 2017 to ensure the transfer of foreign currency to commercial banks, said the Governor of the central bank at a meeting in Luanda, in which he reassured the market about demand for foreign currency.

Valter Filipe, while addressing the first meeting of the BNA Advisory Council added that the priorities with regard to the transfer of foreign currency were focused on the payment of imports that the country needs and said there was stability at national level in terms of food, drugs and raw materials.

“We believe that the major monetary aggregates and tax have been well controlled and this gives a certain stability to the market, which points to better control, both in product prices and inflation itself,” said the governor, cited by state newspaper Jornal de Angola .

The meeting of the Advisory Council, the body that decides on reports and accounts, actions, functions and the monetary and exchange rate policy of the National Bank of Angola, served to publish the Angolan Financial System Adequacy Plan, prepare the monetary and exchange rate policy plan, as well as supervision policy.

The governor also said that the BNA's challenges in 2017 are to strengthen effective banking supervision, in line with international standards, as well as to boost prevention and combat of money laundering, with the technical support of the United States Treasury.

"We must create a credible environment and confidence in the sector, in order to re-establish correspondent bank relations and return to carrying out transactions in dollars and acquire them to finance the economy," said Filipe. (10-02-2017)

MOZAMBIQUE SEEKS $4.16 BILLION FOR WATER AND SANITATION

Mozambique's Minister of Public Works, Carlos Bonete said his country needs up to $4 billion for decent water supply and sanitation for all the 35 million people expected to be living in the country by 2029, APA can report on Thursday.

The official told a meeting of his ministry's cooperation partners that currently 50 percent of the Mozambican population of 23 million has access to safe drinking water, but only a third of the population is covered by decent sanitation and it is racing against time to achieve full coverage by 2030, the cut-off date for the United Nations-backed Sustainable Development Goals SDGs, an enormous challenge and one that Mozambique cannot achieve on its own.

The meeting was held in Maputo on Thursday to present a vision for attaining the SDGs.

The SDGs are the follow-up to the Millennium Development Goals (MDGs) and the 17 SDGs, with 169 targets, were approved by the United Nations General Assembly in 2015, and set a development agenda for a 15-year period, from 2015 to 2030.

The key SDG for Bonete's ministry is the sixth goal, which is "to ensure availability and sustainable management of water and sanitation for all".

This means achieving universal and equitable access to safe and affordable drinking water for all, and access to adequate and equitable sanitation and hygiene for all and ending open defaecation.

"We are aware that what it has been possible to achieve so far was thanks to the aid from our cooperation partners", said Bonete.

The chairperson of the Water Regulatory Council (CRA), Manuel Alvarinho, stressed the need to avoid wasting water.

He called for the harvesting of rain water, and the recycling of water from drainage systems.

"We have to turn water, sanitation and hygiene into great weapons in the fight against poverty", he said "We have to see how we can harvest water from drainage, and rain water" he added.

The Public Works Ministry has divided the period covered by the SDGs into five year chunks.

It breakdown investment of $1.23 billion will be needed in the 2015-2019 period, rising to $1.31 billion in 2020-2024, and to $1.62 billion in 2025-2029 bringing the grand total for the entire 15 year period at $4.16 billion. (APA 09-02-2017)

SOUTH AFRICA: MANUFACTURING AND MINING PRODUCTION END 2016 ON A DECLINE

SA's manufacturing sector, which accounts for an eighth of the economy, was not expected to do well last year, but still performed worse than expected

Output from SA's manufacturing sector, which accounts for about an eighth of SA's economy, ended the year with a decline.

Stats SA's manufacturing output index, which was set to 100 in 2010, came in at 98.5 points in December, a 2% decline from the same month in 2015.

This was worse than economists' expectations, which had not been rosy anyway: Trading Economics had forecast an increase of 0.1% while the Bloomberg consensus was for no change. Total manufacturing output for 2016, however, was 0.8% higher than in 2015.

South African factories sold R160bn worth of goods in December, according to Stats SA. Without taking inflation into account, this was a 5% increase on the R153bn sold in December 2015.

Total manufacturing sales for 2016 came to more than R2-trillion, a 6.5% increase on 2015's R1.89-trillion.

Manufacturing output was down 1.1% in the December quarter. This decrease was mainly due to lower production in the food and beverages sector, which was down 6.2%; and in petroleum, chemical products, rubber and plastic products, which was down by 2.3%

Mining and manufacturing output are two major pointers for the economy's growth prospects. The Reserve Bank's most recent forecast put economic growth for 2016 at 0.4%. Mining output, released earlier on Thursday, decreased by 1.9% year on year in December, and was 2.7% down for the quarter.(BD 09-02-2017)

JAPAN GRANTS $1M TO STEM SOMALIA'S MATERNAL DEATHS

The Japanese government has announced that it has granted $1.067 million to United Nations Population Fund (UNFPA) Somalia to support programmes aimed at health system strengthening in that country with emphasis on returnees and marginalised communities.

The programme focuses on accelerating reduction of maternal and neonatal mortality and related morbidity in Somalia.

The UNFPA Representative, Mr. Nikolai Botev, thanked the Japanese Government for being a reliable partner in the quest to ensure that no woman or child dies during birth.

He said the project is expected to reach 200,000 Somali women of reproductive age, including adolescents in the target locations.

“Reproductive, maternal, neonatal and adolescent health care needs to be improved and made available to all girls and women in Somalia. This is to be achieved through strengthening the overall Somali health systems, making it accessible and affordable for the Somali women and girls, especially those in vulnerable and marginalised population groups,” Botev said in a statement issued in Nairobi on Thursday.

He reiterated UNFPA’s commitment to supporting the increased availability and use of integrated sexual and reproductive health services. (APA 09-02-2017)

KENYANS IN COURT OVER UK-LINKED BRIBERY

Kenyan President Uhuru Kenyatta

Kenyan investigators arrested the former CEO of the electoral commission and two others in dawn raids on Wednesday, the latest twist of a scandal that has already led to Britain’s first conviction of a company for foreign bribery.

President Uhuru Kenyatta is under increasing pressure to curb endemic corruption before elections, which are due in August. His government has been engulfed by financial scandals, although Wednesday’s arrests concern contracts signed before he took office.

Former election official James Oswago was charged in court with receiving bribes from Trevy Oyombra, the agent for British firm Smith & Ouzman, a printing company that won contracts to print election material in past votes.

The men appeared in court with Hamida Ali, who covered her face with a golden veil stamped with the Chanel logo as prosecutors alleged she facilitated payments using her bank account. All three have denied any wrongdoing.

Procurement laws

Prosecutors say the accused used the word "chicken" to refer to cash, asking "have you eaten the chicken?" as code for receiving money.

"As long as Kenyans can see that some people have been taken to court over what has been popularly known as the Chickengate scandal, we believe that the current commission is going to be much more careful in its observance of the procurement laws," said Julius Muraya, a deputy director at the Ethics and Anti-Corruption Commission.

After an investigation by Britain’s Serious Fraud Office, a London court convicted the chairman and marketing manager of Smith & Ouzman in 2014 of paying nearly £500,000 in bribes.

Oswago and other officials were charged in 2014 in cases related to the procurement of voter identification devices and solar lanterns. Those cases have not been concluded. (Reuters 09-02-2017)

BOTSWANA SEEKS TO PRIVATISE NATIONAL CARRIER

The Botswana government has taken a decision to privatize the national airliner, Air Botswana, Yarona FM radio station reported here Thursday.

The Deputy Permanent Secretary at the Ministry of Transport and Communications, Isaac Moepeng told the station that the decision to privatise the airliner was based on reducing government's financial commitments, and to grow the aviation sector and its contribution to the economy through private sector participation.

Moepeng reportedly said the government further seeks to engage the private sector in the ownership and management of Air Botswana to ensure continued provision of air travel services in the domestic, regional and international markets.

Meanwhile, the Permanent Secretary in the Ministry of Transport Elias Magosi said the airline management with the board and the Ministry were working together to try and stabilise the operations of Air Botswana with a view to implementing a sustainable operating model. (APA 09-02-2017)

EXPORT TERMINALS CLOSED - NIGERIA'S STRUGGLE TO BOOST OIL OUTPUT GOOD FOR OPEC

Fire burns on the Shell Petroleum Development Company Trans Niger pipeline at Mogho, Gokana in Rivers state, Nigeria

Nigeria's progress in curbing militant attacks has not boosted its oil output much and, while that is bad news for a country mired in its worst economic slump in 25 years, it is making life easier for fellow Organisation of Petroleum Exporting Countries (Opec) members.

Africa's largest economy was pumping about 1.5-million barrels a day in January, 30% below what it was hoping to achieve and only a modest recovery from an almost 30-year low of 1.4-million in August.

While peace efforts have curbed the frequency of attacks in the oil-rich Niger River delta, the Forcados export terminal, the country's third largest, remains closed and shipments are down at many others.

If these disruptions persist they could have an unintended consequence: helping Opec boost oil prices.

"Bringing the Forcados loading terminal back into action is key for Nigeria's exports," said Charles Swabey, an oil and gas analyst at BMI Research.

If the government followed through on the peace process, then Nigeria could become "a drag" on Opec's push to rebalance the market, Swabey said, "and will likely slow the process down".

When Opec and 11 other producers forged an accord in December 2016 to reduce their production to eliminate a global oversupply, conflict-prone Nigeria and Libya were exempt. So a significant production increase from either nation would make it harder for the group to fulfil its pledge to reduce output by almost 4%.

Amid signs that US output is recovering and prices stalled in the mid-$50 a barrel, Opec can ill afford to have its own members diluting its historic deal.

Global benchmark Brent was trading $54.74 a barrel, down 0.6%, as of 11am London time on Wednesday.

Peace dividend

Since the start of negotiations in November 2016 with militants — most of whom call themselves the Niger Delta Avengers — Nigeria's Minister of State for Petroleum Resources Emmanuel Kachikwu has said there would be a peace dividend in terms of improved oil production. In November, the minister was targeting output of 2.2-million barrels by the end of 2016.

In reality, many of the country's largest export terminals are experiencing disruptions. Kachikwu predicted that Forcados, which shut down in February, would restart in June, then September, then October.

There was currently "no update" on when the facility could resume operations, said Precious Okolobo, a Lagos-based spokesman for operator Royal Dutch Shell.

Exxon Mobil said Qua Iboe, the nation's largest crude stream, was still operating at reduced capacity as repairs were being completed to damage on its pipeline. (Bloomberg 09-02-2017)

SWAZILAND EXPECTS POWER OUTAGE AS MOZAMBIQUE TRANSPORTS HUGE GENERATOR TO S/AFRICA

A part of Swaziland will experience power shortage while Mozambique transports a huge transformer to South Africa by road via Swaziland on Thursday.

The power outage will be as a result of Swaziland giving GTE, a Mozambique-based company, permission to travel through the country while taking the equipment for repairs in South Africa during which there will be interruption in electricity supply, according to the Swaziland Electricity Company (SEC).

Due to the size of the load, SEC has been requested to dismantle some of the power lines along the route on which the load will travel for safety reasons and this will be restored after three hours.

"The abnormal load will come in through the Lomahasha border and exit through the Lavumisa border. The vehicle that will be carrying the load will be travelling at 20km/hour," said SEC spokesperson Sifiso Dhlamini.

Dhlamini told the media through a statement that it was not known when the transformer will be transported back to Mozambique after the repairs.

He mentioned that this was the first arrangement to be made between the two countries. (APA 09-02-2017)

KENYA'S HIGH COURT BLOCKS CLOSING OF WORLD'S LARGEST REFUGEE CAMP

On Thursday, Kenya's High Court blocked the government's decision to close the Dadaab refugee camp — the world's largest — and to send Somali refugees home. Judge John Mativo ruled that the plan to shut down the camp was unconstitutional and amounted to persecution of refugees.

Dadaab is home to some 256,000 people, the vast majority of them Somalis, who fled across the border following the outbreak of civil war in 1991. The government has taken a hardline stance on the sprawling camp, saying it acts as a terrorist training ground for al-Shabaab Islamists, and repeatedly stating its intention to deport all Somali refugees.

However, Mativo ruled that "the government decision specifically targeting Somali refugees is an act of group persecution, illegal, discriminatory and therefore unconstitutional". The shutdown was ordered without proper consultation of people affected by the decision, in violation of the constitutional right to fair legal proceedings, he said in his ruling, "Hence, the said decision is null and void."

He said that sending refugees home would be in breach of Kenya's obligations under international law. The ruling also blocks the government's decision to disband Kenya's department for refugee affairs. The government can appeal the court ruling, which comes after the Kenya National Commission on Human Rights and rights group Kituo Cha Sheria filed a case challenging the legality of the shutdown.

Amnesty International's East Africa chief Muthoni Wanyeki hailed the ruling. "Today is a historic day for more than a quarter of a million refugees who were at risk of being forcefully returned to Somalia, where they would have been at serious risk of human rights abuses," Wanyeki said. "This ruling reaffirms Kenya's constitutional and international legal obligation to protect people who seek safety from harm and persecution."

The government caught refugees, aid groups, the UN and Kenya's Western partners off guard last May when it announced plans to shut down the huge camp near the border, citing security concerns. Since sending troops into neighbouring Somalia in 2011, Kenya has come under repeated attack from al-Qaeda-linked al-Shabaab militants.

The government has presented Dadaab as a security risk, saying Somali Islamists inside the camp planned the al-Shabaab attacks at Nairobi's Westgate shopping mall in 2013 and the Garissa University attack in 2015, though it has not provided evidence. Authorities initially planned to close Dadaab at the end of November, but delayed the shutdown until May 2017 at the request of the UN refugee agency and against a backdrop of growing accusations of forced refugee returns to Somalia.

In September, Human Rights Watch warned that the repatriation of Somalis from the camp violated international standards and that refugees were returning home involuntarily only to face persecution and hunger. The Kenyan government dismissed the report. (AFP 09-02-2017)

SOUTH AFRICAN AIRWAYS TO SUSPEND FLIGHTS TO ABUJA

South African Airways (SAA) will suspend flights between Johannesburg and Abuja in Nigeria next month, the airline announced on Thursday.

The suspension of the national carrier's tri- weekly non-stop flights between Johannesburg and Abuja is due to the upgrade work on the runway at the Nnamdi Azikiwe International Airport, the airline said.

The suspension will start on 6 March 2017, it added.

"The airport authorities in Abuja announced that they will close Nnamdi Azikiwe International Airport on 8 March for a period of six weeks in order for scheduled repairs and upgrade work to be carried out.

"South African Airways regrets any inconvenience to our customers but we would like to give the assurance that all affected customers will be accommodated on our flights to and from Lagos," SAA spokesperson Tlali Tlali said.

Flights from Johannesburg to Abuja and from Abuja to Johannesburg will be affected by the suspension, Tlali said.

"As a network carrier, we considered an option to fly elsewhere in Nigeria during the repair works. However, such an option did not prove viable for us, given its implications on our network, as it would impact on aircraft availability and connectivity for our passengers," he said. (APA 09-02-2017)

SWITCHMED PROGRAMME HELPS MOROCCO IMPROVE ITS INDUSTRY MODEL THROUGH ECO-INNOVATIVE TECHNOLOGIES

Eco-innovative technologies from the EU were presented to Moroccan businesses at a B2B event organised in Casablanca by the EU-funded SwitchMed programme. The technologies could help the Moroccan industry to embrace new and more environmentally friendly production techniques – an investment where serious returns for the businesses and the environment are to be made.
Stakeholders from the Moroccan industry had the opportunity to meet 17 European businesses, introducing EU funded eco-innovations during the SwitchMed B2B event. The eco-innovative solutions, deriving from the framework of EU´s Eco-Innovation and Life programme, had been carefully selected to match the needs and characteristics of the Moroccan manufacturing sector for maximum effect.
"Eco innovative solutions do not only help business to better save resources, they also represent a paradigm shift, as well as a huge, hidden, business opportunity that will unlock new ways to make and export clean products around the globe, and create innovative businesses that are more sustainable and competitive in the long run ", Raul de Luzenberger, Deputy Head of EU Delegation in Morocco.
During the event Moroccan SMEs and industry stakeholders were able to enter in 70 business consultations with the businesses from the EU, exploring new technology solutions for their operations that could help them save costs while at the same time generate more revenues out of their production.

The SwitchMed B2B event has to date been held in Lebanon, Tunisia and Morocco, and has generated over 200 business contacts between local industries and EU eco-innovation providers.
This B2B event was to a large degree complementary to the activities carried out under the MED TEST II project in the framework of the SwitchMed programme, which seeks to establish new resource efficient production patterns in the Southern Mediterranean that could help industries to operate at a lower cost for the business and the environment.
The next SwitchMed B2B event will be take place on 27 February in Cairo.
The SwitchMed sustainable consumption and production programme aims to promote a switch by the Mediterranean economies towards sustainable consumption and production patterns and green economy, including low-emission development, through demonstration and dissemination of methods that improve resource and energy efficiency. It also seeks to minimise the environmental impacts associated with the life cycle of products and services and, where possible, to promote renewable energy. (SwitchMed 09-02-2017)
SwitchMed - Switching to more sustainable consumption and production in the Mediterranean

AFRIQUE DU SUD : LE SALAIRE MINIMUM A 244 EUROS MIS EN PLACE EN MAI 2018

Au Cap, en Afrique du sud, en juillet 2012

Les syndicats et le gouvernement sont parvenus à un accord pour l'entrée en vigueur d'un salaire minimum de 3 500 rands par mois en mai 2018 (soit 244 euros), a indiqué ce mercredi le vice-président sud-africain Cyril Ramaphosa.

Ce cacique de l'ANC, le parti sud-africain actuellement au pouvoir, a assuré publiquement que la mesure qui divisait le patronat et les syndicats de salariés entrerait bel et bien en vigueur en mai 2018.
Les soutiens de la mesure estiment qu'elle est à même de relancer la croissance atone de l'Afrique du sud, et de limiter les grandes grèves qui éclatent régulièrement dans le pays, tout particulièrement dans son secteur minier.
Côté employeurs en revanche, la perspective d'un salaire plancher inquiète. Ils assurent qu'ils ne pourront pas s'en acquitter. Chômage garanti, tonnent-ils — ce dont l'Afrique du Sud, avec son taux de chômage à 27,1%, n'a pas besoin.
« Nous avons trouvé le bon équilibre », a voulu rassurer Cyril Ramaphosa, cité par *Reuters,* indiquant que certaines entreprises pourraient être exemptées du salaire minimum pendant une durée de 12 mois.

Un serpent de mer

Prudence cependant. Déjà, fin 2015, le même Cyril Ramaphosa, affirmait qu'un accord allait intervenir rapidement. « C'est un signe d'amélioration du climat social, mais la mise en œuvre doit être suivie avec attention », a confirmé Dennis Dykes, le chef économiste de la Nedbank, assurant que la création d'emplois induits n'était absolument pas garantie
Cyril Ramaphosa avait constitué, en août 2016, un panel d'experts chargés de plancher sur le salaire minimum, dont les conclusions avaient été rendues publiques en novembre de la même année.
Celles-ci préconisaient de fixer un salaire minimum de 3 500 rands par mois (244 euros). Une mesure qui devait être entérinée par le Parlement sud-africain en juillet 2017, rapportait alors le quotidien économique français *Les Échos.*
Car quand bien même la moyenne des revenus s'établissait à 18 045 rands en mai 2016 (1 256 euros selon Statistics South Africa), le rapport commandité par Cyril Ramaphosa indiquait que 41% des actifs sud-africains gagnent un salaire mensuel inférieur à 230 euros par mois. Selon ce même document,

près de 30 millions de personnes dans le pays − sur 56 millions d'habitants − vivraient sous le seuil de pauvreté.

Un rapport du Bureau international du travail (BIT) datant de 2010 faisait pour sa part remarquer que les salaires miniums étaient prévus par la loi dans de nombreux pays africains. Les premiers pays du sud du Sahara en terme de valeur absolue du salaire minimum prévu étaient le Kenya (205 dollars), le Gabon (182 dollars), le Bostwana (159 dollars) ou le Burkina Faso (124 dollars).(JA 09-02-2017)

NIGERIA: MTN TO REPORT FIRST FULL-YEAR LOSS

Nigeria fine still haunts mobile operator as group restructures operations and installs new management

MTN's share price slumped about 7% in early trade on Wednesday after the mobile network operator warned it would report its first full-year loss.

The group blamed the multibillion-rand fine imposed by Nigerian legislators for flouting customer registration rules, losses from joint ventures and associates and poor performance from its two biggest operations in Nigeria and SA.

MTN's share price recovered to close 1.7% down at R115.75.

Mergence Investment Managers portfolio manager Peter Takaendesa said the market reaction suggested the trading update was marginally lower than market expectations.

MTN expects to report a loss in basic headline earnings per share and headline earnings per share for the 2016 financial year. In the 2015 financial year, MTN reported headline earnings per share of R12.04 and earnings per share of R7.46.

The Nigerian regulatory fine is expected to have an estimated negative effect of 474c on earnings per share and headline earnings per share.

MTN Nigeria's first-half performance was affected by the disconnection of 4.5-million subscribers in February 2016 in compliance with the law, the withdrawal of regulatory services that was resolved in May 2016, the weak economy and the depreciation of the n aira against the US dollar.

However, most of the items that have affected the results were nonrecurring, said Takaendesa. The Nigeria fine was fully provided for in 2016 earnings as a largely noncash charge to the income statement and would not affect earnings going forward, but MTN would pay cash instalments over the next three years.

"In a nutshell, the fine will no longer have a material impact on earnings, but will affect the cash flow of the Nigeria operations," said Takaendesa.

He said MTN had faced a rare combination of cyclical and significant regulatory headwinds in 2016. "We, therefore, expect earnings to recover strongly over the next three years, helped by easing cyclical pressures as well as a stronger new management team," he said.

The disappointing results from MTN SA in the first six months were largely due to poor postpaid performance as a result of handset shortages and poor network quality in some areas.

MTN has since restructured its operations and brought in new management to turn around the business.

Matthew Auerbach, of Capricorn Fund Managers, said MTN could be setting a clean base off which the new management could work. "Without the details, one can speculate that certain provisions or impairments may have been taken," he said.

Weaker economic growth in a number of African countries would remain a challenge in the near term but the longer-term prospects of the African telecoms market remained attractive, said Takaendesa.

Bruce Main, a money manager at Ivy Asset Management, told Bloomberg there "have been systemic management issues for the last two or three years that have resulted in MTN reacting to external shocks and putting out fires".

The company should be "paying attention to regions where they are actually profitable and so they have lost some market share", he said.(BD 09-02-2017)

KENYA'S NUCLEAR ENERGY AMBITION GETS IMPETUS

Kenya's nuclear energy has received the much needed impetus after France showed interest in aiding the East African nation to realize the dream of building Africa biggest nuclear plant from 2022.
While France is a world leader in nuclear energy and brags of third generation reactors recognized as European pressurized reactors (EPR), whose technology is owned by French giant Areva reactors, the proposed deal might not go slickly.
France is one of the five after China, Russia, South Korea and Slovakia, which had earlier indicated interest in manpower development and skill exchange.
But unlike other suitors, France has guaranteed not only technical support but to assist in easening the financial burden expected to cost Kenya more than US $5billion dollars.
The multi-billion dollar Kenya's nuclear energy ambition deal will make the eastern nation, the second Africa nation with a nuclear reactor after South Africa.
Even though the planned reactor is still a work in progress, the reactor will not only challenge the two already in South Africa but will also be the largest to meet the mounting electricity demand in the nation.
Speaking, French Economy and Finance minister Michel Sapin said the nuclear-rich European nation was looking to provide Kenya technical, engineering and financial support to develop reactors.
Mr. Sapin said that France was looking for deals with Nairobi like the ones it come into with South Africa on nuclear power development.
"We have conveyed our willingness to support the construction of the plants. Our support entails everything from expertise to funding," Mr. Sapin said on Sunday after finishing his two-day visit to Kenya during which he presided over the return of Peugeot assembly to Kenya.
Kenya's first proposed reactor will have a capacity of 1,000 megawatts (MW), which is equal to 42 per cent of the nation's present installed electricity capacity.
While there are concerns about the proposed reactor's safety, The Institute of Science and Technology of the University of Nairobi director, David Maina praised the initiative. In a firm manner, has advised the African Union, to invest more in this region. In addition, Maina suggested East Africa to be responsible for its development, which would make the region "a creator of skilled jobs for Africans."
France has over the years signed numerous pacts with South Africa whose two power plants were built by French firm Areva.
Energy experts from Italy and Germany last October, however, recommended Kenya to drop the plans to build nuclear reactors and in its place exploit its immense renewable energy resources for power generation.
They think that Kenya is better off developing more geothermal wells, solar parks and wind farms.
Energy in Africa continues to be a major hindrance to industrialization badly needed to spur growth on the continent.(CRO 08-02-2017)

MIGRATION: MOGHERINI PUSHES VALLETTA ACTION PLAN FORWARD AND CONCLUDES FIRST TRAINING OF LIBYAN COASTGUARDS

EU High Representative Federica Mogherini reaffirmed the EU's commitment to implement the Valletta Joint Action Plan to manage migration through cooperation and partnership with third countries. She was yesterday in Malta for a meeting on migration with Senior Officials from Europe and Africa, and to deliver diplomas to the first group of Libyan coast guards trained by the EU.

"I believe our presence here is a political statement", Mogherini said introducing the Senior Officials Meeting to discuss the progress made in the implementation of the Valletta Joint Action Plan. "With this gathering we are reaffirming that migration can only be managed effectively through cooperation and partnership" between European and African countries, the High Representative explained. "There are forces all around the world pushing for a totally different approach: an approach based on confrontation instead of cooperation; on building walls instead of building partnerships; on closures and bans rather than dialogue. This is not the European way and I believe this is not the African way. This is not the way we share around this table."
The Valletta Action Plan was agreed in November 2015 at a meeting of European and African leaders. Mogherini praised the ongoing cooperation not only with African countries, but with UN agencies and non-governmental organisations.
On board the San Giorgio, Mogherini delivered the first diplomas to 89 Libyan coast guards, trained in the context of Operation Sophia. Their training aimed at strengthening the Libyan capacity to save lives and fight human smuggling, but also to secure the Libyan coasts and to prevent the illicit traffic of weapons, drugs and oil.
“Libya does not need patrons telling Libyans what to do. Libyans need partners and friends, loyal and respectful who can accompany and support all Libyans to find the unity and build the capacities that your citizens need. And I believe this is the best example of a partnership that delivers for everyone: a true win-win partnership,” said Mogherini.
The training was carried on thanks to the personnel of EU Operation Sophia, with contributions from European Member States and international organisations: "This is the European way to do things together, as a Union and with our partners," Mogherini concluded. (EEAS 09-02-2017)
Malta Declaration

ZIMBABWE’S KARIBA HYDROPOWER DAM TO GET MORE WATER ALLOCATION

The Zambezi River Authority (ZRA) has announced that Zimbabwe can expect an improvement in its power supply, as the Kariba South Hydroelectric Power Station is set to receive increased water supply.

The hydropower plant is expected to increase its generation capacity to 485MW on average this year, from 285MW the previous year, going up by approximately 70%, local media Bulawayo24 reported.
“ZRA has increased our electricity generation capacity from 285MW to 485MW. Of that amount, we are exporting about 80MW to NamPower, Namibia,” said Joshua Chirikutsi, Acting Managing Director at Zimbabwe Power Company (ZPC). ZPC is a unit of ZESA Holdings, responsible for power generation.
This is the first time in two years that ZRA, which manages the Zambezi River waters and the use of Lake Kariba, on behalf of the governments of Zimbabwe and Zambia, has adjusted the power station’s electricity generation capacity.

Kariba Hydropower Dam

Additionally, the Kariba South Hydroelectric Power Station has capacity to produce 750MW, but has been producing 285MW due to low water levels.
Back in 1997 the hydro plant went through refurbishment, which was followed by an up-rating process in 2003. The upgrades enabled the plant to increase its generation capacity to 750MW.

General refurbishment

According to Kenneth Maswera, the plant’s General Manager, the station is carrying out several plant refurbishments to maintain generation reliability. The major capital projects are driven by residual life assessments – to prioritise the more critical plant areas ahead of others.
However, about US$48 million had been set aside for the general refurbishment of the project. New transformers are said to have been installed at the existing plant and governor modernisation has also been completed.
Expansion work at the power station, which is being undertaken by Chinese contractor Sino Hydro, will result in the construction of two additional units expected to contribute 150MW each to the national grid, media stated.
The first unit is expected to be completed by December this year and the remaining unit would be commissioned by March next year.(CRO 08-02-2017)

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, AHEAD-GLOBAL, Business Council for Africa, Corporate Council on Africa, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABA - Norwegian-African Business Association, NABC- Netherlands Africa Business Council, SwissCham-Africa and other organisations.
The Memorandum is also made available by AHEAD-GLOBAL, BCA, Chamber of Tenerife (by posting it at the Africa Info Market), CCA - Canadian Council on Africa, CCA - Corporate Council on Africa (USA), ELO,HTTC ,NABA,NABC (by posting selected news) and SwissCham-Africa to their Members.

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Brussels Briefing 47: Regional Trade in Africa: Drivers, Trends and Opportunities

Experts at the 47th Brussels Development Briefing on the topic of "Regional Trade in Africa: Drivers, Trends and Opportunities" all agreed that Africa's largest market opportunity lies within the continent. The event, which was held at the ACP Secretariat on Friday 3 February 2017 attracted an audience of close to 200 people, who joined the organisers to discuss the progress made in integrating Africa's regional markets, and to explore suggestions for overcoming barriers to intra-African trade. Key findings from the African Agricultural Trade Status Report (AAFTR) 2017 by CTA and IFPRI were also presented at the Briefing. The event was co-organised by CTA, the International Food Policy Research Institute (IFPRI), the European Commission / DEVCO, the ACP Secretariat, and CONCORD.

"When you come to look at intra-African trade, you can see the contrast between raw products exports to the rest of the world, and greater value added exports within Africa" said keynote speaker Dr. Mukhisa Kituyi, Secretary-General of UNCTAD, who weighed in on some of the most topical issues that are facing the continent's trade landscape. Given the uncertain economic climate of Africa's major international export destinations, Dr Kituyi was keen to emphasise the resilience that African economies can develop through enhanced intra and inter-regional trade.

The potential of intra-African trade to deliver greater value addition and productivity for the agricultural sector was repeated by a number of the distinguished panellists. However, in order for this to be realised, the scale, diversity and fluidity of cross-border transactions has to be significantly augmented.

In his presentation on trends in Africa's regional trade, Dr Ousmane Badiane, Director for Africa at IFPRI noted that in terms of agricultural products, although African countries are the destination of only 20% of African exports, there has been a notable increase in the competitiveness of its regional markets, which augurs well for domestic agribusiness. This is on top of the opportunities arising from changes in demand and consumption due to the demographic transitions Africa faces. For example, the most rapid growth in intra-regional agricultural trade West Africa has been higher-value goods such as fish and animal products as well as vegetables and food oils.

Various recommendations on easing cross border trade were shared by the panellists, including Dr Badiane who argued that removal of "harassment costs" would have the biggest effect on intra-regional trade. This was echoed by Annette Mutaawe who demonstrated a number of initiatives supported by TradeMark East Africa to achieve just that. These include technology innovations, such as a mobile phone platform which allows women small scale producers to access available trucks to take their goods to market. This comes in addition to support for East African government agencies dealing with customs and transportation in order to streamline procedures, reduce costs and delays in moving goods across borders.

"Agriculture produce is perishable – if you're not able to take it through the borders quickly, that's a huge problem. We found that there is a huge opportunity for women entrepreneurs to do business".

Annette Mutaawe, TradeMark East Africa

Access to finance remains a predominant concern for Africa's farmers, agribusinesses and small and medium enterprises, as well as for governments to fund large infrastructure-related projects that could ease the costs of trade between countries. It is in this context that Ishmael Sunga, CEO of the Southern African Confederation of Agricultural Unions (SACAU) and Nana Osei-Bonsu CEO of Ghana's the Private Enterprise Federation (FEED Africa) gave examples of successful PPPs – both public-private partnerships and private-private partnerships – as a way for producers to strengthen their presence in the marketplace and their negotiating power vis-à-vis other players in the value chain, notably banks and offtakers. The African Development Bank's Josephine Mwangi spoke to the need to reduce the risk in agricultural investment, an area that the bank is already working on through its FEED Africa initiative and mobilisation of funding to finance Africa's agricultural transformation.

Greater intra-African agricultural trade will depend not only on the actions of businesses and governments, but also on regional and partner institutions who can provide catalytic action on a wider scale. At the regional level, organisations such as Alliance for Commodity Trade in Eastern and

Southern Africa (ACTESA), which is part of the COMESA regional block, have created an enabling environment through partnerships and investments that promotes intra-regional trade in fertilisers and other inputs.

The European Commission used the Briefing as an opportunity to make a strong presentation of its support for regional trade in Africa. According to Sandra Gallina, Director for Sustainable Development at DG Trade, in terms of the Economic Partnership Agreements (EPA) "there are gains that can be made within EPA regions, as well as between EPA groupings through the opportunity to cumulate... this regional preference is what we see in the intra-regional EPA game as massively important." This spoke directly to concerns about the implications of the EPAs for regional integration in the ACP, particularly for Africa. In his closing remarks, Roberto Ridolfi, Director for Sustainable Growth and Development at DG EuropeAid, presented ongoing and future engagements by the European Commission to support electrification and agribusiness financing for Africa (ElectriFI and AgriFI respectively). Both these instruments aim to reduce the risk of investing into these two priority areas for Africa's regional development, and make it easier to leverage funds from both private and public sources. Ridolfi further stressed that aid instruments must be used to leverage private finance in order to scale up successful businesses, and agreed on the need to develop an online platform which consolidates all the information on the various EC programmes supporting trade.
CTA's director, Michael Hailu, also expressed a wish to see regional trade in Africa leading to the creation of more jobs and opportunities in rural areas, and for increased private sector involvement. In terms of future activities, CTA will be engaging with DG Devco in a preparatory exercise in April or May, which will feed into the EU-Africa Business Forum that takes place during the European Development Days 2017 (June in Brussels). A declaration by business leaders and CEOs will be presented to the EU-African Union Summit, which is scheduled to take place in Abidjan in November 2017.

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