

# MEMORANDUM

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## Challenges Ahead in the Euro-Mediterranean Region, Report, see page 14

### SUMMARY

Rosatom eyes contract to build Kenya's first nuclear power plant	Page 2
Angola considers refining crude oil abroad	Page 2
Tanzania gives Dangote cement its own coal mine to boost production	Page 3
Nigeria plans \$20 billion gas park	Page 3
Upgrading of Abuja Airport Runway in Nigeria starts	Page 4
Guinea-Bissau TV station to receive equipment from China	Page 5
Xago Africa mulls Kenya's first large-scale solar energy storage battery	Page 5
Sale of diamonds mined at Lulo concession, Angola, exceeds US\$76 million	Page 6
Ethiopia, Liberia ink cooperation agreements	Page 6
EU-Mediterranean prepare regional study climate and environmental change in Mediterranean	Page 7
Angola's Sonangol negotiates with partners to receive drillships	Page 8
EU and Algeria adopt Partnership Priorities and report shows strengthened relations	Page 8
Russians invest in construction of a refinery in Angola	Page 9
Construction of South Africa's Ballito Junction Regional Mall almost complete	Page 9
Australian company finds high quality graphite in Mozambique	Page 10
Senegal to host FIFA regional office	Page 10
Still in Limbo, Somaliland Banking on Berbera	Page 10
Supervision of aggregate exploration and logging increases in Angola	Page 13

## ROSATOM EYES CONTRACT TO BUILD KENYA'S FIRST NUCLEAR POWER PLANT

Russia has offered to design, finance and construct proposed Kenya's first nuclear power plant. A delegation from Russia will pitch tent in Nairobi for the regional nuclear energy conference which starts off today.

Russia is on the lookout for a deal through its state-run [Rosatom State Atomic Energy](#) Corporation. Kenya plans to build four nuclear plants, with the initial one projected to be turned on in 2027.

On May 30, 2016, Rosatom signed a Memorandum of Understanding with Kenya to encourage nuclear solutions, help in training personnel, create public awareness, and propose agriculture and medical solutions.

Rosatom regional vice president for Sub-Saharan Africa Viktor Polikarpov said the Moscow-based unit, through the government, is all set to support Kenya to put up its plants on a Build-Operate-Transfer module or Private-Public-Partnership conglomerate.

Rosatom said it will borrow a loan through an intergovernmental agreement, with a reimbursement interlude of up to 25 years. The firm is the only reactor seller in the world that can offer the nuclear industry's complete variety of products and services.

"We are presently providing the VVER-1200 (Water-Water Energetic Reactor) generation III reactor which is the safest in the universe. We can present the favored solution to your government if given a chance," Polikarpov told the media.

Cost approximation for new nuclear power plant varies between \$4 billion (Sh410.4 billion) per unit to \$9 billion (Sh923.4 billion).

Kenya plans to produce 1,000 megawatts of power from nuclear energy by 2025 to maintain its socio-economic development. A plant with three or four reactors is able to produce 3,000MW.

Nuclear energy, wind, geothermal and coal are estimated to expand installed capacity to 19,000MW by 2030 from the present of 2,327MW.

Kenya has also signed MoUs with China and South Korea but is yet to recognize a developer for the project which could cost up to Sh2 trillion. The developer will be chosen by the [Kenya Nuclear Energy Board](#).

The nuclear conference taking place this week will bring together government bureaucrats, local and international energy specialists, producers and energy utilities.

The forum will shed light on Kenya's nuclear power programme and offer a platform for better understanding of its position in the energy mix.

Rosatom Africa business development manager Zakhele Madela said: "Kenya's determined industrialization objective requires immense energy. Nuclear energy will be the best if you want to secure a base. You cannot continue relying on renewables."

The success of Kenya's first nuclear power plant would mark an end to regular power outages that have been facing the country (CRO 13-03-2017)

## ANGOLA CONSIDERS REFINING CRUDE OIL ABROAD

The government of Angola has commissioned an economic feasibility study on the possibility of refining of crude oil extracted in Angola at a foreign refinery, according to an order from the country's Oil Minister.

The order authorising the hiring of a consultancy to draw up this feasibility study indicates that this company will also advise on the "re-examination of the strategy to liberalise the oil derivatives logistics segment, including asphalt."

In February, the Angolan government appointed a multi-sector commission coordinated by the Minister of Finance, Archer Mangureira, to draw up by the end of March a study including "technical proposals on the viability of the implementation of a development project for the Soyo refinery."

In 2015 the government announced the laying of the foundation stone for construction of the Soyo refinery, which was expected to start operating in 2017, processing 110,000 barrels of oil per day.

To ensure increased domestic refining capacity, Angola was building a refinery in Lobito, in Benguela province, with capacity to process 200,000 barrels of oil per day, the completion was set for 2018.

However, due to financial restructuring at Sonangol, caused by the fall in revenues from the export of oil and a debt of almost US\$10 billion, the board of the state company decided in 2016 to suspend the project to analyse its “strategic vision and economic viability.” (09-03-2017)

## TANZANIA GIVES DANGOTE CEMENT ITS OWN COAL MINE TO BOOST PRODUCTION



In a bid to break a stalemate over energy supply to Dangote Cement’s new \$500m plant in Tanzania, the country’s president John Magufuli has ordered a state agency to give the Nigerian producer its own coal mine.

As a result, Dangote, owned by Nigerian billionaire Aliko Dangote, received a 10-square-kilometre plot of the Ngaka coal mine in Ruvuma Region on 11 March, [reports](#) newspaper *The Citizen*.

The plant, opened in Mtwara in 2015 and expected to double cement supply in the developing country, is reported to have been using expensive diesel generators to make cement while talks have dragged on between Dangote and Tanzania Petroleum Development Corporation (TPDC) over the price Dangote will pay for supplies of the country’s new-found gas.

“If this company gets enough coal, it will help to lower cement prices. This in turn will help to make the lives of the majority of Tanzanians better”– John Magufuli, Tanzania’s President  
TPDC claims Dangote wants to pay [below market price](#) for the gas.

Coal, meanwhile, another possible energy source, has become scarce in the country since the Magufuli government [banned its import](#) in August 2016.

Earlier in March Magufuli directed the country’s National Development Corporation to allocate Dangote a section of Ngaka coal mine, and complained that production by Tanzania’s own coal supplier, Tancoal, was [“very poor”](#).

“NDC and Tancoal should understand that the coal doesn’t belong to them, but Tanzanians,” Magufuli said, reports *The Citizen*. “If this company gets enough coal, it will help to lower cement prices. This in turn will help to make the lives of the majority of Tanzanians better.”

Speaking before commissioning hundreds of heavy-duty lorries needed to ferry cement from the Dangote plant to locations around the country, the president also instructed his Minister of Energy, Prof Sospeter Muhongo, to ensure a gas mains line was installed to the Dangote plant from the field 10km away.

The generous action toward Dangote has raised expectations of Tanzania’s other cement producers, who have long complained about energy supply, for similar treatment, say reports.(CGR 15-03-2017)

## NIGERIA PLANS \$20 BILLION GAS PARK



Nigeria plans to establish \$20 billion gas industrial park in the Niger Delta, following a renewed interactive engagement with oil bearing communities in the region. The Acting President, Prof. Yemi Osinbajo, unveiled the plan when some international developers and investors of the project met with him at the Presidential Villa on Monday.

Tagged the Gas Revolution Industrial Park (GRIP), it is envisaged to be a regional hub for all gas-based industries.

The public private partnership project will cover 2,700 hectares.

It will also have fertilizer, methanol, petrochemicals, and aluminium plants located in the park already designated as a Tax Free Zone by the Federal Government.

Osinbajo stated that the Buhari administration "is committed to the development of the Niger Delta, and the importance of this project is underlined by the presidential attention it is attracting."

He declared the presidency's interest in the project.

"We already have a Steering Committee in place, chaired by Minister of State for Petroleum Resources, that shows the level of our commitment; we are unwavering.

"We take the project very seriously and glad to see you are committed and ready to make several other commitments. This is a process that we intend to see happen."

Before he went on vacation, Buhari had mandated Osinbajo to visit oil-producing communities, to demonstrate the resolve of the administration to the pursuit of a new vision for the Niger Delta.

The building of an industrial gas hub in Ogidigben, Delta, was revived during the visit to the states.

The investing consortium comprised fortune 500 companies such as the GSEC of South Korea, the China Development Bank, Power China and several other global operators from Asia and the United Arab Emirates.

Under the plan presented by the consortium, about \$20 billion would be invested to develop the Gas Revolution Industrial Park to generate 250,000 direct and indirect jobs.

The park, originally conceived by Nigeria National Petroleum Corporation (NNPC), is located about 60 kilometres from Warri, and about 1kilometre from the operational base of Chevron Nigeria Ltd.

It will be connected to over 18 trillion Cubic Feet of gas reserves in fields such as Odidi, Okan and Forcados, located within a 50-km radius.

The park will also be connected to Nigeria's most dominant gas pipeline network-ELPS to enable supply of gas to and from the park. (APA 28-02-2017)

## UPGRADING OF ABUJA AIRPORT RUNWAY IN NIGERIA STARTS

The long awaited upgrading of top Nigeria's Abuja [Airport](#) Runway has kicked off and is expected to end on time.

According to the main contractor carrying the project [Julius Berger Nigeria](#) Plc Yesterday marked the official date for the kick off of the project after the airport as officially closed down for a number of days to allow the project to run swiftly.

The contractor added that the Abuja runway repairs will affect the travelling for the Airport and passengers will be forced to use [Nnamdi Azikiwe International Airport](#).

The markings will also tell over flyers that the runway is not available even for emergency landing.

According to the reports given by the contractor they have all it takes to ensure that no more delays are expected and they will ensure that they closely monitor the progress of the project until it ends. The government had initially promised to ensure that the project gets completed on time so that the normal operations can kick off at the Airport.

The International Terminal Manager, Mrs. Hajara Musa, confirmed that the contractor had commenced work on the runway.

"I can confirm that Julius Berger Plc is on ground carrying out the rehabilitation as you can see their equipment already working," she said.

She added that the management will be on the toes of the contractor so that the project can be completed on time.

"We are sure some of the business will stand still in within the Airport but its due to the expansion that is for good will" she added

Johnson Erijo of the Delta State of Assembly, said "The arrangement for now is perfect though I don't know what it will become later but what I'm experiencing of the operation now is seamless and working fine."(CRO 14-03-2017)

### **GUINEA-BISSAU TV STATION TO RECEIVE EQUIPMENT FROM CHINA**

The government of Guinea-Bissau plans to make a request to the Chinese authorities to equip the West African country's public television channel with cameras and editing units, the Prime Minister of Guinea-Bissau said in Bissau.

Umaro Sissoco Embaló said at a meeting with workers of the Guinea-Bissau Television that the outgoing Chinese ambassador, Wang Hua, promised to discuss with his government the possibility that the country will finance the construction of a building to house all Guinean media outlets.

In recent years China has provided materials and financial support to state and private media in Guinea-Bissau.

In fact, China's outgoing ambassador to Guinea-Bissau was honoured in 2016 by radio station Rádio Comunitária Voz de Quelele, based in Bissau.

Guinea-Bissau Television works with great difficulty due to lack of equipment, including cameras and editing units and still broadcasts on an analogue system, and is also unable to train its staff. (04-03-2017)

### **XAGO AFRICA MULLS KENYA'S FIRST LARGE-SCALE SOLAR ENERGY STORAGE BATTERY**

A Nairobi-based company is laying down plans to build Kenya's first large-scale solar energy storage battery to be linked to the national power grid.

[Xago Africa](#) is carrying out viability studies for the back-up batteries with help from American investors after showing an expression of interest at the ministry of Energy.

This came after the conclusion of studies for the construction of the 40-megawatt solar power plant. The solar park is expected to cost \$70 million.

[Also read: Rural Electrification Authority of Kenya commissions 60KW solar power station in Wajir](#)

"They are at the viability studies phase. The back-up storage technology is fairly welcomed and places Kenya as a regional solar energy hub," Isaac Kiva, Director of renewable energy at the ministry said.

The development places Kenya among nations presently exploring a variety of technologies for solar power storage on a mass scale, further than smaller solar-powered batteries for cars and homes.

The back-up batteries are intended to guarantee reliable supply of electricity to the grid even during the absence of sunlight. American innovator Elon Musk has been at the head in researching and developing commercial solar batteries through his firm SolarCity.

The Siaya solar farm's electricity is estimated to be fed to the national grid upon conclusion.

Kenya's total installed power capacity stands at around 2,400 megawatts, with solar power accounting for less than one percent. It presents a vast market for investors as the nation shifts focus to green energy sources.

Presently, Strathmore University in Nairobi is the sole institution that has linked its 0.6-megawatt solar power plant to the national grid.

Solar experts surmise that Kenya has a high potential given high radiation levels from the sun all through the year.

The intensity of sunlight, not heat levels, decides solar electricity production.

Investors last year applied to develop Kenya's largest solar energy plants, stressing the growing interest of companies in building sun-powered power stations.

Records at the [Energy Regulatory Commission](#) shows that three companies have wanted the greenlight to generate 120 megawatts of solar power.(CRO 20-02-2017)

### **SALE OF DIAMONDS MINED AT LULO CONCESSION, ANGOLA, EXCEEDS US\$76 MILLION**

Accumulated sales of diamonds mined at the Lulo concession, in Angola's Lunda Norte province, are in excess of 100 million Australian dollars (about US\$76 million), said the Lucapa Diamond Company in a market statement.

Sales recorded since the beginning of 2017 are up to 14 million Australian dollars (about US\$10.7 million), said the Australian company, whose partners in Sociedade Mineira do Lulo are Angolan diamond company Endiama (32%) and private company Rosas & Pétalas (28%).

Announcing the second "successful" sale this year of alluvial diamonds mined in that concession, the Lucapa Diamond Company said it obtained gross income of 9.1 million Australian dollars (US\$6.9 million).

The company said the revenue earned was an average price per carat of 5,836 Australian dollars (US\$4,446), which emphasizes the quality of the diamonds mined in the concession as well as the consistent demand for large, quality gems," the document said.

The latest sale included a 227-carat diamond discovered on 17 February in a new area of the Lulo concession, and was carried out by Angolan state diamond trading company Sodiam. (07-03-2017)

### **ETHIOPIA, LIBERIA INK COOPERATION AGREEMENTS**



Liberian President Ellen Johnson Sirleaf on Tuesday started her visit to Ethiopia where the two countries inked major cooperation agreements in the areas of technical and vocational education, health and medical Sciences, livestock and fisheries development and industrial development.

During the bilateral talks with the President, Prime Minister Hailemariam noted the signing of the cooperation agreements will provide the two countries a practical framework to initiate and cultivate a more dynamic partnership.

The Premier added, "Your visit is, indeed, a demonstration of the importance that your excellence attaches to the strong historic relations that existed between the two countries."

Mentioning the President's impressive activities as the first female Head of State and Government in the Continent, Prime Minister Hailemariam added, in ensuring gender equality and improving the role of women in leadership, "we will always look up to the experiences of Liberia as a prime example and source of inspiration."

Hailemariam said, as the two countries have shared similar experiences in fighting the yoke of colonialism, both need to extricate their people from the shackles of deep rooted poverty and achieve sustainable development.

President Sirleaf stressed that there is an immense potential for greater cooperation between the two countries particularly in the fields of agriculture, agro-processing, education and health.

The President added the prominent physical infrastructures like the railway and the Grand Ethiopian Renaissance Dam (GERD) are testimonies to the country's fast growing economy.

She also commended Ethiopia for standing alongside Liberia during its times of difficulty.

It is to be recalled that the government of Ethiopia had sent scores of Ethiopian health workers to Liberia to bolster the response to an Ebola outbreak in 2014.

In her three-day stay in Ethiopia, the Liberian President is expected to visit major development projects in the country. (APA 28-02-2017)

## **EURO-MEDITERRANEAN SCIENTISTS TO PREPARE FIRST EVER REGIONAL STUDY ON IMPACT OF CLIMATE AND ENVIRONMENTAL CHANGE IN THE MEDITERRANEAN**



More than 50 representatives of governments, international organisations and the scientific community are meeting today, for the first time, at the UfM headquarters, to set the ground for the publication of the first ever assessment report on the impact of climate change in the Mediterranean region.

The Mediterranean region has been repeatedly pointed out by the international scientific community as particularly vulnerable to the effects of global warming and changing environment. In order to prepare for improved assessments and a comprehensive synthesis of global climate change knowledge in the Mediterranean, the UfM Secretariat is closely collaborating with the network of the [Mediterranean Experts on Climate and Environmental Change \(MedECC\)](#), which gathers more than 200 scientists from over 20 Euro-Mediterranean countries.

More concretely, MedECC has started to work on the first ever comprehensive assessment report on the impact of climate and environmental change in the Mediterranean basin. MedECC defined the outline of the report during a fruitful meeting in October 2016, and today will share it with governments and international organisations in order to receive feedback and, where appropriate, explore new areas to be addressed. The report is expected to be finalised by November 2018 and presented at the 24th Conference of Parties to the United Nations Framework Convention on Climate Change (COP24).

The [UfM Ministerial Declaration on Environment and Climate Change, adopted in Athens on 13 May 2014](#), clearly stresses the importance to have a vulnerability assessment of the region regarding climate change. The UfM Secretariat is, therefore, working together with regional partners on the emergence of a regional initiative aiming to bridge the gap between scientific knowledge and policy makers' needs.

(EEAS 13-03-2017)

UfM - [Energy & Climate Action](#)

## ANGOLA'S SONANGOL NEGOTIATES WITH PARTNERS TO RECEIVE DRILLSHIPS

Angolan state oil company Sonangol is negotiating a new business model with its international partners that will enable it “soon” to receive two drillships ordered in South Korea, the company said on Monday. Sonangol, in a statement issued in Luanda, said that goal “involves the completion of the financing process, final selection of technology partners and identification of new opportunities for production, steps that have already been communicated and discussed with international companies in the oil sector that operate in Angola – ExxonMobil, Chevron, BP, ENI and Total.”

“The process of transformation that has been underway since July 2016 enables the creation of a more favourable business environment, reduce production costs and facilitates access to smaller reserves, thus creating conditions for better use of resources,” the statement said.

Recent reports by South Korean media indicated that US group ExxonMobil could provide US\$879 million, money needed for the Daewoo Shipbuilding & Marine Engineering (DSME) shipyards to release the two structures ordered by Sonangol to drill test wells for oil prospecting.

The new CEO of the South Korean company, Jung Sung-jeep, said Sonangol was negotiating to obtain financing from two to three major industry groups, and ExxonMobil “is best positioned.” (07-03-2017)

## EU AND ALGERIA ADOPT PARTNERSHIP PRIORITIES AND REPORT SHOWS STRENGTHENED RELATIONS



The EU and Algeria adopted their shared Partnership Priorities at the Association Council of 13 March 2017. The partnership priorities set up a renewed framework for political engagement and enhanced cooperation. They were defined by mutual agreement in the context of the revised European neighbourhood policy and the EU's global strategy for foreign and security policy.

The Partnership Priorities in the context of EU-Algeria relations up to 2020 are as follows:

- political dialogue, governance, the rule of law and the promotion of fundamental rights;
- cooperation, socio-economic development, including trade and access to the European single market;
- energy, the environment and sustainable development;
- strategic and security dialogue;
- the human dimension, including cultural and inter-religious dialogue, migration and mobility.

Some of these priorities will be the subject of technical and financial cooperation, which will be implemented within the framework of the 2018-2020 financial programming.

A joint report of the European External Action Service (EEAS) and the European Commission on the progress of EU-Algeria relations points out that relations between the European Union and Algeria have been strengthened over the past two years. *“Our bilateral relations have been particularly intense since our last Association Council in June 2015. Progress has been made in many areas of bilateral and regional cooperation. We are committed to building a more substantial and affirmed bilateral partnership,”* said the EU High Representative Federica Mogherini.

The report highlights recent progress and reforms made by Algeria, possible improvements and priorities for cooperation between the European Union and Algeria, focusing on areas of mutual interest as identified in the new "Partnership Priorities", as well as financial cooperation.

EU Commissioner for European Neighborhood Policy and Enlargement Negotiations Johannes Hahn, reaffirmed the EU's support for Algeria *"in its process of recently launched structural and macroeconomic structural reforms, which will also to strengthen the bonds which unite our peoples."* (EEAS 13-04-2017)

[EU-Algeria Partnership Priorities](#)

## **RUSSIANS INVEST IN CONSTRUCTION OF A REFINERY IN ANGOLA**

Two Russian groups, Rail Standard Service and Fortland Consulting Company, will invest US\$12 billion to build a refinery in Namibe and a rail link between the Benguela and Moçâmedes railroad, according to a presidential order.

The order authorising a private investment contract said that when the refinery reaches peak production, 11 years after the start of operations, it will process 400,000 barrels of oil per day, or a quarter of Angola's daily production.

The investment also involves building integrated infrastructure to support the project, "namely the construction and management of a residential area for workers' housing, a dock, power plant and a railway line linking the Moçâmedes Railroad [Namibe] to the Benguela Railroad," according to the contract with the Private Investment Technical Unit (UTIP).

The project will be implemented by Namref, an investment vehicle set up by the two Russian groups (75% investment by Rail Standard Service and 25% by Fortland Consulting Company) and local partners, as stipulated in the contract, quoted by Portuguese news agency Lusa.

In addition to the licenses and 1000-hectare plot of land, in the contract the Angolan State undertakes to buy between 28,000 barrels of refined oil (in the first phase, within three and a half years) and 364,000 barrels per day (in the final phase within 11 years). (14-03-2017)

## **CONSTRUCTION OF SOUTH AFRICA'S BALLITO JUNCTION REGIONAL MALL ALMOST COMPLETE**

The new [Ballito](#) Junction Regional Mall in South Africa is set for completion and is planned to officially open in March this year.

The mega mall which is designed to offer the best customer experience has an extensive expansion of an existing 10 000sqm shopping centre to an 80 000sqm modern mega-mall.

Ballito Junction has unique features including a first-hour-free safe undercover parking which has completely interlinked parking levels, generous parking bays close to your favourite shops, a drop-off and pick-up zone, and special links for public transport and pedestrians.

Perhaps one of the most evident effects the mall will eventually have on Ballito will be on the roads, as most people will flock to go shopping and the like. The mall's junction has also been designed in such a way that there will be separation between consumer and service vehicles.

A new ring road will be in place to accommodate traffic around the mall and there is even a proposal to realign the M4 so that it empties into Ballito closer to the Virgin Active gym, where the new northern access road to the Junction is.

The grand opening in March will see the arrival of a number of brands that do not yet trade in Ballito, such as; Tread + Miller, Tsonga, Carlton Hair, Cherry Design, Swarovski, Watches Unlimited, Street Gear, Casa Bella, Typo, RVCA, Swatch, Turn 'n Tender Steakhouse, Keedo Kids, Beluga, Goldrush Bingo and Entertainment, Exclusive Books, Adidas, Cotton On among others.

The new mall represents an investment of a whopping US\$ 107m and is projected to provide a significant economic boost to the South African market.

The investment is owned and developed by [Menlyn Maine](#) Investment Holdings and Flanagan & Gerard Property Development & Investment. (CRO 20-02-2017)

## AUSTRALIAN COMPANY FINDS HIGH QUALITY GRAPHITE IN MOZAMBIQUE

Australian mining company Mustang Resources has made a “spectacular discovery of high quality graphite,” at the Caula project, in the Mozambican province of Cabo Delgado, the company said in a market filing.

Managing director Christian Jordaan, is quoted in the statement as saying that the graphite discovery will allow the company to produce a high quality product at a relatively low price, increasing marketing margins and protecting the business from price volatility.

Five test holes made by Mustang Resources found graphite concentrations of up to 26%, with an average of 15.9% from 10 metres to 65.68 metres deep.

The samples from the tests will be sent to a laboratory in Perth, Australia, in order to assess their metallurgical characteristics.

Mustang Resources, a company listed on the Australian Stock Exchange, is also involved in prospecting rubies in Cabo Delgado at the Montepuez Ruby Project. (07-03-2017)

## SENEGAL TO HOST FIFA REGIONAL OFFICE



Fatma Diouf Samoura, the secretary general of the International Federation of Football (FIFA), announced on Tuesday in Dakar the imminent opening of a regional office of the world football governing body in the Senegalese capital.

“I have come mainly to bring some good news in the imminent opening of the FIFA Regional Office in Dakar. I discussed about it yesterday with the Prime Minister of Senegal and the government is committed to accompany this project,” she told the press after meeting with officials of the Senegalese Football Federation (FSF).

The scribe of FIFA has been on a working visit to Senegal since Sunday. She has already met with the Prime Minister, the Minister of Sports and the leaders of the FSF.

The FIFA secretary general announced Dakar was chosen to host the regional office, covering West and Central Africa, for reasons ranging “from convenience to linguistic proximity.”

Dakar office will be the fifth established by FIFA in Africa.

“It will not be a simple mailbox, but will rather become an administrative relay over time,” she said, revealing that the office will be run by a staff including a director, a technical director, a marketing manager and a compliance auditor, among others.

The main tasks of the Dakar Office are to support the federations in the development and implementation of their strategies, the effectiveness of their governance and the management of their financial resources in conformity with the provisions of the Program Forward recently adopted by FIFA.

(APA 04-03-2017)

## STILL IN LIMBO, SOMALILAND BANKING ON BERBERA



In the capital people encounter a mishmash of chaotic local market commerce existing alongside diaspora-funded construction including glass-fronted office buildings, Wi-Fi enabled cafes and air-conditioned gyms, all suffused with characteristic Somali energy and dynamism.

Crossing African borders by land can be an intimidating process (it's proving an increasingly intimidating process nowadays in Europe and the US also, even in airports). But crossing from Ethiopia to Somaliland at the ramshackle border town of Togo-Wuchale is a surreally pleasant experience.

Immigration officials on the Somaliland side leave aside the tough cross-examination routine, greeting you with big smiles and friendly chit chat as they whack an entry stamp on the Somaliland visa in your passport.

"If you look at the happiness of Somalilanders and the challenges they are facing, it does not match." -- Khadar Husein, Operational director of the Hargeisa office of Transparency Solutions.

They're always happy to see a foreigner's visit providing recognition of their country that technically still doesn't exist in the eyes of the rest of the political world, despite having proclaimed its independence from Somalia in 1991, following a civil war that killed about 50,000 in the region.

A British protectorate from 1886 until 1960 and unifying with what was then Italian Somaliland to create modern Somalia, Somaliland had got used to going on its own since that 1991 declaration, and today exhibits many of the trappings of a functioning state: its own currency, a functioning bureaucracy, trained police and military, law and order on the streets. Furthermore, since 2003 Somaliland has held a series of democratic elections resulting in orderly transfers of power.

Somaliland's resolve is most clearly demonstrated in the capital, Hargeisa, formerly war-torn rubble in 1991 at the end of the civil war, its population living in refugee camps in neighbouring Ethiopia. An event that lives on in infamy saw the jets of military dictator Mohammed Siad Barre's regime take off from the airport and circle back to bomb the city.

But visitors to today's sun-blasted city of 800,000 people encounter a mishmash of impassioned traditional local markets cheek by jowl with diaspora-funded modern glass-fronted office blocks and malls, Wi-Fi enabled cafes and air-conditioned gyms, all suffused with typical Somali energy and dynamism.

"We are doing all the right things that the West preaches about but we continue to get nothing for it," says Osman Abdillahi Sahardeed, minister for the Ministry of Information, Culture and National Guidance. "This is a resilient country that depends on each other—we're not after a hand out but a hand up."

Non-statehood deprives Somaliland of direct large-scale international support from the likes of the World Bank and International Monetary Fund. For these members of the Somaliland Seaman's Union at Berbera Port's docks, it means they are not paid the same wages—they earn about \$220 a month—as paid to foreign workers due to not belonging to an internationally recognised organisation.

Increasing levels of exasperation within Somaliland's government and among the populace are hardly surprising. Somaliland's apparent success story against the odds remains highly vulnerable. Its economy is perilously fragile. Non-statehood deprives it of direct large-scale international support and access to the likes of the World Bank and International Monetary Fund (I.M.F.).

As a result, the government has a tiny budget of about 250 million dollars, with about 60 percent spent on police and security forces to maintain what the country views as one of its greatest assets and reasons for recognition: continuing peace and stability. Also, it relies heavily on the support of local clan elders—it is hard for any government to prove its legitimacy when essential services need the help of international humanitarian organizations, local NGOs and the private sector.

Indeed, Somaliland survives to a large extent on money sent by its diaspora—estimated to range from \$400 million to at least double that annually—and by selling prodigious quantities of livestock to Arab countries.

All the while, poverty remains widespread and swathes of men on streets sipping sweet Somali tea and chewing the stimulating plant khat throughout the day testify to chronic unemployment rates.

“About 70 percent of the population are younger than 30, and they have no future without recognition,” says Jama Musse, a former mathematics professor who left Italy to return to Somaliland to run the Red Sea Cultural Foundation center, which offers cultural and artistic opportunities for Hargeisa’s youth. “The world can’t close its eyes—it should deal with Somaliland.”



Peace and security hold in Somaliland, so effectively that moneychangers can safely stash bundles of cash on the street.

For now, Somaliland’s peace holds admirably well.

“If you look at the happiness of Somalilanders and the challenges they are facing it does not match,” says Khadar Husein, operational director of the Hargeisa office of Transparency Solutions, a UK-based consultancy focused on civil society capacity building in Somaliland and Somalia. “They are happy because of their values and religion.”

But others speak of the risks of encroaching Wahhabism, a far more fundamental version of Islam compared to Somaliland’s conservative though relatively moderate religiousness, and a particular concern in a volatile part of the world.

“Young men are a ready-made pool of rudderless youth from which militant extremists with an agenda can recruit,” says Rakiya Omaar, a lawyer and Chair of Horizon Institute, a Somaliland consultancy firm helping communities transition from underdevelopment to stability.

Almost everyone acknowledges the country’s present means of sustainment—heavily reliant on the private sector and diaspora—must diversify. Somaliland needs greater income to develop and survive.

For many, the key to Somaliland’s much needed economic renaissance lies in tapping into the far stronger economy next door: Ethiopia, Africa’s second most populous country and its fastest growing economy, according to the I.M.F.

Crucial to achieving this is Berbera, a name conjuring images of tropical quays and fiery sunsets. Once an ancient nexus of maritime trade, Berbera has long been eclipsed by Djibouti’s ports to the north. But Berbera Port is now on the brink of a major expansion that could transform and return it to a regional transportation hub, and also help fund Somaliland’s nation-building dreams.

In May 2016, Dubai-based DP World was awarded the concession to manage and expand Berbera for 30 years, a project valued at about 442 million dollars, including expanding the port and refurbishing the 268-kilometer route from the port to the border with Ethiopia.

Landlocked Ethiopia has long been looking to diversify its access to the sea, an issue of immense strategic anxiety. Currently 90 percent of its trade goes through Djibouti, a tiny country with an expanding network of ports that scoops at least 1 billion dollars in port fees from Ethiopia every year. Somaliland would like about 30 percent of that trade through Berbera, and Ethiopia is more than happy with that, allocating such a proportion in its latest Growth and Transformation Plan that sets economic policy until 2020.

Ethiopia and Somaliland had already signed a Memorandum Of Understanding (MOU) covering trade, security, health and education in 2014, before in March 2016 signing a trade agreement on using Berbera Port. And Ethiopia could just be the start.

“It would be a gateway to Africa, not just Ethiopia,” says Sharmarke Jama, a trade and economic adviser for the Somaliland government during negotiations on the port concession. “The multiplying benefits for Somaliland’s economy could be endless.”

Somaliland officials hope increased trade at the port will enable greater self-sufficiency to develop the country, while also chipping away at the international community’s resistance over recognition.

“As our economic interests align with the region and we become more economically integrated, that can only help with recognition,” Sharmarke says.

Perhaps. The political odds are stacked against Somaliland due to concerns that recognizing Somaliland would undermine decades of international efforts to patch up Somalia, and open a Pandora’s Box of separatist claims in the region and further afield around Africa.

But greater self-sufficiency would undoubtedly result from a resurgent Berbera, and without this crucial infrastructure revival Somaliland’s economic potential will remain untapped, trapping its people in endless cycles of dependence, leaving those idle youth on street corners.

On April 13, 2016, up to 500 migrants died after a boat capsized crossing the Mediterranean. Most media reported that a large portion of those who died were from Somalia. But in Hargeisa following the tragedy, locals noted how many of those who died were more specifically Somalilanders.

“Why are they leaving? Unemployment,” says Abdillahi Duhe, former Foreign Minister of Somaliland and now a consultant in the Ethiopian capital, Addis Ababa. “Now is a very important time: we’ve passed the stage of recovery, we have peace—but many hindrances remain.” (IPS 17-02-2017)

## **SUPERVISION OF AGGREGATE EXPLORATION AND LOGGING INCREASES IN ANGOLA**

The supervision of exploration of aggregates and wood in Angola will be intensified following the recent creation of a national commission coordinated by the General Tax Administration (AGT), according to daily newspaper Jornal de Angola.

The commission, which includes representatives of the Fiscal Police, Criminal Investigation Services (CIS) and the Migration and Foreigners Service (SME), is focused on identifying the companies exploring aggregates and wood to verify their legal status and tax compliance.

Antonio Vuma, head of the AGT anti-fraud unit, who headed a mission that recently visited the province of Kuando Kubango, said the national commission will work in all regions of the country with the support of the provincial governments, to identify vulnerable areas and both legal and illegal companies exploring mineral and forest resources.

After identifying the vulnerable areas across the country, “the commission will make a diagnosis of who is exploring what, where they are operating and what is the tax situation of those taxpayers,” he said, adding that the first phase of the process will then be complete.

In a second phase the national commission will focus its attention on foreign trade operations, particularly cash raised by exports that does not enter the banking system. (14-03-2017)

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