MEMORANDUM

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11 YEARS OF UNINTERRUPTED PUBLICATION

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SUMMARY

IMF FORECASTS GROWTH OF LESS THAN 1% FOR SOUTH AFRICA IN 2017

In the face of lower growth projected in sub-Saharan Africa, SA is set to grow its GDP moderately in 2017 despite the global economic recovery.

The International Monetary Fund (IMF) forecasts 0.8% growth for SA citing a rebound in commodity prices, the dissipation of the drought and the expansions of electricity capacity.

The IMF’s World Economic Outlook (WEO), released on Tuesday, raised its projection for global growth in 2017 to 3.5%, up from 3.4%.

While the fund said its forecasts for 2017 and 2018 were broadly based, growth in many advanced economies and commodity exporters was expected to continue to struggle.

The IMF’s Maurice Obstfeld said: "Despite these signs of strength, many other countries will continue to struggle this year with growth rates significantly below past readings. Commodity prices have firmed since early 2016, but at low levels, and many commodity exporters remain challenged."

SA’s economy grew at 0.3% in 2016 was higher than the IMF’s 0.1% forecast.

The IMF said: "In SA, following the decline in commodity prices and amid perceptions of weakening governance and rising policy uncertainty, economic growth gradually softened and came to a near standstill in 2016."

The outlook for sub-Saharan Africa, however, was still subdued.

The fund said: "Many commodity exporters still need to adjust fully to structurally lower commodity revenues because commodity prices — the recent rebound notwithstanding — remain low."

Obstfeld said while the world economy may be gaining momentum, the IMF could not be sure that SA was out of the woods.

"Whether the current momentum will be sustained remains a question mark. There are clearly upside possibilities. Consumer and business confidence in advanced economies could rise further … On the other hand, the world economy still faces headwinds," Obstfeld said.

He added that protectionist policies remained a risk to the global economic recovery.

"Trade has been an engine of growth, promoting impressive per capita income gains and declines in poverty throughout the world, especially in poorer countries," Obstfeld said.

Meanwhile, Nigeria, the continent’s most populous nation and a leading oil producer, was expected to return to growth in 2017 after a challenging 2016 characterised by recession, a dip in oil prices and energy shortages.

"Output in Nigeria is projected to grow by 0.8% in 2017 as a result of a recovery in oil production," the IMF said in the report, also citing sustained growth in the agricultural sector.

Angola, which experienced zero growth in 2016, was expected to show improvement this year, thanks to the effects of economic diversification.

Although there were signs of recovery in the region, the international lender warned that the outlook remained subdued.

"Many of the largest nonresource intensive countries will find it increasingly hard to sustain growth through higher public capital spending, as they have done in the past, in the face of rising public debt and a slowing credit cycle." It said output growth was expected "only moderately" to exceed population growth over the forecast horizon.

Double digit inflation was forecast in several countries, including Nigeria, Angola and Ghana, following a sharp depreciation of their respective currencies in recent months.

Tanzania, Kenya, Ivory Coast and Senegal were forecast to lift GDP by between 5% and 7% in 2017. Ethiopia was expected to grow 7.5%   (AFP 18-04-2017)

BUSINESS LEADERSHIP SOUTH AFRICA SEEKS TALKS WITH JACOB ZUMA

Leaders want new terms of engagement as trust between business leaders and the government has broken down irretrievably

Business Leadership SA (BLSA) had requested a meeting with President Jacob Zuma to establish new terms of engagement as the trust between business leaders and the government had broken down irretrievably, the organisation said on Monday.

BLSA represents most of the listed companies on the JSE.

Deputy chairman Bonang Mohale said a youth employment initiative, a joint project between business and government to create 1-million internships and a R1.5bn fund for investment into small and medium enterprises was "in danger of being undone by a simple act of a sitting president".

The stinging attack from business came on the eve of new Finance Minister Malusi Gigaba’s departure to join his counterparts and central bank governors at the IMF and World Bank spring meetings in Washington DC.

Next week Gigaba will head a delegation to meet investors in Boston and New York and will also engage ratings agency Moody’s, which has SA on review for a credit rating downgrade. S&P downgraded SA to junk status on April 3 citing political tension and its possible impact on fiscal policy. Fitch Ratings gave similar reasons four days later.

Gigaba met with domestic investors following his appointment but has evidently failed to reassure businessmen. BLSA took out full-page adverts in the weekend papers expressing its disappointment over the recent cabinet reshuffle, which saw Pravin Gordhan fired as finance minister and which had plunged the country into "a political and economic low point of our young democracy".

Mohale said on Monday the association had met with the ANC’s top six leaders last Thursday for an honest and open meeting behind closed doors but declined to disclose any details.

"We are a business organisation, we are nonpartisan, we have no desire to get involved in partisan politics let alone in factional fights." Their job was to make sure SA was "open for business, that our whole time, energy and effort is devoted towards addressing the stubbornly high levels of unemployment, which then leads to increasing levels of poverty and increasing levels of inequality".

"How do you join the new minister of finance and his deputy on road shows until and unless this relationship has been reset, (and) we’ve agreed on new terms of engagement and new terms of reference.

"We can’t work hard and then you kick us in the teeth and then we continue to work hard and you poke a finger into our eye and then we continue to work hard and then you snub us in the manner that you did," Mohale said. (BD 18-04-2017)

MUMMIES AND MORE DISCOVERED IN ANCIENT TOMB NEAR EGYPT’S LUXOR

Egyptian archaeologists have unearthed several mummies, colourful wooden sarcophagi and more than 1,000 funerary statues in a 3,500-year-old tomb near the city of Luxor, hailing an "important discovery". The 18th dynasty tomb containing at least eight mummies was discovered in the Draa Abul Nagaa necropolis near the famed Valley of the Kings, the antiquities ministry said in a statement on Tuesday.

It belonged to a nobleman named Userhat who worked as the city judge. It was opened to add more mummies during the 21st dynasty, about 3,000 years ago, to protect them during a period when tomb-robbing was common, Mostafa Waziri, the head of the archaeological mission, said at the site.

"It was a surprise how much was displayed inside," Egypt’s antiquities minister, Khaled el-Enany, told reporters outside the tomb. "We found a large number of ushabti [small carved figurines], more than 1,000 of them. This is an important discovery." Ushabti figurines were often placed with the deceased in ancient Egyptian tombs as they were believed to help with responsibilities in the afterlife.

Antiquities officials had initially said six mummies along with partial remains were discovered near the southern city, but said they had later identified two more mummies. "There are 10 coffins and eight mummies. The excavation is ongoing," Waziri said. Inside the tomb, archaeologists wearing white masks and latex gloves inspected the sarcophagi, which are covered with intricate drawings in red, blue, black, green and yellow, and feature the carved faces of the dead.

The coffins are mainly well-preserved, though some have deteriorated and broken over the years. Archaeologists were also examining a mummy wrapped in linen that was inside one of the coffins. White, orange, green and patterned pots were also found in the tombs.

The necropolis is located across the Nile from Luxor, on the west bank, where many of the famous ancient Egyptian pharaohs were buried, including Tutankhamun.

The age of the tomb was determined "through the drawings on the ceiling", Waziri said. "It is a T-shaped tomb, which consists of an open court leading into a rectangular hall, a corridor and an inner chamber."

A 9m-shaft inside the tomb held the ushabti figurines, as well as "wooden masks and a handle of a sarcophagus lid", the ministry said. "The corridor of the tomb leads into an inner chamber where a cachette of sarcophagi is found."

Waziri says, "It’s evident that someone with a conscience, the priests or a high-profile government official ... made an opening to the chambers, and they put the coffins there." Another room in the tomb was also discovered, though it has not yet been completely excavated. Archaeologists were able to enter the tomb "after removing almost 450m of debris from the open court", the ministry said.

The tombs and ancient temples of Thebes, the capital of ancient Egypt during its later periods and now the city of Luxor, were a major tourist attraction, but tourism here has dropped in the turmoil that followed the 2011 uprising that toppled long-time ruler Hosni Mubarak. Enany said he hoped these new discoveries would help attract tourists again.

Nevine el-Aref, spokeswoman for the antiquities ministry, said "There is evidence and traces that new mummies could be discovered at the site in the future." (AFP 18-04-2017)

GIGABA SETS OFF ON ROAD SHOW TO RESTORE CONFIDENCE IN SOUTH AFRICA INC

The finance minister plans to attend the IMF/World Bank Spring meetings, but high-profile business leaders will not join him

Finance Minister Malusi Gigaba sets off on an international road show this week in a bid to restore confidence in SA Inc after two bruising ratings downgrades.

Gigaba will have his first opportunity to meet his global counterparts at the IMF/World Bank Spring meetings, which open in Washington DC on Friday. He will then meet investors in Boston and New York and will also meet ratings agency Moody’s, which has SA on watch for a downgrade.

However, Gigaba will not be accompanied by any of the high-profile business leaders who have in the past year typically accompanied government on road shows to investors and ratings agencies, helping to avert downgrades in 2016. (BD 18-04-017)

TWO MILLION HOUSES NEEDED IN KENYA TO TAME SLUM EXPLOSION

The World Bank has said that Kenya needs to build two million affordable city homes to meet its housing deficit.The World Bank also said this will help stem slum explosion.

WB noted that investment in housing would also create jobs, improve economic growth and strengthen the east African country’s financial sector.

in its latest report the World Bank observes that a lot of Kenyans are unnecessarily living in slum dwellings due to limited supply coupled with lack of affordability.

The World Bank cautions that the problem will only become worse over the next decades unless a serious focus on housing and the finance of housing for the average Kenyan is taken.

While only one in three of Kenya’s 44 million people live in cities, its population growth is largely urban. The report also show that most Kenyans will live in cities by 2033.

Although Kenya needs to produce 244,000 homes a year to meet demand less than a quarter of this number are being constructed it said. With rapid urbanisation, the situation is worsening as Kenya's cities are growing by 500,000 people a year, it said.
Kenyan capital Nairobi is one of Africa's most expensive cities for housing, with 2013 prices almost triple those of 2000, it said.
Africa has the fastest growing cities in the world, with 40 percent of its one billion people in towns and cities, but most new homes target the middle and upper classes as it's easier to make a profit from high-end sales.
One of the main problems is a shortage of finance.
There are fewer than 25,000 mortgages in Kenya as banks have limited access to long-term funding, it said.
The World Bank observes that More Kenyans could own their own homes if the private sector set up a mortgage refinance company to provide cheap, long-term funding to mortgage lenders from the capital markets and other investors.(CRO 12-04-2017)

CFA FRANCS HAS BRIGHT FUTURE, BCEAO GOVERNOR SAYS

The CFA franc has a bright future and will allow the economies of member countries to progress, according to the Governor of the Central Bank of West African States (BECEAO), Tiemoko Meyliet Kone. Kone was speaking on Friday evening, at the close of the 15th meeting of Finance of the countries using CFA Franc as a legal tender.

"In the franc zone the key word is solidarity," Senegal's Finance minister Mamadou Ba said at the end of the meeting while his Ivorian counterpart, Adama Kone praised for the common currency.
According to Minister Koné, host of the meeting, "we have one of the best rates in the world. We have a good currency for which we must feel satisfaction."
The Governor of BECEAO, Tiemoko Meyliet Kone proposes further communication about of common currency used by 15 African States.
"A better future however will depend on solidarity and discipline," Mahamat Tolli, governor of the Bank of Central African States (BEAC) said while acknowledging the fact that the currency is subject to criticism from many experts". (APA 15-04-2017)

RENEWABLE ENERGY TO SURPASS AFRICAN ENERGY DEMAND BY 2030

Africa's huge latent for renewable energy could surpass the continent's estimated electricity demand in 2030, according to new research.

The paper, “Strategic siting and regional grid interconnections key to low-carbon futures in African nations” draws the potential for new wind and solar farms in 21 African nations.
At present-day, Africa has the least per capita electricity consumption in the world.
A statement from the World Bank Group and the International Energy Agency (IEA) affirms that the haste of electrification in Africa is failing to keep stride with a quickly mounting population.
The report states that of the 1.06 billion people across the globe who still have no access to electricity, 45 per cent live in Rural Africa – with an extra 10 per cent spread across African municipalities.
According to the Sustainable Energy For All Forum, only 37 per cent of Africa’s populace had access to electricity in 2014.
Africa has vast unexploited resources for renewable energy – specifically wind and solar power.
Carefully selected locations coupled with interconnectors that enable resources to be shared within and between nations could allow Africa’s quickly mounting electricity demand to be met with renewables at alike cost to conventional fossil fuel generation, according to the authors of the paper.
Energy demand in Africa is expected to grow exponentially; the study forecasts that for an area encompassing 50 per cent of Africa’s population, the collective demand will exceed 1,000 terawatt-hours (TWh) by 2030 – almost triple the figure for 2010.
The declining costs of wind and solar has already fuelled growth in renewable energy generation in a number of African countries.
In Kenya and Ghana, the levelised cost of wind power is already unevenly equivalent to hydropower.
To enlarge the adoption of renewable energy all over the continent, the paper’s authors developed a tool to map the best available new locations for solar and wind power in 21 different nations.
According to the exploration, the full potential for wind and solar power across all 21 nations exceeds the expected electricity demand in 2030 by at slightest a factor of two.
The outcomes show that Djibouti, Libya, Swaziland and Tanzania will be able to meet 30 per cent of their demand with available, low-impact, and economical wind spots.
Likewise, Botswana, Ethiopia, Lesotho, Tanzania, Uganda, Sudan and Zimbabwe could see 30 per cent of their estimated 2030 demand with locally-produced solar photovoltaic (PV).
However, for Angola, the Democratic Republic of Congo, Egypt, Kenya, Libya, South Africa and Zambia meeting 2030 targets will “require investing in transmission extensions to access lower-cost PV resources or importing from neighbors”.(CRO 15-04-2017)

DRC SUSPENDS MILITARY COOPERATION WITH BELGIUM

The Democratic Republic of Congo (DRC) has suspended military cooperation with Belgium, announced Jeune Afrique magazine quoting the spokesman of the Belgian minister of Defence, Laurence Mortier.

However, Mortier did not wish to comment on the reasons behind this decision. "We are now taking stock of the areas covered by this cooperation," he added.

Military cooperation between Kinshasa and Brussels mainly concerns training activities. For instance, the Belgian military forces trained two contingents of DRC armed forces (FARDC) rapid intervention brigades, who were deployed in Ecuador during the uprising in the early 2010s, and against the rebellion of the 23 March (M23) rebels in North Kivu, in 2012 and 2013.

The Belgian soldiers are still backing the Congolese military on the ground today.

The DRC and Belgium had given new impetus to their partnership within the framework of reform of the FARDC in March 2009 and a declaration of intent signed by the defence ministers of both countries.

According to some observers, by suspending military cooperation with Belgium, the DR Congolese authorities wish to show their dissatisfaction with the Belgian position in relation to the appointment of Bruno Tshibala as Prime Minister.

The Kingdom of Belgium, France, the European Union and other Western countries criticized the appointment of Tshibala as premier, saying that it does not reflect the spirit and letter of the 31st December agreement between Congo's ruling majority and the opposition. (APA 15-04-2017)

NIGERIA URGED TO SPEED UP SEAPORT REHABILITATION PLANS

Nigeria is being urged to ensure that the country's seaports are rehabilitated and critical infrastructure fixed urgently as part of economic recovery plan.
Stakeholders in the maritime sector says unless this is done efforts to recover the economy may just be another wild goose chase.
Stakeholders in the maritime sector praised the outgoing President General of the Maritime Workers Union of Nigeria (MWUN), Anthony Nted for the enduring peace and industrial harmony that prevailed in the industry during his tenure.
Also of great concern is the poor state of roads and other infrastructure at the ports, which are being blamed for the high cost of clearing goods in the country.
Speaking at the ceremony for outgoing President General of the Maritime Workers Union of Nigeria (MWUN), Anthony Nted, President of the Nigeria Labour Congress (NLC) Ayuba Wabba said that the role that maritime plays in the conomy can never be underestimated.
"Maritime plays important role in the economy because the port is the gateway for investment inflows into the country. Why for instance, would people want to clear goods through other West Africa countries? This is because our cost is high. For example, freighting from Geneva cost 1000 CF to Nigeria as against 600 CF to other West African countries, he said.
On his part Mr Nted urged government to create an enabling environment for businesses to thrive and create jobs, adding that those in the position of leadership should stop playing on people's intelligence by missing politics with business.(CRO 11-04-2017)

BANK OF KOREA SUPPORTS FISH DISTRIBUTION IN ANGOLA

The Export Import Bank of South Korea has provided a loan of US$49 million to Angola for the recovery of the premises of fish processing company Edipesca, located in Boavista, in Luanda, under an agreement signed on Wednesday in the Angolan capital.

The agreement, signed by the director of the Office of Studies, Planning and Statistics of the Ministry of Fisheries, Isabel Cristóvão and the representative of the South Korean bank, Choi Hong-Suk, will also be used to build new facilities to improve fish processing.

The Minister of Fisheries, Victoria de Barros Neto, said at the end of the ceremony that the idea is to rebuild the old facility and build a new two-storey building to expand capacity for freezing, storage and fish processing.

Barros Neto noted Angola's limitations in terms of the cold chain and distribution of fish and considered the support from South Korea both in the reconstruction and construction of new Edipesca facilities as well as the creation of a more effective distribution network.

Empresa Distribuidora dos Produtos da Pesca (Edipesca) was established in 1984 when Angola had a planned economy model and had a monopoly on distribution of fish in the north and east of the country.

In 1991, due to changes in the political and economic framework (multiparty system and market economy), the company was privatised until 2004, when the Ministry of Fisheries took on responsibility for it as a way of becoming the fish market regulator. (13-04-2017)

CTA - BRUSSELS BRIEFING 48: RURAL – URBAN LINKAGES IN AFRICA

Senior experts and policymakers presented important lessons and opportunities for African countries to strengthen linkages between rural and urban areas at a Brussels Briefing which took place on Monday 20th March 2017. The event, held under the title of "Strengthening rural livelihoods in the face of rapid urbanisation in Africa", attracted a wide audience of over 130 participants representing the ACP and EU diplomatic and development communities present at the ACP Secretariat, and an online audience of over 100 following via Webstream. It was organised by CTA, in partnership with the German Federal Ministry for Economic Cooperation and Development (BMZ), the German Development Agency (GIZ), the Directorate-General for Development and Cooperation of the European Commission (EC/DEVCO), the ACP Secretariat and Concord (the European NGO confederation for Relief and Development). This debate, which comes at a time of increased focus on Africa's demographic boom and rapid urbanisation, sought to consider the implications for rural jobs and youth, migration and economic transformation in the continent. Employment, especially for youth, agricultural transformation, and the use of peri-urban areas and small intermediary cities as service hubs emerged as the dominant talking points of the Briefing. The discussions pointed out the importance of infrastructure to link rural, peri-urban and urban areas, particularly the construction of good roads that can reduce transportation costs and promote development of the off-farm economy. Furthermore, a strong emphasis was placed on the need to make rural transformation inclusive through the right policy interventions and finance mechanisms. Several examples of successes from producers, young entrepreneurs, researchers and policy makers highlighted new opportunities for value-chain actors in the context of urbanisation and stronger rural-urban linkages. Of significance in terms of emerging trends is the growing demand created by urban consumers, which offers new markets for farmers and entrepreneurs in fresh and processed foods. (CTA 20-03-2017)

MERKEL'S 'MAN IN AFRICA' DOWNBEAT ON PROSPECTS FOR AFRICA-EU SUMMIT

Günther Nooke, Angela Merkel's representative to Africa, offered a gloomy prognosis of November's Africa-EU summit in Abidjan on Tuesday (11 April), saying trade between the continents was "almost irrelevant" and that the African Union required major "institutional reform".

The summit comes against a backdrop of a slew of measures, such as the German Marshall Plan for Africa, the EU's new Migration Compacts, and Emergency Trust Funds for Africa, the Sustainable Development Goals and the EU's New Consensus on Development – all seen as kick-starting a fresh dynamic between the world's poorest continent and Europe.

But Nooke – who is Commissioner for Africa at the German Ministry for Economic Cooperation and Development – painted a much gloomier picture at a Brussels event hosted by the Konrad Adenauer Stiftung.

His criticisms will be all the more stinging as Germany will this summer host the G20 summit in Hamburg, explicitly devoted to a focus on Africa.

The seminar on the upcoming Africa-EU summit heard that many African governments are 'ill-performing.' [Matthew Tempest]

Nooke warned an audience of around 100 aid experts that "every malnourished child [in Africa] is a complaint against an African government", adding in an implied threat that "those willing to take up this challenge will get support."

He said that, while he agreed with the German chancellor that "the well-being of Africa is in Europe's interests", "that does not mean we carry the whole responsibility.

"We find that many African governments do not perform well."

He warned that with the African population set to double by 2050 "we need a paradigm shift to deal this.

"African government structure will have to improve dramatically for this to be sustainable."

Africa's population set to double by 2050, says new report

Africa's population will double by 2050, according to a new report from the Population Reference Bureau (PRB) in Washington – posing serious questions about the sustainabililty of the world's poorest continent.

And he lambasted the current Economic Partnership Agreements (EPA) between the EU and African states, saying "they are no success story, neither for Africa nor for Europe".

Nooke said that he agreed with the general sentiment that the EPAs "are not an agreement, and it's not a partnership".

And he said the current state of trade between Africa and the EU was "almost irrelevant", beyond natural resources such as cocoa and coffee beans, "and some diamond-cutting in Botswana."

The African economy as a whole was "very, very, very weak", he warned, and that there was "no energy infrastructure for renewables" in place.

German Africa envoy: Scepticism remains over SDG implementation

Günter Nooke, Angela Merkel's representative in Africa, has called for a rethink of international approaches towards Africa, in an interview with EURACTIV Germany.

African 'Union'

Moving on to the political outlook, Nooke said he agreed with Rwandan President Paul Kagame's recent report on the state of the African Union, which found it "dysfunctional" and "facing another decade of lost opportunity."

The African Union "needs institutional reform" because the challenges are huge, Nooke warned.

Whilst the African Union, based in the Ethiopian capital Addis Ababa, has a new set of commissioners, welcomed by all the panel, currently, negotiations on a post-Cotonou trade agreement between the African, Caribbean and Pacific (ACP) state and the EU are mired in delays. The Cotonou Agreement is due to run out in 2020. (EuroActiv 12-04-2017)

EU welcomes Morocco rejoining African Union

The European Union has welcomed a decision by African Union to readmit Morocco after 33 years of absence.

But Nooke also had stern words for Brussels, saying that while the EU had "great experience in regional Free Trade Agreements (FTAs) and customs unions, it could share that experience [with the African Union] but Directorate General Trade here in Brussels has to change."

He did not specify what those changes would be.

Cracks appear in EU-ACP unity at Cotonou meeting in Dakar

Dissent was heard at the high-level meeting in Dakar last week of the EU and the 79-member states of the African, Caribbean and Pacific group.

Nooke made it clear that as far as Germany was concerned, for any Africa-EU summit to work, it "needed north Africa on board", a reference to the ongoing civil war in Libya, and the military dictatorship in Egypt.

Africa is currently struggling with a drought on the brink of famine in South Sudan, Somalia and northern Nigeria, plus troubled or fragile democratic transitions in Gambia, Gabon, DR Congo and the Central African Republic.

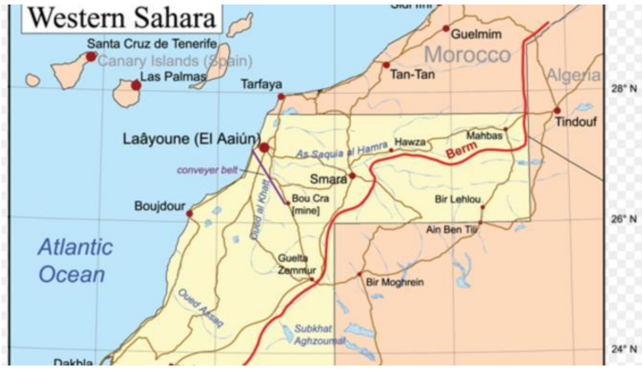
The African Union Ambassador to the EU, Ajay Bramdeo, said that while the German Marshall Plan for Africa was "interesting", it should have been drafted as a plan "with Africa", rather than "for Africa."

He was supported by the audience, where the Zimbabwean ambassador to the EU queried whether there had been "any African involvement" in the German Marshall Plan.

In a good-tempered but frank exchange of views, Bramdeo apologised for "bringing inconvenient realities to the fore", but warned that neither Europe nor America had first developed as democracies before their economic development, telling delegates to "read any history book".

"We are not anti-democratic," he continued, "but who gets to decide if there is enough [democratic] progress to get a carrot [aid]?" (EurActiv)

EU WELCOMES MOROCCO REJOINING AFRICAN UNION



Morocco left the African Union in 1984 over the disputed Western Sahara.
The European Union has welcomed a decision by African Union to readmit Morocco after 33 years of absence.
Morocco left the 54-strong AU in 1984, over the long-running dispute over Western Sahara, which it claims is part of its territory, whilst the Polisario Front want independence, and bordering Mauritania and Algeria also have claims on the land.
Georgrahpically huge, it contains only some 500,000 people, most of whom live in the city of Laayoune.
A spokeswoman for EU Foreign Affairs chief Federica Mogherini said, “The decision by the African Union to reintegrate Morocco as a member unites all of the African continent within its regional organisation.
“Regional cooperation and integration are crucial for prosperity, stability and peace. Both the African Union and Morocco are key partners for the EU. We look forward to working with both the African Union and Morocco to consolidate the EU’s growing partnership with Africa.”

EU court casts doubt on Morocco's claim to Western Sahara

Two deals between Morocco and the European Union do not apply to Western Sahara, the EU’s top court said during a raft of rulings made yesterday (21 December), in a decision that a group seeking the disputed territory’s independence said was a victory for its cause.
Salek said Monday that having Morocco in the same room would allow the SADR to pressure them into fulfilling their obligations and hold a long sought referendum.
King Mohammed did not raise the issue of Western Sahara in his speech, choosing instead to highlight how Morocco as “one of the most developed African nations”, could be a boon to the continent.
“We do not ignore the fact that we do not have unanimity in this noble assembly. We do not want to create divisions as some have insinuated,” he said.
“My vision of South-South cooperation is clear and constant. Morocco … will be a motor for common economic growth.
“It is time that Africa’s riches benefit Africa. For too long we have looked elsewhere to make decisions, commitments. Is it not time to turn towards our own continent?”
African Union presidency
The AU summit also saw Chadian foreign minister Moussa Faki Mahamat take over from South Africa’s Nkosazana Dlamini-Zuma as AU commission chief after a fierce election battle that eliminated four other candidates.
Guinea’s Alpha Conde took over the rotating presidency of the bloc, and called for the continent to express solidarity with Somalia, Libya and Sudan, which have been targeted by a United States travel ban.
A combative Conde also called for more urgency in reforming the United Nations so that Africa could get a permanent seat on the Security Council – a long-running demand from the continent.
He appointed South African President Jacob Zuma to lead negotiations with the UN, and also look into the effectiveness of peacekeeping operations on the continent.
“What is the role of the blue helmets? What purpose does this army serve?” Conde asked, pointing to ongoing violence in places like South Sudan and Democratic Republic of Congo.

He also appointed Ugandan President Yoweri Museveni to negotiate on behalf of the continent with the European Union on the issue of migrants.

“On the migration problem we need to speak with one voice.”(EurActiv)

AFDB UNVEILS $450M FUND TO PROMOTE EXPORT TRADE

The African Development Bank (AfDB) has approved $450 million about (Rwf372 billion) trade finance facility for the African Export–Import Bank (Afreximbank).

The facility consists of a three-year $150 million unfunded risk participation agreement and a four-year $300 million loan to support exporters.

According to Dr George Elombi, the executive vice-president for corporate governance and legal services at Afreximbank, the composite facility will help to expand Afreximbank’s risk bearing capacity for the confirmation of letters of credit and to support more trade through the provision of increased funding to financial institutions and corporate firms in Africa. The project is aligned with AfDB’s priority goals, including lighting up and powering Africa, and helping to feed and industrialise the continent.

“It also seeks to support market integration and improve the quality of life for the people of Africa,” Elombi said last week.

The funding will help boost intra-Africa trade, promote regional integration and contribute to the reduction of the trade finance gap in Africa.

Elombi said the current macro-economic challenges on the continent, like withdrawal of global banks from the African trade finance space, acute shortage of foreign exchange reserves following the end of commodity super-cycle, and widening trade deficits, pose a serious challenge to the continent’s financial industry.

“Therefore, given Afreximbank’s commitment to helping African economies diversify their exports, strengthen trade value chains and promote value addition, this facility will contribute to macroeconomic resilience in at least 28 countries. It will provide financing to more than 100 financial institutions and corporate firms and support at least $ 2.8 billion of trade in Africa over a 4-year period,” he added.

The facility, according Geoffrey Kamanzi, the director for trade facilitation and negotiations at Private Sector Federation (PSF), will play a big role in strengthening export sector besides deepening intra-regional trade.

The African Export-Import Bank is the foremost pan-African multilateral financial institution devoted to financing and promoting intra and extra-African trade. The bank was established in October 1993 by African Development Bank, African governments, African private and institutional investors, and non-African investors.

Since 1994, it has approved more than $51 billion in credit facilities for African businesses, including about $10.3 billion in 2016.

Afreximbank had total assets of $9.4 billion as at 30 April 2016 and is rated BBB+ (GCR), Baa1 (Moody’s), and BBB- (Fitch). The Bank is headquartered in Cairo but works with other development banks on the continent.(The New Times 04-04-2017)

AFRICA: IS BERLIN'S NEW AFRICA POLICY FALTERING?

Germany wants to use its G20 presidency to mobilize more assistance for Africa. But it has yet to work out a strategy which has been properly coordinated between government ministries and time is running out.

Germany's development minister Gerd Müller is a man with a mission he is impatient to fulfill. He recently attended the Berlin African Economic Forum, a conference convened by the German-African Business Association (Afrika-Verein der deutschen Wirtschaft) and the Westerwelle Foundation, which is named after the late German foreign minister, Guido Westerwelle.

Müller said he was pleased that plans to turn 2017 into Germany's Year for Africa were finally firming up. "We have plenty of backing in the finance and economics ministries," he said. After the conference, he planned to meet Foreign Minister Sigmar Gabriel. "We want to brief him on Africa. He's open for ideas and is supporting us all the way," Müller said.

'Marshall Plan with Africa'

Germany's Year for Africa refers to a policy decision by the government in Berlin to use Germany's presidency of the G20 major economies to mobilize more resources for Africa. Various ministries have already outlined their plans for this project, or are working on them.

Müller and the development ministry unveiled its "Marshall Plan with Africa" in January. The finance ministry, in cooperation with other G20 countries, is drawing up a "Compact with Africa." Last December, the development and economics ministries presented a joint strategy paper on promoting more trade and investment in Africa.

Search for common strategy

Helmut Asche, professor for African studies at the Universities of Mainz and Leipzig, told DW that he thinks the German government's new-found commitment to Africa is "a splendid idea." Nonetheless, he has certain reservations. "It is an open secret that coordination between the various ministries could be, to put it mildly, better. This has not escaped our African partners," he said.

The ministries themselves are now starting to realize this, Asche said. However, a joint, coordinated German government strategy on Africa for the G20 presidency is still lacking.

There is a myriad of unanswered questions surrounding both the "Marshall Plan" and the "Compact with Africa." How is the substantial supplementary funding needed for both these projects going to be arranged? The final communique of the recent G20 finance ministers meeting devotes just 15 lines to the "Compact with Africa." It says that the initiative should promote investment in selected African countries.

Elections in Germany

Time is running out for the German government. It will have to have finalized its coordinated strategy by the summer. The G20 conference on Africa is scheduled for June. The G20 summit of heads of state and government follows in Hamburg in July. Then campaigning starts in Germany for the September general election. After the election, there will be coalition talks on forming a new government. So will the German government be able to bring together its ideas on Africa in time? "I have my doubts, but the government may well surprise us," said Asche.

German business leaders are watching the evolution of the government's Africa policy very closely. This is because increased private investment plays a key role in Berlin's tentative plans. According to German government thinking, more foreign investment and more joint projects involving the development and economics ministries could help improve living conditions in Africa.

At the German-African Economic Forum in Nairobi in February, the development and economics ministers, Gerd Müller and Brigitte Zypries respectively, appealed urgently to German businesses to display a greater commitment to Africa.

"The recent announcement by Chancellor Angela Merkel that Africa should be put top of the agenda is already having an impact. But we now need to see something of substance behind that headline," said Christoph Kannengießer, who heads the German-African Business Association.

Long term goals

German businesses are hoping that political backing from Berlin will lead to improved market conditions in Africa. German firms say competition is fierce. Lucrative deals for large-scale projects often go to the Chinese. German firms also hope that the Berlin government's new commitment to Africa won't be dropped after the general election.

"We face a challenge that is going to preoccupy us intensely for the next decade or two. I trust that the usual short term approach of the political class and their tendency to think in legislative periods won't gain the upper hand," Kannengießer said.(DW 05-04-2017)

AID FOR TRADE REVIEW – SUGGESTIONS FOR THE FORTHCOMING REVIEW: PRIORITISING INCLUSIVENESS AND SUSTAINABILITY

1. Changing context and challenges

DEVCO announced that the EU's Aid for Trade Strategy *"is currently being revised to improve complementarity between trade and development policies and increase the effectiveness of Aid for Trade on least developed countries (LDCs) in particular".* Aid for Trade (AfT) is part of Official Development Assistance (ODA) related to improving countries' capacity to trade and comprises five categories.

Given that Aid for Trade represents a third of the official development assistance of the EU and its Member States, the review offers an important opportunity to ensure that this public money is channelled not only towards economic sectors but also to areas where it could reduce inequality and improve the distribution of gains from trade.

The Joint Strategy on Aid for Trade from 2007 includes the following key goals:

- implement the commitment by EU Member States and the European Commission to collectively spend €2 billion annually on Trade-Related Assistance by 2010;
- enhance the pro-poor focus and the quality of EU Aid for Trade;
- build upon, foster and support regional integration processes through Aid for Trade, including within African, Caribbean and Pacific (ACP) countries;
- increase EU-wide and Member States' capacity in line with the globally agreed aid effectiveness principles;

- support effective Aid for Trade monitoring and reporting.

The international community took into account worrying challenges including climate change, increasing inequality, the increasing precariousness of work, and a shrinking space for civil society in many countries and adopted two landmark commitments in 2015: the Agenda 2030 (the Sustainable Development Goals or SDGs) and the Paris Climate Agreement. However, many policies – including the EU trade and investment policy and the EU development policy – still need fundamental reform if they are to contribute to the goals laid out in these two global agreements.

The ITUC and ActionAid consider that these 10-year-old objectives remain valid today, but could be usefully complemented. The present submission outlines recommendations on the AfT review aiming at updating the AfT to address current challenges and complement the currently predominant emphasis on economic indicators by incorporating social, environmental, and governance actions.

2. Trade for Development or Aid for Trade?

AfT is part of Official Development Assistance (ODA) and therefore has as a primary objective the eradication of poverty, by improving developing countries ability to trade. It is vital that AfT is not used to serve the interests of EU trade policy and European companies, but to actually benefit people living in poverty in partner countries as per Article 21 of the Lisbon Treaty and as recently recalled by the European Parliament in a resolution on the revision of the European Consensus on Development.

Trade for All argues that EU trade policy must: *“improve conditions for citizens, consumers, workers and the self-employed, small, medium and large enterprises, and the poorest in developing countries”*. Trade for All also says that the EU trade policy must *“address the concerns of those who feel they are losing out from globalisation”*. In fact, many people in developing countries are not just *feeling* they lose, they *are* undoubtedly losing. This needs to be acknowledged and addressed as a matter of priority. **In this regard, AfT could be enlarged and redirected so as to include programmes that support industrial policy, social dialogue and workers’ representation, labour inspectorates, decent work programmes, women’s cooperatives, litigation for producers in supply chains, and other actions.**

A background document produced by the European Commission in April 2016, outlining the intention to review AfT, mentions that *“[n]ew opportunities arise for development policy to leverage positive impact through a more strategic use of aid around EU FTAs, to better unlock their developmental potential.”* The EU trade and development policies can converge on a number of issues, but may also involve diverging interests and trade-offs. This should be explicitly recognised in the AfT review.

The ITUC and Action Aid believe that AfT should not be used as a means to press countries to sign FTAs. FTAs should be agreed only when a country has reached an adequate level of competitiveness. Neither should AfT be used to support the integration of developing countries’ economies in global supply chains. UNCTAD’s Trade and Development reports have been showing that lead firms retain most of the value and wealth created in supply chains while generating a race to the bottom in terms of wages and working conditions, and environmental standards.

Aid for trade should remain independent of the EU trade policy and prioritise support to local, national and regional trade and investment, in line with the 2007 AfT Strategy’s focus on regional integration.

3. Which new elements should be incorporated in AfT?

The European Commission produces an annual monitoring report on EU Aid for Trade.[vi] This is a valuable exercise, allowing the EU and Member States to be accountable for the quantity and quality of public spending that supports trade in third countries, but although pages are devoted to qualitative analysis, little is said about the development impact of AfT on women’s economic empowerment, the imbalance of power in supply chains, working conditions, industrialisation and greening the economy.

AfT could be used to improve the implementation of sustainability chapters. However, sustainable development chapters will probably do little to increase respect for workers’ rights and environmental protection in partner countries, even if backed with millions of euros, unless their provisions come into the scope of the dispute settlement chapter. ITUC’s experience shows that bringing labour law in line with ILO core labour standards and improving implementation is primarily an issue of political will which in most cases is lacking. In this regard, financing capacity building (labour inspectorates, judicial system and other institutions) could be complementary to but not an adequate substitute for enforceability.

The ITUC and Action Aid believe that the AfT review offers opportunity to take the following principles into account, in addition to the 2007 AfT Strategy’s priorities:

- Prioritise support for investments in social infrastructure and the care economy, in order to contribute to **women’s economic empowerment**, as per the 2015 EU Gender Action Plan. A UN high level panel recently highlighted the failure to recognise, reduce and redistribute unpaid household work as a major systemic constraint hampering women's economic opportunities, a point that human rights organisations have been arguing for many years. Creating jobs for women can only provide real opportunities for women to realise their rights if these jobs are decent (as per the ILO definition of *decent work*), and if women's unpaid care burden is effectively reduced and eliminated. A commitment by the EU and its Member States to use much more AfT to invest in the care economy and gender responsive social infrastructures and public services would contribute to improving the impact of trade on women's rights and would contribute to making trade socially sustainable.

- A transition towards a green economy is under way, and it needs to be encouraged and accelerated in view of the major obstacle posed by climate change to the realisation of the SDGs and human rights for all. AfT should prioritise the **just transition towards a green and circular economy** in partner countries, in line with the objectives of the Paris Climate Agreement. The circular economy is an option to reduce greenhouse gas emissions, and the EU itself is engaging on that path at the moment. The promotion of sustainable local consumption and production should get funded, as required under the SDGs, even when doing so does not increase international trade.
- AfT should support **social dialogue** as a priority so that the benefits of trade and investment are distributed fairly. Workers in exporting and other sectors usually capture little of the value they create and exploitation, unsafe working conditions, and low wages are characteristic of supply chains and trading sectors. AfT should fund the establishment of social dialogue structures and living wage setting mechanisms on sectoral and national level, as well as training for social partners. To this end, the involvement of the ILO is necessary. Ideally, individual projects benefiting from AfT should require the application of labour performance standards. Without strong workers' organisations, there will be no progress on fairer wealth distribution, living wages or health and safety at work. The EU could definitely make a difference there. Multi-stakeholders approaches have important limits and should not replace structured social dialogue.
- In order to improve the contribution of trade and investment to the realisation of sustainable development and human rights, AfT needs to support the implementation of local, national and regional **industrialisation policies**, elaborated with the participation of local micro-, small- and medium-size enterprises, academia, local government, women's associations, trade unions and CSOs. In particular, programmes should fund structures that support the development of **micro-enterprises and SMEs**, which constitute the overwhelming majority of the private sector, and to social economy enterprises, including **cooperatives,** whose main objective is to serve the members and not to obtain a return on investment as the traditional mainstream capital companies do.[ix] . Much more emphasis should be put on supporting **local, national and regional markets** as opposed to global supply chains.[x]
- Improving corporate accountability and **respect for the United Nations Guiding Principles on Business and Human Rights (UNGPs)** by local companies could be part of AfT. Companies or sectors in supply chains could benefit from AfT when the lead firm has developed and applies a robust framework for human rights due diligence. Apart from helping reducing the adverse impacts of business operations on human rights, it would also help and incentivise European business enterprises to incorporate human rights due diligence as required by the UNGPs.(Action Aid

MALAWI: INADEQUATE FUNDING IN RESEARCH STALLING MALAWI LEGUME SECTOR GROWTH

Lack of huge investment in research and innovations towards the legumes subsector is stalling the growth of the industry in the country, agricultural experts say.The legume sub sector in Malawi has been billed as an alternative sector to the tobacco industry towards the economic growth of the nation.

But low funding to academic and other institutions towards research and development is said to derail progress needed for meaningful and valuable changes in the sector.

"Funding levels are very minimal in institutions of higher learning and other government departments responsible for undertaking research. As such there is little progress in making the legume subsector a vibrant alternative to the tobacco sector," said chief executive officer for African Institute of Corporate Citizenship (AICC), an organisation working towards capacity building in the agriculture sector.

He was speaking on Thursday in Lilongwe on during a symposium on legume value chains technology, innovations and research held at Bingu International Convention Centre.

Lombe said that in situations where some research is done, there has been low uptake of the technologies and innovations by the end user whether they are farmers, companies.

"At some time when there is uptake, it takes very long for some to adopt these technologies and by the time they decide the technology may be obsolete and affecting the growth of legume crop," he said.

AICC is the host secretariat for the Legumes Development Trust (LDT), an entity working in development of technologies and innovations in the legume sector.

Board chair for LDT Dr Geoffrey Kananji said there is a need for making technologies demand driven if high uptake rate is to be realised.

"Most times, farmers embrace technologies that tackle and address challenges they face. So developing these innovations, we need to involve them in critical stages that require their input," Kananji said.

He, therefore, appealed to the Malawi Government to consider making budgetary support in research and development in the legume as well as the whole agricultural sector.

Head of agricultural sector wide approach (Aswap) in the Ministry of Agriculture, Irrigation and Water Development Nelson Mataka said government appreciates the potential of research and innovations towards promoting growth in the legume subsector.

"As government we will ensure that adequate resources are provided for in the budget in line with efforts to diversify sources of forex revenue for the country," he said.

He asked development partners to invest research and innovations since most of them are only investing in extension services.

The one-day symposium attracted value chain actors in the legume sector like research institutions, seed companies, farmers and farmer organizations, traders and processors among others.(Nyasa Times 14-04-2017)

LA CAMEROUNAISE VERA SONGWE SUCCEDE A CARLOS LOPES A LA TETE DE LA COMMISSION ECONOMIQUE POUR L’AFRIQUE

Vera Songwe a effectué une grande partie de sa carrière à la Banque mondiale

Vera Songwe, 42 ans, quitte la Banque mondiale pour devenir Secrétaire exécutif de la Commission économique pour l'Afrique des Nations Unies (CEA).

Jusqu'ici directrice du bureau Afrique de l'Ouest et centrale de la Société financière internationale (IFC), qui dépend de la Banque mondiale, Vera Songwe a été choisie par António Guterres, Secrétaire général des Nations unies, pour prendre la tête de la Commission économique pour l'Afrique des Nations Unies (CEA).

L'annonce en a été faite depuis les États-Unis, le 13 avril dans la soirée. La Camerounaise devient désormais Secrétaire général adjoint de l'ONU et Secrétaire exécutif de la CEA.

L'économiste de 42 ans prend ainsi la suite du Bissau-Guinéen Carlos Lopes, démissionnaire depuis le 31 octobre et remplacé de manière intérimaire par Abdalla Hamdok.

Carrière à la Banque mondiale

La Camerounaise a effectué une grande partie de sa carrière à la Banque mondiale, qu'elle a intégrée en 1998 après avoir enseigné à l'université de Californie du Sud et travaillé à la Banque de réserve fédérale de Minneapolis.

Vera Songwe siège au conseil d'administration de la fondation Tony Elumelu. Elle est aussi membre de l'African Leadership Network (ALN) et analyste à la Brookings Institution.Elle faisait également partie de la commission Kagame, une équipe de neuf experts mobilisés il y a quelques mois par le président rwandais pour réfléchir à la réforme de l'Union africaine.(JA 14-04-2017)

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The Memorandum is also made available by AHEAD-GLOBAL, BCA, Chamber of Tenerife (by posting it at the Africa Info Market), CCA - 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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