# MEMORANDUM

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## SUMMARY

## TUNISIA: EBRD ASSISTANCE FOR CAPACITY BUILDING ON PUBLIC PROCUREMENT

The European Bank for Reconstruction and Development (EBRD) announced its intention to strengthen its assistance to Tunisia for its public procurement, including through the provision of an expert.
The Bank is already working with the Government of Tunisia for training court directly to members of the Investigation Committee on Public Contracts, created in 2012 for the review of complaints and disputes (transparency, equal treatment of participants and fair competition).

“While the review and remedies procedures established by the new public procurement legislation in Tunisia are rather easy to follow and free of charge, it is not undertaken in a timely manner, due to the bureaucratic character and lack of judicial skills”. It is added.
To improve this situation, EBRD intends to engage a consulting company to assist to design a specific training programme. (EBRD 03-02-2016)
http://www.ebrd.com/work-with-us/procurement/pn-51179.html

## BOTSWANA RECOGNISED FOR MALARIA FIGHT

Botswana was presented with the 2016 African Leaders Malaria Alliance (ALMA) award for achieving the Millennium Development Goal (MDG) target for Malaria at the recent Assembly of the African Union, Foreign Affairs Minister Pelonomi Venson-Moitoi said Friday.
Addressing a press conference in the capital Gaborone, Venson-Moitoi said ALMA held its annual meeting on the margin of the AU summit to celebrate Africa’s unprecedented progress in the fight against malaria as well as recognise the good efforts of African countries in this regard.

“In receiving the 2016 ALMA Awards for Excellence, Botswana was joined by Cape Verde, Eritrea, Namibia, Rwanda, Sao Tome and Principe, South Africa and Swaziland,” said Venson-Moitoi.

She said Botswana was also honoured by the Chairperson of the African Union Commission Dr Nkosizana Dlamini-Zuma, in recognition for her contribution and solidarity in the fight against Ebola.(APA 05-02-2016)

## LIBERIA: CHINESE MINING GIANT VOWS TO STAY DESPITE MARKET DOWNTURN

The management of China Union which mines iron ore in Bong Mines, Bong County has assured Liberia that it has no intention of closing its operations despite a price drop for the mineral on the world market.

In a statement sent to the African Press Agency on Friday, China Union, noted that it is committed to improving the country's economy in the face of the global economic meltdown occasioned by the drop in the price of iron ore on the world market.

The management however indicated that due to grave economic challenges, it has cut down its expatriate Chinese workforce by 80 percent as part of austerity measures to remain in the mining business in Liberia.

The Chinese mining giant emphasized that despite the huge loses being experienced by companies in the mining sector including China Union for which many have had to declare bankruptcy and shut down, it will not abandon its operations in Liberia.

The company pledged to remain continuously engaged in Liberia and at the same time continue to do what it can to help improve the livelihood of Liberians.(APA 05-02-2016)

## EBRD: REFUGEE CRISIS RESPONSE PACKAGE OF €900 MILLION

The EBRD is joining international efforts to tackle the refugee crisis caused by the civil war in Syria, with a financing package that could be worth €900 million to support private sector and infrastructure projects in some of the worst affected countries.

Among the countries where the EBRD invests, Turkey currently houses more than 2 million refugees from Syria alone, while Jordan has an estimated 1.4 million people who have fled their homes.

Speaking at a conference in London on Wednesday, EBRD President Sir Suma Chakrabarti said the Bank was building a pipeline of infrastructure and private sector investment projects in Turkey and Jordan to support refugee-hosting communities.

The EBRD would be able to finance up to €500 million in new transactions subject to mobilising an additional €400 million in grants, the President said.

"In order to contribute to the mobilisation of grant funding, management will propose to shareholders an allocation from the Bank's net income of around €100 million over a period of three years, from 2016 to 2018, subject to appropriate governance rules and to the Bank's continuing profitability. Management will propose to shareholders an initial allocation of €35 million in 2016," he added.

The EBRD is already an important investor in these countries. The Bank invested €1.9 billion in Turkey in 2015 and plans to continue providing a high level of finance. Investments have grown strongly in the southern and eastern Mediterranean region, which includes Jordan, and exceeded €1.4 billion last year. The Bank is working towards becoming operational in Lebanon later this year, subject to a decision by shareholders.

One day ahead of the Supporting Syria and the Region conference 2016 in London on 4 February, the EBRD was staging a high-level round of discussions aimed at attracting private sector engagement to help solve the challenges of the refugee crisis.

Speaking ahead of the EBRD conference, "Enabling the Private Sector to Support Refugee-Hosting Communities", President Chakrabarti said, "This is a serious crisis and failure to address the issue will only make matters worse. We must act now."

Key speakers at the conference included Imad Fakhoury, Minister of Planning and International Cooperation of Jordan, Muhammed Murtaza Yetiş, Chief Advisor to Turkey's Prime Minister and responsible for Refugees and Humanitarian Aid, and Elias Bou-Saab, Minister of Education of Lebanon, who were due to present their approaches to engaging with the private sector as part of their national refugee integration policies.

Panels focused specifically on private sector engagement in response to the refugee crisis and on exploring new economic opportunities in the host communities.

The conference also assessed opportunities and obstacles for the employment of refugees, including the availability of legal work permits. The prevalence of informal employment across a variety of sectors and types of enterprises was the focus of the first session.

Participants looked at small business initiatives for refugees and their host communities, including ways to enhance access to financial services and to finance, as well as facilitating access to livelihoods through skills mapping and skills verification and private-sector apprenticeships.

The EBRD strategy for responding to the refugee crisis aims to address infrastructure challenges in affected countries, support small business initiatives and seek to offer employment opportunities, especially to the young.

The EBRD's first project in this context is a US$ 14 million loan to upgrade the strained infrastructure for wastewater in Jordan. Support for rehabilitation and upgrade of infrastructure, and improvements in public services for water, wastewater, solid waste and urban transport, are priorities in Jordan, which is under pressure from the sharply increased numbers of users.( EBRD 03-02-2016)

## AG MOBILE LAUNCHES IN NIGERIA

African mobile technology brand AG Mobile has launched in Nigeria. Recognised as one of the continent's first ODM (original design manufacturer), it was the first South African brand to release its own mobile device in 2007.

This is the ninth African country where AG Mobile phones and tablets are available, and the first where its launched independently of a retail partner.

According to AG Mobile CEO Anthony Goodman this development forms part of the brand's expansion strategy to provide more Africans with affordable, quality products while investing in markets that offer mutually beneficial opportunities. "As a proudly African brand we believe that we will bring great value to Nigeria. We've started by building relationships with well-respected brands such as MTN, Etisalat, Ringo and Jumia, creating employment opportunities, and supporting the networks' objectives to advance Nigeria's connectivity from 2G to 3G."

Goodman continues, "While our initial marketing roll-out covers Lagos, Abuja, Port-Harcourt and Kano, our reach is national. Our Android, feature-rich devices are available online via Jumia, from MTN and Ringo outlets, as well as independent dealers across the country. We're also completing the installation of our first retail space at the Ringo Arena in the Computer Village in Lagos and will be rolling-out similar outlets where customers can experiment with live devices before they purchase them. Any repair issues will be administered at an in-country repair centre."

Having launched nearly 60 device models Goodman insists that the brand meets the needs of its customers. "Today's phone users want devices with advanced specifications and features, that are supported by exceptional customer service. AG Mobile offers this and more – free value added elements, pre-loaded social networking apps and a one-year warranty."

Goodman maintains that the high-level functionality of AG Mobile devices is largely due to an established strategic partnership with MediaTek Inc., a global leader in fabless semiconductor design. "MediaTek's smartphone chipset platforms equip our devices with multi-core processors, excellent power efficiency and comprehensive network technologies support. Our relationship is based on shared goals to drive innovation and make technology more affordable and accessible for more people."

Goodman concludes, "With good initial sales and a growing following on social media we're confident that AG Mobile will find its way into the hearts of Nigerians, just as it has across the African continent."(IT News Africa 03-02-2016)

## ONLY ONE COMPANY INTERESTED IN MANAGEMENT OF CABO VERDE'S PORTS

Enapor – Portos de Cabo Verde is negotiating to hand over the management of the main ports of the country on a sub-contractor basis with the only interested party that has not given up on the international tender, Cape Verdean newspaper Expresso das Ilhas reported.

The newspaper also wrote that all the other companies that initially expressed interest had dropped out, according to information from Enapor.

On Wednesday, the Cape Verdean Official Bulletin published the government authorisation for Enapor to proceed with a sub-concession on the ports of Praia, Porto Grande, Sal-Rei and Palmeira.

The president of Enapor, Carlitos Fortes, said in October 2015 that his organisation had received expressions of interest from 11 companies in Europe and Asia, adding that more than half met the technical requirements to proceed to the second stage of the tender.

The list had interested companies based in Portugal, the United Kingdom, the Netherlands, Philippines, Turkey, China and Singapore. (05-02-2016)

## TWO COMPANIES PLEDGE TO CONTINUE OPERATIONS IN LIBERIA

Arcelor Mittal-Liberia and Firestone-Liberia have assured President Ellen Johnson Sirleaf of their commitment to continue their operations in Liberia, despite the global crisis.

According to a presidential mansion press statement received by APA on Monday, the managements of the two companies, however, advanced a number of proposals that will enhance their plans to remain operational, but
the statement did not spell them out.

They pointed out that they cannot abandon Liberia during such a difficult time and expressed the hope that the current global situation will improve.

The Arcelor Mittal-Liberia and Firestone-Liberia managements gave the assurance during separate meetings with President Ellen Johnson Sirleaf at her temporary Foreign Ministry office in Monrovia at the weekend.

According to the statement, the Liberian leader and the two management teams discussed means of mitigating the impact of the current global meltdown in the prices of both natural rubber and iron ore on the global market.

In her remarks, President Sirleaf thanked the two delegations for committing themselves to remain operational in Liberia despite the current global crisis and assured them of government’s commitment to working with them to achieve their goals.

She instructed relevant sector agencies and ministries to sit with the two companies to discuss the measures being proposed to find a way forward.

The Liberian President also reminded the two companies that government is also experiencing its own share of the impact of the global meltdown in the prices of iron ore and rubber and emphasized that moving towards value addition is one sure way of enhancing their operations in Liberia.(APA 08-02-2016)

## MUGABE’S HEALTH CHALLENGED IN COURT BY OPPOSITION

A Zimbabwean lawyer on Friday asked the country’s highest court to order an investigation to determine President Robert Mugabe’s fitness to hold office, after a series of blunders that prompted speculation about his health.

The papers filed by lawyer Tinomuda Chinoka seek to order the speaker of parliament and the president of the senate to conduct the investigation.

"Having a president that may lack capacity to carry out the job threatens democracy, undermines the constitution and puts in jeopardy the very foundation, security and future of the nation," read the papers filed with the Constitutional Court.

Mr. Chinoka listed a number of incidents casting doubt on Mr. Mugabe’s ability to rule, including his tumble on a red carpet at Harare International Airport in February 2015..

They also referred to a gaffe last year when he read the wrong speech at the opening of parliament.

"Any person with their mental alertness intact would have recognised a speech that they have read only three weeks previously," said the papers.

Mr. Mugabe, who turns 92 later this month, has ruled Zimbabwe since independence from Britain in 1980.

His health has been the subject of speculation in recent years. In January he returned from his annual month-long holiday during which rumours flared that he had collapsed and died in Asia.  (AFP 06-02-2016)

## UN AGENCIES WARN OF ESCALATING FOOD CRISIS IN SOUTH SUDAN

South Sudan is facing unprecedented levels of food insecurity as 2.8 million people – nearly 25 percent of the country's population – remain in urgent need of food assistance, and at least 40,000 people are on the brink of catastrophe, three UN agencies warned on Monday.

The Food and Agriculture Organization of the United Nations (FAO), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) stressed that these numbers are particularly worrisome because they show an increase in hunger during the post-harvest period – a time when the country is traditionally most food secure.

They warned that the number of food insecure people is expected to peak during the coming lean season – traditionally worst between April and July -- when food availability is lowest.

Humanitarian partners have released an update to the Integrated Food Security Phase Classification (IPC) analysis, which projects that the lean season will start early this year, and the hunger period will be longer than in previous years.

The three UN agencies noted that the dry season, which is now beginning, could bring additional hardship to people facing the most severe levels of hunger.

People displaced in conflict-affected Unity State, who have been living on fish and water lilies to survive, are running out of their only remaining sources of food as the floods recede.

Livestock raiding has robbed many people of essential animal products like milk, which were their main means of survival during last year's lean season, the agencies noted.

"Unless humanitarian assistance can reliably reach them during the dry season, they face catastrophe in the coming months," noted the agencies in a joint statement issued in Nairobi.

The UN agencies are now calling for a speedy implementation of the peace agreement signed last year, and for unrestricted access to conflict areas to deliver much needed supplies to the most affected areas. (APA 08-02-2016)

## EU SUPPORT TO MOZAMBIQUE TO STRENGTHEN RULE OF LAW

The EU support programme for Mozambique, which includes funding of 734 million euros by 2020, will help strengthen the rule of law and the quality of public finance, said ambassador Sven Kühn von Burgsdorff.

The agreement on the 11th European Development Fund, signed on 26 November 2015, provides 734 million euros by 2020, of which 200 million euros will be earmarked for the Mozambican state budget for the same period.

About half of the fund will be directed to the area of good governance which, together with rural development are the two priorities of this funding.

Sven Kühn von Burgsdorff stressed that aid for good governance was provided through General Support to the State Budget and funding "to strengthen the capacity of key institutions for economic governance," implying a total value of 367 million euros.

The Minister of Foreign Affairs and Cooperation of Mozambique, Oldemiro Baloi, and the European Commissioner for International Cooperation and Development, Nemen Mimica, last week on the sidelines of the African Union summit in Addis Ababa, signed the Contract of Good Governance and Development, which is the legal basis for future disbursements of General Budget Support by the EU.

On average, EU financial flows represented 16.5 percent of total disbursements of General Budget Support (total contributions from 19 partners) since 2008, according to the European delegation in Maputo, totalling 328 million euros in the last six years. (05-02-2016)

## SOUTH AFRICA: ONLINE TRAVEL AGENCY LANDS $40M INVESTMENT

Amadeus, the global technology investor, today announced a $40m investment in Travelstart in partnership with MTN, Africa's leading mobile and digital life services operator. Travelstart is the leading online travel agency in Africa, and has built a market leadership position in South Africa, Nigeria, Egypt, Kenya and parts of the Middle East. The growth investment by Amadeus and MTN will enable Travelstart to enter new markets and extend its market dominance throughout Africa, as the online travel agency responds to strong demand from a rapidly expanding middle class with internet access.

Travelstart was founded in Sweden in 1999 by its CEO Stephan Ekbergh. Operating in Africa from its Cape Town headquarters since 2006, Mr. Ekbergh has built Travelstart into the market leader in South Africa, with over 75% market share. The company has since entered other emerging markets across the Middle East and Africa, achieving revenues north of $200m in 2015, and market leadership positions in Nigeria, Egypt, and Kenya. The investment by Amadeus and MTN will support the expansion of Travelstart into other key markets, as well as the growth of its product offering. The company will also develop a strategic partnership with MTN, who will support Travelstart's expansion through its unrivalled mobile network in Africa.

Andrea Traversone, Partner at Amadeus, who led the investment, said: "Our investment in Travelstart is among the largest venture investments in South Africa in the last five years. Africa has one of the fastest growing middle classes in the world that are fast adopting e-commerce and mobile internet access. These macro trends support Travelstart's growth and bode well for their strategic relationship with MTN. With this transaction, Amadeus has demonstrated its commitment to strong investment opportunities such as Travelstart that respond to these trends in emerging markets."

Stephan Ekbergh, Founder and CEO, Travelstart, commented: "Amadeus Capital's investment comes at an inflexion point for Travelstart, as we capitalise on a boom in online travel bookings across Africa and Middle East. Air travel in Africa is expected to grow significantly faster than in most regions globally, with a host of low cost carriers targeting the region. Alongside the strategic partnership with Africa's best connected mobile operator MTN, Amadeus' investment and guidance will prove invaluable in continuing to build our market leading position."

MTN Group Chief Digital Officer, Herman Singh added: "MTN's vision is to Lead the Delivery of a Bold New Digital World, and this investment in partnership with Amadeus is a key step on a multi-year journey to achieve that promise. It strongly complements our existing investments in online and e-commerce in retail, marketplaces, classifieds and travel. This investment in the largest multi-national player in a very large and rapidly growing market positions MTN as an enabler of exciting new leading edge businesses. The MTN footprint, subscriber base, payment capability, network and Brand awareness strongly underpin the synergies already being manifested in our other investments. We look forward to working with Amadeus and the Travelstart team to accelerate the business development of this adjacency."(IT News Africa 03-02-2016)

## NATURAL GAS EXPLORATION IN MOZAMBIQUE HAS TO MOVE FASTER

The exploration of natural gas in Mozambique needs to accelerate because, otherwise, the country may miss the opportunity, the chairman of state oil and gas company Empresa Nacional de Hidrocarbonetos (ENH) told financial news agency Bloomberg.

Mitha also told the agency he had been discussing the precise timeline with the government of Mozambique to "be ready with all contracts, the legal framework and resettlement process."

Following the initial discovery of natural gas in the Rovuma basin in northern Mozambique, six years ago, US oil company Anadarko Petroleum has not yet made the Final Investment Decision, the last and final step to proceed with the project which involves an investment of US$15 billion.

The head of Anadarko in Mozambique, John Peffer, who said he remained confident in the project despite the drop in price of raw materials, particularly oil and natural gas, said that the project in Area 1 required government approval for the relocation of about 500 people.

The block, operated by the Anadarko Petroleum group, also has as partners the Indian state groups Oil and Natural Gas Corp (ONGC), through ONGC Videsh (16 percent), Bharat Petroleum Corporation Limited (10 percent) and Oil India Ltd (4 percent), Japan's Mitsui group, with 20 percent, the Mozambican state company Empresa Nacional de Hydrocarbonetos, with 15 percent and Thailand's PTTEP group (8.5 percent). (05-02-2016)

## BOTSWANA'S RESEARCH INSTITUTE AMONG TOP AFRICAN THINK THANKS

The Botswana Institute for Development Policy Analysis (BIDPA) took fourth place among African think tanks in the 2015 Global, according to a Think Tank Index Report released Monday.
The think tank index, which is produced annually by the Lauder Institute of the University of Pennsylvania, covers 143 countries.

The Kenya Institute for Public Policy and Research Analysis was ranked the top think tank on the continent, according to the index, followed Ghana's Imani Centre for Policy and Education and Senegal's Council for the Development of Social Science Research in Africa.

Four think tanks from South Africa namely, African Centre for the Constructive Resolution of Disputes, South Africa Institute of International Affairs, Africa institute of South Africa and Centre for Conflict Resolution took fifth to eighth position, respectively.

Out of the total 6,846 world's think tanks the index covered, 615 are from sub-Saharan Africa.

Brookings Institution of the United States of America, Chatham House of the United Kingdom and Carnegie Endowment for International Peace from the United States of America are respectively ranked as the top three think tanks in the world.(APA 08-02-2016)

## NEARLY HALF OF FOREIGN INFLOWS INTO ZIMBABWE ARE REMITTANCES

Expat Zimbabweans living and working in countries such as SA, the UK and the US sent nearly $1bn back home in 2015, accounting for nearly half of foreign inflows into the cash-starved economy.

Zimbabwe is battling a liquidity crunch that has been worsened by growing weakness in the currencies of major trading partners, the South African rand and Chinese yuan.

Reserve Bank of Zimbabwe governor John Mangudya said on Thursday there had been an increase in instances of illegal externalisation of funds by both individuals and companies.

"The current scenario in Zimbabwe — for example, where firms, especially those in the extractive sectors, and individuals are externalising funds, including export sales proceeds — defies economic logic," he said in his Monetary Policy Statement for 2016.

Remittances by Zimbabweans in the diaspora amounted to $935m in 2015, he said, "which is about 48% of total remittances, which were about $2bn" during the same year.

The central bank said that in 2015, however, as much as $684m was externalised by individuals for various purposes that included donations, investments and account transfers.

"In addition, $1.2bn in export sales proceeds were externalised by firms," the central bank said.

Zimbabweans have also been shunning the formal banking sector although profitability in the industry had improved, with about 15 banks notching up $127.4m in aggregate net profit. Only three banks made losses in 2015, said the policy statement.

The losses by the three banks have been attributed to "increased provisioning for bad and doubtful debts" which "however, weighed down on their performance," resulting in losses.

Bad loans and defaults are also on the decline, with the nonperforming loans to total loans ratio declining markedly from 20.45% in September 2014 to about 10.87% by the end of December 2015.

The central bank has also now put in place measures to promote the usage of plastic money and online banking. It has also sought to tighten policy measures on usage and carriage of large amounts of cash by both businesses and individuals.

"Prior reasonable notice of not less than a day should be given to financial institutions for all cash withdrawals of an equivalent amount of above $10,000," Mr. Mangudya said.

Zimbabwe is forging ahead with reforms of its banking sector to improve stability and transparency, and a bill awaiting President Robert Mugabe’s approval will jail reckless bank managers in the event of bank collapses.

Zimbabwe has been hit with bank failures in the past four years, most of them blamed on poor corporate governance and insider loans. (Fin24 04-02-2016)

## US, ETHIOPIA SIGN MOU TO BOLSTER ENERGY SECTOR

Ethiopian Electric Power and United States Trade Development Agency (USTDA) on Friday signed a Memorandum of Understanding (MoU) to bolster the East African nation’s energy sector.

The MoU helps Ethiopia to get standardized electric materials, supplies and equipment from the international market, Azeb Mesfin, CEO of the Ethiopian Electric Power said.

USTDA has pledged over $400,000 to improve electric equipment access and other supports, she said.

The procurement agreement helps to organize international bid proposal to get quality electric supplies and equipment, Azeb added.

Acting regional director in sub-Saharan countries Lida Fitts said the procurement agreement will enable Ethiopia to buy materials with global standard procurement system.

The value based procurement agreement has more value to Ethiopia to avoid expensive and extra price value electric and related supplies materials, Fitts added (APA 05-02-2016)

## EGYPT DONATES $2M TO S/SUDAN HUMANITARIAN EFFORTS

Egypt has donated $2 million towards humanitarian efforts in the young state of South Sudan, the Egyptian ambassador to south Sudan said in a press release issued on Monday.

The Egyptian ambassador to South Sudan Ayman Algamal, has handed over food assistance to the South Sudanese Ministry of Humanitarian Affairs and Disaster Management, the communiqué reads in part.

The food was donated by the Egyptian Agency of Partnership for Development for displaced people in South Sudan. The donation was reported to be worth $2 million.

"The donation came as an expression of the historical ties that unite the two peoples and to help the South Sudanese in dire condition who are in need of assistance" Mr. Algamal told reporters in Juba on Monday adding that the donation includes 14 tons of powdered milk and 22 tons of tents.

The ambassador has further pointed out that the Egyptian aid agency will also cooperate with the South Sudanese ministry of health to send a medical team in mid-February to work in Juba Teaching Hospital for three weeks.

For her part, the minister of Humanitarian Affairs and Social Welfare Awut Deng said this donation shows that the relation between the two countries is strong.

She thanked the Arab Republic of Egypt for this contribution to the affected people.(APA 08-02-2016)

## GRAND INGA DREAMS FAIL TO SEE THE LIGHT OF DAY

The Grand Inga dam complex in the Democratic Republic of Congo went another step closer to "zombie" status after the October construction start date, announced by the Congolese government at the signing in 2013 of a treaty with SA to develop the hydropower scheme, came and went without a sod being turned.

Politics and finance seem to be the reasons for the bulldozers' no-show at the site on the Congo River.

Versions of the power complex have been on the drawing boards for close to a century. In 1920, the Congo River's Inga rapids were "discovered" by a US geological survey team, which reported that "the Congo basin in its entirety possesses more than one-fourth of the world's potential water power".

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The team saw nearly 15km of white water descending about 100m — a source of almost unimaginable reserves of stored energy in the 43-million litres of water rushing by every second. A power station was quickly envisaged.

Sadly, apart from a few small installations, the river's potential has never been realised. It is unlikely that it ever will be. It is too expensive, too risky, big dams are rapidly going out of fashion and other renewable and cheaper energy sources are finding more favour.

Two modest schemes were installed at Inga — a 351MW plant commissioned in 1972 and one of 1,424MW in 1982 — but they capture only a tiny fraction of the Congo River's latent power and crank out less than 40% of the energy they should.

Both plants are victims of slipshod maintenance and chronic mismanagement, and there is little sign of the spending of billions of dollars from the World Bank meant for an upgrade in 2003.

Some effort has been put into getting the third phase under way — the 4,800MW Inga 3 scheme. Investors sat on the fence as the cost estimates ticked up — currently about $14bn with transmission infrastructure and finance costs.

New hope flared in Kinshasa when, in 2013, President Jacob Zuma and Congolese President Joseph Kabila signed a treaty that pledged co-operation in constructing the 40,000MW Grand Inga complex, starting with Inga 3 as a concrete step towards an eventual seven-dam hydropower behemoth.

The agreement bound SA to purchasing 2,500MW of Inga 3's proposed 4,800MW output. Work was to start on October 15 last year.

All efforts to obtain explanations from the Presidency, the Department of International Relations and Co-operation, the Treasury and the Department of Energy were shunted off or ignored.

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THE questions posed included: why did construction not begin on October 15? When will a developer for Inga 3 be selected? SA was obliged to pay a $10m deposit; has it been paid and, if so, will it be refunded if the project is stillborn? Have all the environmental issues been satisfied? Is the treaty a bankable document, as a power purchase agreement would be?

Congolese Water and Energy Minister Bruno Kapandji Kalala maintains that Grand Inga is on an unstoppable course, now that it is backed by SA.

"Grand Inga will provide more than half of the continent with renewable energy at a low price," he says. "Inga is a factor for integration, at both a regional and international level."

Responsibility for the southward transmission of Inga 3's electricity will be split between SA and Congo, with the Congolese delivering the power to its border with Zambia and SA taking it from there. Eskom is investigating having the Inga power hitchhike on the Southern Africa Power Pool transmission lines to the South African grid.

While the governments of SA and Congo, remain mum on the construction start date, non-governmental organisations have been speculating on the reasons for the delay.

"The Congo River has been called a place where dreams go to die," says Peter Bosshard, the policy director of International Rivers. "But zombie dams apparently find it a source of eternal life: Inga 3, the third in line after the troubled Inga 1 and 2 dams, has been a twinkle in some demon's eye since the 1920s.

"Its energy, however, would go almost exclusively for industry and export — not to the 90% of Congo's 71-million citizens who have no access to electricity.

"The project will add to the Congo's national debt burden and promote corruption, allowing powerful companies — yet again — to cheaply exploit and export Africa's vast natural resources. Power-hungry SA keeps reviving this one."

According to International Rivers, a four-year upgrade of Inga 1 and 2 started in 2003 with a budget of $200m. About $1.2bn has been spent and the work is not done.

THE World Bank has been a patient contributor of billions of dollars pumped into the Inga scheme in seemingly endless feasibility studies — it spent $73m on a study for the Inga 3 Basse Chute and Mid-size Hydropower Development Technical Assistance Project.

The International Finance Corporation (IFC), a World Bank member, now seems to be taking a deeper interest in Inga.

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THE African Development Bank, which has been involved in the project since 2009, is financing base studies and consultants, and has been joined by the French Development Agency, the European Investment Bank and the Development Bank of Southern Africa.

"The question of financing is a major issue in the selection process (of the developers)," says Hela Cheikhrouhou, director for energy, environment and climate change at the African Development Bank. "Public-private partnership financing solutions will be vital for the success of the project."

A spokesman for the World Bank agrees that the level of investment required for Inga 3 "is so high that neither the public sector nor the private sector alone could bear the full cost of development.

"All World Bank Group institutions share the same development mission. The IFC is focused on the private sector for development, and can play a role in structuring the private financing portion, providing capital to project sponsors and catalysing funding from other private financiers.

"Inga 3 Basse Chute will help improve electricity supply for 7-million people in Kinshasa, foster economic growth, and allow Congo to export power to other energy-deficient countries.

"The construction costs of Inga 3 Basse Chute development and associated transmission lines are estimated at $11bn."

With a projected cost of $80bn-$100bn, the private sector and finance institutions are baulking at the project, made far less attractive by its location in corruption-riddled and war-torn Congo.

So far, SA's treaty appears to be Inga's only support of any significance. Congo's government says three consortia are competing for the project build: Sinohydro and Three Gorges Corporation from China, operator of the world's largest dam; Actividades de Construcción y Servicios, Eurofinsa and AEE from Spain; and the SNC-Daewoo-Posco Lavalin consortium from South Korea and Canada.

Congolese Foreign Affairs Minister Raymond Tshibanda remains optimistic and enthusiastic, but urges careful and thoughtful progress: "It's critical not to move fast, but to ensure that every step you take is on a solid ground.

"We have to mobilise financing and we are talking to the governments of China and SA and from now on, things are going to take another pace."

Ali Mbuyi Tshimpanga, director of the Inga 1 and 2 hydropower stations, is philosophical: "The problem is that, with a public-private partnership, you patch up only the part of the grid that interests the private financiers. It's of almost no benefit to the community." (BD 01-02-2016)

## UEMOA INDUSTRIAL PRODUCTION UP BY 7 PERCENT

Industrial production within the West African Economic and Monetary Union (UEMOA) had witnessed a 6.9 percent increase by the end of December 2015, reliable sources at the Central Bank of West African States (BCEAO) disclosed on Monday.
Compared to November 2015 when the industrial production stood at 5.8 percent, output had recorded 1.1 percentage points.

"As for retail trade turnover, an increase of 8.1 percent was registered in December last year, after a 7.8 percent growth recorded in the previous month," the regional bank reported.(APA 08-02-2016)

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