MEMORANDUM

N° 186/2014 | 02/10/2014

The EBCAM's Memoranda are issued with the sole purpose to provide daily basic business and economic information on Africa, to the 4,000 European Companies affiliated with our Members, as well as their business parties in Africa.

Should a reader require a copy of the Memoranda, please address the request to the respective National Member. See list of National Members at www.ebcam.org.

2013 – 40 Years devoted to reinforce Europe – Africa Business and Development

SUMMARY

GLENCORE-OWNED MOPANI SUSPENDS MINING PROJECTS IN ZAMBIA

Glencore-owned Mopani Copper Mines has suspended some of its planned $800m Zambian copper mining projects after the government withheld $200m in tax refunds, the company said on Wednesday. In June the minister of mines said Africa's second-largest copper producer was withholding a total of $600m in VAT refunds owed to mining firms and would repay the cash only when companies produced import certificates from destination countries,

Zambian Finance Minister Alexander Chikwanda said in August the company planned to waive the requirement because it was impractical.

The Zambia Revenue Authority said it was still consulting with exporters before implementation.

"I would like to express my concern and distress that the continued withholding of our refunds to the tune of $200m may force us to slow down progress on these projects," Mopani CE Danny Callow said in a statement.

"I must mention that some of the projects have since been suspended due to financial constraints and these suspended projects will have a major future impact on our goal to increase copper production by more than 50%," he added.

Mr Callow said cuts to its 20,000 workforce were possible if it failed to meet growth targets.

Mopani produced 120,000 tonnes of copper in 2012 and has planned to raise output to 170,000 tonnes within five years. The company wants to build two new shafts, which it said would add 20-30 years to the life of its Mindola and Mufulira mines. (Reuters 01-10-2014)

CREATING AN "ENERGY REVOLUTION" ACROSS THE DEVELOPING WORLD

At the meeting of the Sustainable Energy for All Access Committee Let me begin by extending a very warm welcome to you all. I'm delighted to see so many of you here at this meeting of the Sustainable Energy for All Access Committee.

Our task today is an important one: to build on the crucial recommendations put forward in Vienna at the last Access Committee meeting.

In summary these conclusions stressed the need for a comprehensive approach to ending energy poverty, combining sector reforms to ensure an investment friendly environment, and, at the same time, ensuring that the necessary support is in place to ensure that these reforms catalyse real change and growth.

They also stressed the need to promote the private and commercial sector; we all recognise that national budgets and aid will never meet the huge needs for investment to bring modern energy services to over a billion people.

I'm sure that today's discussion will be as fruitful as ever and will see us work out ways of carrying these recommendations forward.

The EU and SE4All

The comprehensive and inclusive approach I just mentioned forms the foundation of the European Union's action in the field of energy.

It has fed into our energy policy. This is especially true of the well-balanced portfolio that we have devised in response to the ambitious goal that President Barroso has set us. It's a goal that will see us help developing countries **provide access to sustainable energy services for 500 million people by 2030.**

And we have put our money where our mouth is. We have set aside **more than 3 billion euro to support sustainable energy activities** in our partner countries at regional level and in individual partner countries. I'm delighted to report that 30 partner countries have chosen energy as a focal sector in their bilateral cooperation with the EU for the period 2014-2020.

When it comes to securing that all-important enabling environment for investments, we will pay particular attention to three key framework conditions.

These are firstly, **strong political ownership**. Without this, the necessary reforms to promote growth and investment will never flourish. I am very happy to report that in our discussions with our partner countries, and no doubt inspired by the Energy For All initiative, I see this strong political ownership very much present.

Just last week, in the margins of the UN Climate Summit in New York, the EU signed joint declarations with European and African countries that have decided to work together to defeat energy poverty and bring people sustainable energy services.

These declarations will boost our cooperation with the 5 signatory partner countries – Ivory Coast, Liberia, Rwanda, Togo and Cape Verde – and with co-signing EU Member States and donors. In the process, we will be delivering political ownership.

Secondly, we need to ensure that the necessary **implementation capacity** is in place to carry forward the reforms. This includes technical and financial knowledge. There is considerable work ahead of us to achieve this, but all the SE4All partners recognise its importance, and are committed to deliver.

The EU for example, has established a 80 million Euro Technical Assistance Facility to provide assistance in boosting implementation capacity and creating an enabling environment for transparency, policy reforms, cost recovery and reinvestment. This Facility, already operational in Sub-Saharan Africa, will soon be rolled out further to benefit partner countries in other regions.

The third enabling condition is **delivering financing and ensuring rapid results on the ground.**

Of course, the ultimate objective is that national sector reforms will progressively attract investment. But this will not happen overnight, and for years to come it is important that all SE4All partners work together to deliver; not in 10 years, but today.

To do so, we need new business models, using available national resources and development assistance in the most efficient possible manner; getting the maximum results for each Euro invested in terms of additional citizens gaining access to modern energy services.

Take our **EU-Africa Infrastructure Trust Fund,** for instance. Thanks to this successful mechanism, using grants as a catalyst to attract commercial and private investment, the 400 million euros we have provided in grants for sustainable energy projects is expected to catalyse investments of up to 8 billion euros.

These efforts are taking us in the right direction. However, our world is changing rapidly, particularly in Africa, where the population is set to double by 2050. As populations grow, people are moving to cities – thereby increasing the demand for energy. Therefore, we will have to adapt our efforts further to meet these - and other challenges- we are facing more effectively.

The future it is not about bringing a single light bulb to a home in rural area, as Kandeh once remarked, this only sheds a light on poverty.

It is about creating an energy revolution across the developing world, bringing sustainable and affordable electricity to all citizens, along with reliable and sufficient capacity so that businesses can grow in confidence, creating jobs, growth and wealth.

So it's clear that if SE4All is to be successful, it will be due to the new and innovative models that we develop, perfect, and make widespread.

We are all aware that one of the biggest challenges that we face in meeting the universal access objectives lies in rural electrification; hundreds of millions of citizens living in remote areas where we can have little hope of a grid connection in the coming years.

That is why the EU has taken the initiative to convene this meeting.

For such citizens, access to electricity is vital; for education, for health; to give them a chance to escape poverty.

One of the key responsibilities of this Committee therefore is to promote and spread models that attract investment in rural off-grid areas, and rapidly deliver results.

The EU has taken steady steps forward. Back in June, in the margins of the launch of the Decade of Sustainable Energy for All, we brought together partner countries and stakeholders to discuss on new business models for rural electrification.

We followed this up with an in-depth assessment of market needs and the alternatives for boosting rural electrification and for getting industry representatives and financiers more deeply involved.

The result is a brand new initiative that we have called –the Electrification Financing Initiative, or ElectriFI for short.

ElectriFI

Through this **innovative instrument, EU grants will complement private financing, bridging potential financial gap in order to make a project bankable.** This will provide the security investors and banks are expecting to boost investments. If investments are successful, the grants will be converted into loans, at concessional rate, and the EU will be "reimbursed". We will then be able to reinvest our grants in new projects, allowing more and more people to get access to electricity services.

ElectriFi is more than a financing proposal, in that it puts forward a business model to leverage more private investments and involve more key stakeholders in all areas of expertise on a global level.

One of ElectriFi's key benefits lies in its potential to take donor funding and increase it five or ten fold, while at the same time establishing real partnerships geared by economic results with beneficiaries and stakeholders to keep actions sustainable.

I would like to express my gratitude to those of you who have actively participated in our Rural Electrification workshop of the last two days.

The overwhelmingly positive reactions we received confirm that this new model goes in the right direction. It will now be improved further thanks to the suggestions of the participants.

We understood that we should be flexible and, for instance, accept to group projects and proposals in order to enable economies of scale and to keep management costs as low as possible.

We should reach out to civil society, and especially women, in order to increase our relevance for local communities.

We should help national authorities and stakeholders to formulate adequate strategies that reduce risk and encourage the development of private initiatives in a coordinated way.

In combination with the other available tools, I'm confident that ElectriFI will act as a catalyst for concrete action. We will now have to reflect on how this initiative can be expanded further, at a global scale, so as to realise its full potential.

Friends,

I'm immensely proud to have served as European Commissioner for Development – and, before that, for Energy. I'm very glad that in that time I have been able to play a part in the global fight against energy poverty.

I am confident that my successor will carry on the fight to make energy poverty a thing of the past.

I say this because it's clear that the world's energy challenges will not go away overnight. Our work must go on. It must include a greater focus on those aspects where sustainable energy overlaps with other policy areas such as agriculture and food security, access to clean water, improved education and health care services. Getting this mix right will mean empowering local communities.

As in so many areas of life – and of politics – to succeed we need to work together. Cooperation has been the driving force behind Sustainable Energy for All. It will remain so in the future and take this wonderful initiative to even greater heights.

NON-OIL TAX REVENUE IN ANGOLA POSTS GROWTH OF 14 PCT SINCE 2010

Non-oil tax revenues in Angola since the launch in 2010 of the Executive Tax Reform Project (PERT), have recorded compound annual growth of 14 percent, the secretary of State for Finance, Valentina Filipe said in Luanda Monday.

The Secretary of State also said that as part of the ongoing reform various actions are being carried out, such as drafting a proposal for structural reform of the tax system, including a review of the critical areas of taxation on income, consumption and wealth, the challenge of which is to increase non-oil revenues.

Under PERT actions have been carried out, whose impact is already being felt on many levels, for expansion of the tax base, in the sense that revenue growth will be achieved by reducing the individual tax burden, said Valentina Filipe at the opening session of a meeting entitled "The role of tax reform in reducing economic informality in Angola."

Filipe stressed that simplification, fairness, equity and fiscal competitiveness of the Angolan tax system was intended to fulfil one of the government's general guidelines for tax reform, which is a requirement to consult civil society.

"Improvement of working conditions and procedures used in tax offices, nationwide and enhanced communication with civil society and support to taxpayers are important challenges," she said. (30-09-2014)

ALGERIANS VERY POSITIVE ABOUT EU TIES AND SITUATION IN THEIR COUNTRY

Almost three quarters of Algerians feel the European Union has good relations with their country, and a majority of them sees the EU as an important partner of their country. This is one of the key findings of the recently released Spring 2014 EU Neighbourhood Barometer for Algeria, conducted in the framework of an EU-funded opinion polling project for the Neighbourhood.

The survey, based on 1,000 interviews conducted in May-June 2014, finds that 67% of Algerians feel the EU is an important partner, a bit higher than in a previous poll conducted by the project six months earlier. Sixty-five per cent of those asked believe the EU and Algeria share sufficient common values to be able to cooperate and 60% think that the EU has the appropriate level of involvement in their country. Sixty per cent feel EU support contributes a lot to the development of their country, while 51% of those asked felt the EU brought peace and stability to the region.

Nearly two-thirds of those asked (62%) saw the EU in a positive light, compared to just 8% for whom it conjured up a negative image. Indeed, the poll found that almost two-thirds (66%) of Algerians trusted the EU – more than other international institutions like the Arab League (59%) or the UN (32%); a considerable 71% per cent of respondents felt the EU had good relations with Algeria.

Three quarters of Algerians questioned in the poll were generally content – more so than other countries in the Maghreb – with 77% satisfied with the life they lead.

Two thirds of those asked felt Algeria was going in the right direction, against just 14% who felt it was heading the wrong way; 82% said the economic situation was good compared to an average of 50% in the Maghreb region.

A vast majority of those asked (82%) were satisfied with the way democracy works in Algeria, well above the 62% who were satisfied across the Maghreb region.

A strong 54% of those asked agreed enough information was available about the EU, while 47% agreed it was easy to understand.

The EU Neighbourhood Barometer (opinion polling and media monitoring) is part of the EU-funded Regional Communication Programme, and aims at assessing knowledge and perception of the EU Neighbourhood Policy and its cooperation activities and programmes. (EU Neighbourhood 26-09-2014)

EU SUPPORT FOR VIRUNGA NATIONAL PARK AND COOPERATION WITH THE DEMOCRATIC REPUBLIC OF CONGO

Virunga National Park

Established in 1925, Virunga National Park is a UNESCO World Heritage Site which has been strongly supported over the years by the EU, its largest donor. Located in eastern Democratic Republic of Congo (DRC), on the border with Uganda and Rwanda, Virunga is renowned for being the most biologically-diverse protected area in Africa and home to critically-endangered mountain gorillas, elephants and lions in a landscape that includes volcanoes, glaciers, lakes and plains.

Since 1988 EU development cooperation programmes have provided at least €30 million to support the management and protection of Virunga.

By supporting infrastructure reconstruction and increasing security in the park, as well as putting in place a training programme for rangers and park managers, the EU has helped the resumption of tourism in the eastern part of the DRC. Tourism in the Virunga Park has produced millions of euros in revenue, and has already created job opportunities and boosted economic activity. 30% of the income generated by the park's activities is allocated to community development programmes, benefiting neigbouring local communities.

Development Commissioner, Andris Piebalgs, visited Virunga National Park in March 2014, together with Belgian Minister for International Cooperation, Jean-Pascal Labille.

EU support to biodiversity

The EU is the biggest contributor of biodiversity finance to developing countries. The European Commission alone provided €1.3 billion to biodiversity and biodiversity-related projects from 2002 to 2012. Roughly a third of this contribution provided developing countries with support to manage protected areas, for example to maintain elephant populations and curb poaching. A significant part of it was also spent on sustainable forest management, including efforts to combat illegal logging and prevent deforestation.

Biodiversity4Life

Launched in May 2014, Biodiversity for Life (B4Life) is one of EuropeAid's new flagship initiatives, designed to help the poorest countries protect ecosystems, combat wildlife crime and develop green economies. Over 70% of the poorest communities live in rural areas and depend directly on ecosystem services for their subsistence.

B4Life will be financed initially from the EU Global Public Goods and Challenges (GPGC) thematic programme as well as from regional and national development cooperation envelopes, with an estimated budget of up to €800 million for 2014-2020.

A "B4Life Facility" will be created to manage and coordinate delivery of the initiative The Facility will provide technical support, enhance communication and coordination towards achieving international biodiversity targets and coherence, promote knowledge exchange for partners and beneficiaries, and enhance the visibility and coherence of the EU biodiversity-related interventions.

EU support to the Democratic Republic of Congo

The EU announced has committed €620 million for the Democratic Republic of Congo for the years 2014-2020.

EU funding 2014-2020 in the DRC will be used to fight poverty by promoting inclusive and sustainable growth, strengthen democracy and human rights and contribute to peace and stability in the region.

It will focus on the areas of health; environment and sustainable agriculture; strengthening governance and the rule of law; the rehabilitation of 150 km of the national road Route Nationale 1, the major transport route linking the seaports with Kinshasa and Mbuji-Mayi in the centre of the country.

A special focus will be on security sector reform, continuing work already undertaken to modernise the police, defence and justice systems in DRC, laying the ground for the better protection of citizens and their rights.

The financial support will be drawn from the 11th European Development Fund (EDF) which provides EU support to African, Caribbean and Pacific countries in the years 2014-2020.

DRC: EU Projects in focus

Supporting healthcare and reducing child mortality

A €40 million EU-funded programme to help the DRC attain the Millennium Development Goals (MDGs) was recently launched. It focuses on decreasing mother-to-child HIV/AIDS transmission, preventing gender-based violence, reducing child mortality and improving maternal health.

Up to a half a million women and children below the age of five will benefit from less expensive health services and better quality treatment in the provinces of North Kivu, Oriental Province, Kasaï-Occidental and Kasaï-Oriental as a result of this programme. Over a period of three years, the programme will cover 70% of the medical costs for the women and under-aged children and 100% for the poorest among these beneficiaries.

250 health centres will receive additional essential medicines and better equipment to treat patients. Food complements (such as high-energy and protein products) in order to recover from malnutrition, specific services for victims of sexual violence and access to contraception and medicines that avoid mother-to-child transmission of HIV/AIDS, will all be made available in these health centres. There will also be new storage equipment for vaccines.

The EU has supported the health sector in the DRC since the 1990s. By 2012, this had led to a 50% reduction in the cost of healthcare as well as an improvement in the quality of services for 3 million people.

Helping to increase security

The national Congolese police (PNC) faces a double challenge: on the one hand, to fulfil its mission of ensuring the security of the population, on the other hand, to reform and restructure itself in a context of extraordinary budget constraints. EU funding allowed for the identification and registration of 95,000 agents of the PNC. After the identification process, biometric identity cards were distributed to the agents, helping to greatly reduce the risk of fraud. The programme also supports the modernization of the administration as a whole, including the establishment of human resources and financial procedures. The programme foresees also the construction of a police academy in order to contribute the transformation of the leadership within the PNC.

The EU is also operating a civilian police mission in DRC (EUPOL) with international staff of 40 people from the civilian sector as well as that of the police services from the Member States. Its purpose is to contribute to the ongoing reform process within the Congolese police by supporting the establishment of a civilian and professional police force that respects human rights.. Among other elements, EUPOL provides strategic advice and has been supporting the PNC in areas such as the legislative and regulatory framework, training policy and curriculum, public order (2011 elections) and the fight against sexual violence.

Together, the programmes of the Commission and EUPOL helped initiate the following decisions of the Congolese authorities, among other things: the creation of a bank roll for police salaries; the recruitment of 6,000 police agents of the PNC; the creation of offices of the general inspectorate of the national police in all provinces; the launch of a five year action plan and the modernisation of human resources management of the PNC.

Improving road infrastructure, sanitation and waste collection

A programme on road maintenance and urban sanitation established a rain water collection system and a waste collection system in nine districts of Kinshasa, benefiting a population of about 1.5 million people. (EC 29-09-2014)

CABO VERDE RANKED SECOND ON IBRAHIM INDEX OF AFRICAN GOVERNANCE

Cabo Verde (Cape Verde) has improved its ranking in the Ibrahim Index of African Governance (IIGA) for 2014 and regained took second place from Botswana, second only to Mauritius, according to information released Monday.

Cabo Verde totalled 76.6 points in the overall evaluation of different criteria, which are grouped into four categories: Safety and Rule of Law, Participation and Human Rights, Sustainable Economic Opportunity and Human Development.

In the assessment of 52 African countries, Cabo Verde remains the best among the Portuguese-speaking countries, ahead of Sao Tome and Principe (12), Mozambique (22), Angola (44) and Guinea Bissau (48).

The Mo Ibrahim Foundation, named after the Sudanese billionaire who created it in 2006, supports good governance and leadership in Africa and has drawn up the Ibrahim Index annually since 2007, which aims to inform and assist citizens, civil society, parliaments and governments in measuring progress.

Angola reversed the trend of recent years of rising in the ranking and fell to 44nd in the table of 52 countries, losing five points and five places in the overall assessment to 40.9 points due to the decreases in the areas of gender equality, civil participation and human rights, and economic climate.

Mozambique also fell two positions and was ranked 22nd, mainly due to greater insecurity in the country.

Sao Tome and Principe continues to make progress in the assessment, but fell back one place in the table to 12th place, with 59.7 points and Guinea-Bissau is a country that has seen its ranking fall and currently has just 33.2 points.

The index’s top five countries are Mauritius (81.7 points), Cabo Verde (76.6), Botswana (76.2), South Africa (73.3) and the Seychelles (73.2) and the last places are Guinea-Bissau (33.2), Chad (31.2), Eritrea (29.8), the Central African Republic (24.8) and Somalia (8.6). (30-09-2014)

CHINA’S SHANGHAI ELECTRIC SET TO WIN NAMIBIA POWER PLANT CONTRACT

Namibia has picked China’s Shanghai Electric as the preferred bidder to build a $1.2bn gas-fired power plant, the head of the country’s power utility said on Wednesday.

The Kudu project in south-western Namibia will pump gas from the Kudu field about 170km offshore to a combined cycle gas power plant.

The plant, which is expected to have a total capacity of up to 1,050MW, will be connected to the Namibian and South African electricity grids for local and regional use.

Paulinus Shilamba, managing director of NamPower, said in an email response to questions that Germany’s Siemens AG had been picked as the supplier of generators and turbines.

A consortium of Mitsubishi Hitachi Power Systems, Sumitomo and Posco Energy had been selected as a "reserve bidder", meaning it would be turned to if negotiations with Shanghai Electric failed, Mr Shilamba said.

Namibia has been working on projects to boost supplies of electricity in the country, one of the world’s top uranium producers. Its current installed capacity is 507MW, below a demand of 534MW. Demand is expected to rise to 800MW by 2018. (Reuters 25-09-2014)

CROSS BORDER PROJECT ROWS FOR A CLEAN MEDITERRANEAN SEA

Twenty kayakers have paddled from Caesarea to Jaffa along the Israeli coast with the aim of raising the awareness of the need to protect the Mediterranean Sea. The equipa of kayakers – supported by MARE NOSTRUM within the framework of the ENPI CBC Mediterranean Sea Basin programme – met citizens and students to discuss the importance of keeping the Mediterranean Sea and beaches clean. In addition, bags and materials were distributed to the public to help clean up the beaches.

The initiative was undertaken as part of the International Coastal Cleanup Day. "*The sea is a valuable resource that belongs to the public as a whole. Public awareness is key for the protection of the beaches and the sea. MARE NOSTRUM is happy to promote this initiative as part of International Coastal Cleanup Day events taking place around the world,*" said project coordinator Prof. Rachelle Alterman. The International Coastal Cleanup Day is the world's largest volunteer effort to clean up the oceans and beaches.

MARE NOSTRUM gathers 11 research institutes, municipalities, environmental NGOs from Malta, Greece, Israel, Jordan and Spain. The project intends to facilitate the institutional coordination between the various authorities at the national, regional and local levels in order to foster the implementation of the 'Integrated Coastal Zone Management' (ICZM) protocol. The project is coordinated by Technion - Israel Institute of Technology - and will eventually lead to a better protection of coastal areas.

The **ENPI CBC Mediterranean Sea Basin Programme 2007/2013** is a multilateral cross-border cooperation programme funded by the European Union under the European Neighbourhood and Partnership Instrument. It aims at reinforcing cooperation between the EU and partner countries' regions located along the shores of the Mediterranean Sea. (EU Neighbourhood 26-09-2014)

IMF APPROVES US$ 122M CREDIT FACILITY FOR CHAD

The Executive Board of the International Monetary Fund (IMF) has approved a new three-year arrangement under the Extended Credit Facility (ECF) for SDR 79.92 million (about US$122.4 million) in support of Chad's medium-term economic programme, the Fund announced Wednesday. In a statement, made available to PANA here, the IMF Board said its approval will enable the first disbursement of an amount equivalent to SDR 13.31 million (about US$20.4 million) to Chad.

'The ECF arrangement is expected to address the country's protracted balance of payments' problems resulting from a trend reduction in oil revenues, maintain adequate international reserves' coverage, and play a catalytic role for bilateral and multilateral assistance to Chad,' the IMF explained.

In the Fund's view, Chad is a fragile country with weak institutional capacity that needs to manage volatile and exhaustible oil revenues prudently to tackle its large development needs.

'Chad is enjoying a period of domestic political stability, but major regional security issues are imposing significant fiscal costs in both the short and medium term,' the Fund said, noting that the country's macroeconomic policy over the last few years has achieved a gradual tightening of the underlying fiscal policy stance together with a sizable increase in public investment.

Given its continued heavy dependence on volatile oil revenues that are projected to decline over the long-term and the currently high risk of debt distress, Chad's macroeconomic policies target a sustained fiscal adjustment, a build-up of liquidity buffers, and economic diversification.

According to IMF, those objectives will be underpinned by a reform agenda focused on strengthening public financial and debt management and improving the business environment.

At the conclusion of the Executive Board's discussion on Chad, IMF Deputy Managing Director and Acting Chair, Naoyuki Shinohara, remarked: "Chad's macroeconomic performance has been relatively strong, despite major regional security issues requiring the strengthening of security measures along its borders and increased humanitarian assistance to refugees and returning nationals.

'Medium term prospects are generally favourable. The commencement of activities in new fields is expected to significantly boost oil production and exports over the next few years, while, non-oil GDP should continue to increase at a sustained rate.'

According to Shinohara, key objectives of the new facility include a further reduction in the use of emergency spending procedures, improving fiscal accounting and reporting, and strengthening cash management and forecasting.

“Achieving the country’s medium-term growth and development objectives will require improving the business environment, including addressing bottlenecks in infrastructure, labour quality, and access to finance.

'In addition to ambitious public investment plans in infrastructure, promoting a more favourable environment for the private sector and the implementation of the authorities’ strategy to enhance financial inclusion—which appropriately focuses on rural areas—are critical to foster ne w sources of non-oil growth.

“Sustained implementation of the ECF-supported programme should help catalyze additional financial resources from international donors and foreign direct investment flows to more effectively tackle development needs and foster economic growth, in addition to being a key step for reaching the HIPC Completion Point.”

Chad's GDP grew by 3.9 percent in 2013 despite a contraction in oil production. Non-oil GDP expanded by 5.9 percent, down from 11.6 percent in 2012, largely driven by the sectors of commerce, transport and telecommunications.

Inflation fell sharply in 2013, with the annual average rate at only 0.2 percent from 7.7 percent in 2012 due to a sizable fall in food prices. Inflation has continued to decline, with annual average inflation falling to -0.4 percent in May 2014.

Since 2010, the Chadian economy has experienced a rebound, averaging a real non-oil GDP growth above 8 percent per year. In 2013, growth rate reached 3.9 percent.

According to the country's First Alternate Executive Director, Ngueto Titaina, Chad's inflation remains contained, despite price liberalisation for certain products, thanks to efforts made by the government to modernise agriculture and raise food supply through the National Programme for Food Security (Programme National pour la Sécurité Alimentaire).

While the country has benefitted from internal political stability, it is being negatively affected by regional security issues. Chad has been forced to strengthen security measures along its borders, particularly with Libya, Central African Republic, Nigeria, and Cameroon.

According to an IMF assessment, Chad has had to provide assistance to tens of thousands of refugees and retournés (nationals returning to the country) fleeing from the conflict in CAR.

'The international community (UN agencies with financing from the US and the EU) has stepped up its short-term humanitarian assistance, but there are concerns about the longer-term costs that this flow of refugees can have on public services and on social cohesion in the South of the country,' the Fund observed in its report. (Pana 25/09/2014)

NESTLE LANCERA DES USINES MODULAIRES EN AFRIQUE D’ICI TROIS ANS

Nestlé lancera dans un intervalle allant d’une à trois années des usines modulaires sur le continent africain. *«Ces unités de production sont composées de modules faciles à assembler dans le but d’offrir une solution flexible, simple et rentable pour créer des sites de production dans les pays en développement »* indique le site internet *Agritrade*.
D’un coût inférieur de 50 à 60% à celui des unités traditionnelles, ces usines permettront au géant suisse de s’adapter aux contraintes liées au marché africain (risques, difficultés d’approvisionnement en énergie etc.) et pourront être plus aisément démontées et transférées d’un endroit vers un autre.

Le Malawi, le Mozambique, l'Ouganda, le Rwanda et la Tanzanie seront les premiers pays du continent africain à voir l'implantation de ces usines.

Nestlé indique que ces installations seront expérimentales et principalement caractérisées par un investissement faible et la priorité qui sera donnée à *«des activités de transformation simples telles que le reconditionnement et le mélange de produits secs »* au détriment de transformations plus complexes. (Agenceecofin 25-09-2014)

NEXT ACP SG WILL BE FROM THE CARIBBEAN

The next Secretary General (SG) of the African, Caribbean and Pacific (ACP) Group will be a Caribbean national, the organisation's Council of Ministers has confirmed. The Ministers met this week for their 99th session in Nairobi, Kenya.

A press release said on Thursday that the tenure of the current SG Alhaji Muhammad Mumuni of Ghana ends in February 2015. The Council of Ministers will meet again in Suriname in November 2014, where they will finalise the selection of the next SG. The new SG, who will come from any of the ACP's member states in the Caribbean, is expected to begin work in March 2015. His/her term will be for the 2015-2020 period.

"The upcoming term is especially significant as it will see the last leg of ACP-[European Union – Ed.] EU cooperation under the current Cotonou Partnership Agreement, which ends in 2020," the release said. The Cotonou Agreement is the most comprehensive partnership agreement between developing countries and the EU. Since 2000, it has been the framework for the EU's relations with the 79 ACP member states.

The Secretary General holds executive powers and heads the Brussels-based ACP Secretariat, which is the administrative and technical body of the ACP Group. The Secretariat provides policy guidance and technical expertise to the Organs of the Group, and monitors the ACP-EU Partnership Agreement.

Appointment to the top post is for five years, and generally follows a principle of rotation amongst the six ACP regions, including West Africa (currently holding the post), East Africa, Central Africa, Southern Africa, the Caribbean and the Pacific Islands.

The Secretary General shall in turn appoint four Assistant Secretary Generals to head various departments in the Secretariat during his or her term. The regions will nominate candidates for these posts. (Daily Herald 19-09-2014)

SOUTH AFRICA - RUSSIA NUCLEAR DEAL 'ONLY A FRAMEWORK AGREEMENT', SAYS DEPARTMENT

The government has not signed a nuclear deal with any country and is still determining the procurement process, Department of Energy officials say.

This emerged during the department's media briefing on Wednesday over the new nuclear build programme.

On September 22 the department and Russian nuclear vendor Rosatom issued a statement suggesting that Energy Minister Tina Joemat-Pettersson had signed a deal for the company to provide 9,600MW of nuclear power to SA.

The department said at the media briefing that this was just a "framework" agreement and that it planned to sign similar agreements with five other governments.

The department's acting director-general, Wolsey Barnard, said the outcome of visits by top government officials, including Ms Joemat-Pettersson and former energy ministers, was the signing of framework agreements.

"But no deal has been signed," he said.

The department's deputy director-general for nuclear power, Zizamele Mbambo, said former energy minister Ben Martins visited the US, South Korea, Russia, China, Japan and France in November and *December* last year.

Mr Mbambo said the government had not yet decided what procurement process would be used for building new nuclear power stations.

"That is why we are requesting information from potential vendors before deciding," he said.

Procurement processes being considered are open tenders, government-to-government deals and administrative processes.

"These various procurement processes are informed by the other countries in terms of their national interests," Mr Mbambo said.

He said the final procurement process would be decided on by the government after all the preparatory work had been done.

Mr Barnard said the framework agreement signed with Russia would not be released as it would potentially compromise its proprietary information.

Mr Mbambo said an inter-ministerial task team was working on a timeline for the nuclear deal and its report would be submitted to the Presidential Energy Security Commission chaired by President Jacob Zuma.

Mr Barnard said the Russians proposed to build eight nuclear reactors that generate 9,600MW of electricity. (BD-01-11-2014)

SWAZILAND: A GOVERNMENT INITIATIVE TARGETING THOUSANDS OF FARMERS

As part of a large-scale initiative intended to galvanize farming, the Swaziland government, the European Union and the FAO have helped more than 20,000 small-scale farmers to produce more and better quality food and to access new markets in order to become a key driver of the country's development. The vast majority of Swaziland's population (1.2 million people) rely on subsistence agriculture. However, it is increasingly difficult for them to live off the land, after years of economic recession, a devastating AIDS pandemic and recent droughts linked to climate change. The FAO estimates that more than one in three inhabitants in Swaziland is undernourished. (Starafrica 25-09-2014)

REBUILDING THE AFRICA-EUROPE RELATIONSHIP AROUND THE ECONOMY

In 1957, in his famous declaration, Robert Schuman advised Europe, after its integration, to tackle the issue of African development, in these words: "With increased resources, Europe will be able to pursue the accomplishment of one its essential tasks, namely the development of the African continent." Unfortunately, more than 50 years later, Africa has changed, as has Europe, but their relationship is still relatively distant. The reason is simple: unlike the BRICS (Brazil, Russia, India, China and South Africa), especially China, Europe has not taken on board Africa's rise, a key feature of the century that is beginning. (lemonade 23-09-2014)

UNION SCRIPTS NEW TRADE PROMOTION DEAL WITH NIGERIA, OTHERS

The European Union has sought improved trade with Nigeria and other West African countries under a regional framework, stating that the country stands to be the greatest beneficiary of an integrated West African market.

According to the EU, the regional integration of the Union is the most accomplished example of regional integration at work, a move it has tasked Nigeria to embrace within the West African region, in a bid to improve competitiveness and economic growth.

Indeed, Nigeria had rejected the Union's Economic Partnership Agreement (EPA) on the grounds that the agreement remains unfavourable to the country and the region in its present form.

Speaking ahead of its yearly European Union-Nigeria Business Forum in Lagos, Head of EU Delegation to Nigeria and ECOWAS, Ambassador Michel Arrion, stated that this year's forum will focus on the common EU/Nigeria economic agenda and the role private sector can play in supporting it.

He added that the Forum, within this framework, will also act as platform for private sector participants to identify business opportunities and connect with key players.

Emphasising the need for a strengthened relationship, Arrion said: "Though Nigeria maintains a positive trade balance with the EU and the EU remains the biggest market for both oil and non-oil exports (such as leather cocoa, sesame, etc.), it is imperative to address the EU- Nigeria relationship towards a more diversified composition and a strengthened ECOWAS regional market.

"The European Union is the most accomplished example of regional integration at work. Integration has led to competitiveness within the Union, removal of obstacles to free movement of goods, services and people and led to greater prosperity for EU citizens. Nigeria is the largest economy in Africa and the industrial hub of West Africa.

"Nigeria must see the West African market as an extension of its domestic economy because Nigeria stands to be the greatest beneficiary of an integrated West African market. This is what the EPA seeks to achieve; consolidation of the regional markets, promotion of regional trade, removal of barriers to trade while protecting sectors that are considered sensitive to the economies of the ECOWAS member states.

"We must understand that it is not a bilateral but a regional issue and Nigeria must seize the leadership role and drive this integration".

Furthermore, Arrion commended ECOWAS Heads of States for the signing of the treaty on the Lagos-Abidjan corridor.

He said: "As we know, 70 per cent of the commercial traffic in the region takes place within this corridor. The signing of this treaty marks a significant milestone towards fostering true regional integration in West Africa.

"Through our development cooperation, the EU is working closely with the Nigerian authorities to improve its business environment and competitiveness, boosting its industrial revolution agenda through support to the reform of the electricity sector and accessing long term financing and tackling social issues like malnutrition.

"This is what informed the selection of the panel discussions which will be taking place on Business Climate, Electricity, Health and Nutrition and Access to Finance. The objective is to find a meeting point for the private sector to leverage on the grants provided by the EU to these sectors".(The Guardian 26-09-2014)

EAST AFRICA COMMUNITY TRADE NOW MORE BALANCED

Contrary to earlier fears that Kenya would dominate its neighbours in a liberalised regional market, figures show a growing trend towards more balanced trade. While Kenya retains its industrial advantage, earlier policies of import substitution and protectionism adopted by Uganda and Rwanda plus an open trade regime have led to more balanced trade. The two countries, which had been Kenya's biggest markets for long, have started to produce their own value added products thereby reducing the need for imports.

Moses Ogwal, director of policy advocacy and trade at Uganda's Private Sector Foundation, said EAC integration which requires countries to abolish tariff and non-tariff barriers has opened the Kenyan market. "Kenyan businessmen can come to Uganda to buy maize, beans, water melons and pineapples without anyone asking questions. This has increased our exports," he said.

But while it is easy for such food products to enter the Kenyan market, the reverse is difficult because when the region was negotiating the Common Market Protocol, Kenya, which is considered a developing

country could only protect few industries unlike the other four partner states which fall under the least developed category.
However, Richard Sezibera the EAC secretary general said this should not worry Kenya as the country's trade in the region had increased in absolute terms.
"The rising exports to Kenya is a good thing for EAC as it increases intra-regional trade," he said adding that it was important for intra-EAC trade to stay above 25 per cent for the planned single currency in 2023 to become operational. (Theeastafrican 25-09-2014)

EBCAM NEWS

17TH BOARD OF DIRECTORS MEETING

The 17th board of Directors will take place in Cascais close to Lisbon, in Portugal, next 13th and 14th of November 2014, hosted by our Portuguese Member ELO – Associação Portuguesa para o Desenvolvimento Económico e a Cooperação. info@ebcam.org

www.norwegianafrican.no

Fernando Matos Rosa
Brussels

European Business Council for Africa and the Mediterranean
The European Private Sector Organisation for Africa's Development
Rue Montoyer – 24 – Bte 5
1000 Brussels (Belgium)
www.ebcam.org Contact: info@ebcam.org