# MEMORANDUM

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## SUMMARY

## EC ANNOUNCES NEW COOPERATION WITH EUROPEAN BROADCASTING UNION IN THE NEIGHBOURHOOD REGION

The European Commission and the European Broadcasting Union (EBU) will work together to strengthen the independence of the media in the European Neighbourhood Region, following a meeting today between Commissioner for Enlargement and European Neighbourhood Policy, Štefan Füle, and EBU President Jean-Paul Phillipot and EBU Director General Ingrid Deltenre.

The organisations have signed and exchanged letters to cement their cooperation in the European Neighbourhood region, building on existing collaboration in the context of EU Enlargement policy.

EU Commissioner for Enlargement and European Neighbourhood Policy, Štefan Füle, said: *"Freedom of expression, free press and media are the pillars of deep and sustainable democracy, which is one of the core objectives of the European Neighbourhood Policy. I am very happy that the European Broadcasting Union shares our view that securing freedom of expression requires a continuous effort by all stakeholders."*

*"I welcome in particular engagement of the EBU in countries like Ukraine, or Tunisia which are undergoing important changes. The role of media and its independence is crucial in assisting this process. I would like to confirm our commitment to cooperate with the EBU on the improvement of the media landscape in the European Neighbourhood region and to advance the cooperation which has already proved to be very successful in the Enlargement region," added Commissioner Füle.*

EBU President Jean-Paul Philippot said: *"I warmly welcome cooperation with the European Commission around an issue that we both consider as essential. Independent and sustainable public service media organisations are pillars of freedom of expression and a democratic media landscape. EBU Partnership Programme activities in the European Neighbourhood region will be all the more potent with the backing of the European Commission."*

Under its Partnership Programme, the EBU undertakes various actions targeting public service broadcasters in the Enlargement and European Neighbourhood region. Actions notably include assistance, technical support and training to build internal capacity for independence and long-term sustainability.

The European Neighbourhood Policy (ENP) governs the EU's relations with 16 of its eastern and southern neighbours. To the South: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine (this designation does not entail any recognition of Palestine as a state and is without prejudice to positions on the recognition of Palestine as a state), Syria and Tunisia and to the East: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Russia takes part in Cross-Border Cooperation activities under the ENP and is not a part of the ENP as such.

Current Enlargement aspirants and candidate countries include: Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Kosovo and Turkey.

The EBU is an international non-governmental organisation bringing together 73 public service radio and television companies from 56 countries in the European broadcasting area. The EBU engages in a vast range of activities, including promoting independent public service media, training media professionals and mobilising solidarity amongst its 74 members to help those encountering serious political, technical or financial strife. The Partnership Programme brings several types of EBU activities together to help members in difficulty. A Memorandum of Understanding between the EU and EBU was signed on 24 July 2012 to strengthen public service media in the Enlargement countries. Activities under this agreement cover activities like improving public accountability and credibility of the Public Service Media, contributing to their improved financial sustainability, improving editorial independence and contributing to the readiness of the Public Service Media for the digital future. (EC 02-10-2014)

## SOUTH AFRICA RESOLUTE ON NUCLEAR BUILD

Officials from the Department of Energy on Wednesday stated categorically that SA would procure 9,600MW of nuclear energy despite the government not having an accurate understanding of what this might cost either the fiscus or consumers.

The procurement would also go ahead despite the fact that the Treasury had not conducted an affordability study.

Department of Energy senior officials said at a media briefing in Pretoria that while a procurement process had not yet started, the procurement of 9,600MW of nuclear power would most definitely take place. The briefing was clearly aimed at dispelling talk that SA had signed a secret nuclear procurement deal with Russia.

The Treasury said at the weekend that it could not provide any idea of the cost for the project as it had not done any financial modelling or an affordability assessment.

Apart from the implications that a nuclear deal could have for SA's fiscal position, it would also have far-reaching implications for consumers and business.

Tariffs would have to be set at levels needed to repay the finance raised to build the reactors.

The deputy director-general for nuclear energy in the Department of Energy, Zizamele Mbambo, said the tender for nuclear power "might not be an open tender". It could be a closed tender or a government-to-government agreement.

To proceed with a procurement without the involvement and endorsement of The Treasury would be unprecedented and in contradiction of the Public Finance Management Act. The act is meant to "promote and enforce transparency and effective management of revenue and expenditure" of government and state-owned entities.

The Treasury said SA needed to tread carefully on the matter. "Nuclear power would be a substantial financial commitment, and government can only make that kind of commitment after careful and thoroughgoing modelling and an affordability assessment.

"The issues of how nuclear (procurement) would be paid for has not yet arisen because the process has not yet reached that stage."

But Mr Mbambo said a technical committee was deep into the preparatory work for procurement. A decision not to procure, or to procure a lesser amount, was not an option on the table.

"I can confirm to you that there will be a procurement process," he said. "Which procurement process is decided upon will depend on the models under consideration.

"Government will take a decision in the national interest. So, yes there will be a procurement process and once that has been approved that information will be communicated ."

Mr Mbambo repeatedly emphasised that nuclear procurement was not the same as any other, and that international experience showed countries made decisions based on "national interest". In SA's case, the national interest was to be energy self-sufficient and to develop the entire nuclear value chain from the mining of uranium to enrichment, to the disposal of waste.

He added that the localisation requirements would allow SA to promote industrialisation and create employment opportunities.

Acting Department of Energy director-general Wolsey Barnard said the intergovernmental agreement signed with Russia last week was "a potential framework of co-operation" and similar agreements would be signed with other vendor countries, in particular France, the US, Japan and China. An agreement is already in existence with South Korea.

Despite wording that strongly implied an agreement had been reached for Russia to supply eight nuclear reactors, Mr Barnard said this was not what was meant.

Last week's agreement with Russia would not be made public until all the agreements were signed. Even then, some proprietary information would be withheld and the government would need to decide which information "was relevant to the public", Mr Barnard said. In particular, aspects relating to the vendor country's technology and the financial modelling "might not be made available".

Mr Barnard said it was impossible to make a cost determination of the programme until the technology had been selected.

He implied, though, that as the "user-pays" principle was government policy, consumers would fund the programme through the tariff. "This is not something new," he said. "The customer will pay just as (they ) will pay for renewable energy and the energy produced by Medupi and Kusile."

The Department of Energy also cast some light on the prospective role of Eskom. While the nuclear policy of 2008 said Eskom would be "owner and operator" of the nuclear fleet, Mr Barnard said SA "might need to go a different route" and the final model chosen "would clarify the role of Eskom".

Civil society organisations and political parties have already voiced their objections about the nuclear procurement process.

The selection of a power-generation technology without certainty on future demand nor established facts on cost implications was bound to spark opposition.

Lawson Naidoo, executive director of the Council for the Advancement of the South African Constitution, said that without transparency it would be impossible to assess whether the tendering process was fair.

"A key issue is the order in which things are done," he said. "If government starts by saying there will be procurement, it undermines all the other processes that need to take place." Without seeing the full bilateral agreements with vendor countries, it would be impossible to be sure that the procurement process was not being tailored to suit a particular bidder, he said. (BD 02-10-2014)

## SANLAM EMERGING MARKETS BUYS STAKE IN GHANA BUSINESS FOR R240M

Sanlam Emerging Markets deepened its presence and partnership in Ghana beyond life insurance on Wednesday by acquiring a 40% stake in short-term insurance business Enterprise Insurance for R240m. The deal by Sanlam Emerging Markets in Ghana comes a day after it announced it was buying a 28.7% stake in Afrocentric Healthcare Assets Proprietary in a deal which could be valued at just over R700m.

In the six months ended June, Sanlam had about R3bn in discretionary capital and the two deals leave it with about R2bn for future investments.

Sanlam Emerging Markets CE Heinie Werth said that in the short term, the firm was likely to focus on deal making in Africa.

On the short-term insurance deal in Ghana and why the emerging markets division was investing in the West African country, whose economy is going through a tough period, he said: "We look at the long term. We started in Ghana about 2003. It's one of the successful stories in our cluster.

"I agree Ghana is going through challenges. If you look from a bigger perspective, there are still a lot of companies who invest in Ghana. There's still confidence," Mr Werth said, alluding to Ghana's third eurobond of $3bn, which was oversubscribed last month. However, Ghana opted to take $1bn, which it will use for capital expenditure.

Sanlam indicated that insurance penetration in Ghana was about 1.1%, creating opportunities. According to Sanlam, the Ghana insurance market has grown at an average rate of 26% annually over the past five years.

"We see the current issues in the Ghana economy as more temporary," Mr Werth said.

Commenting on the deal, Trevor Trefgarne, the chairman of the Enterprise Group, said: "Enterprise Group sees this further strengthening of its partnership with the Sanlam Group as an exciting moment in its history. The transaction brings together two great financial services players with nearly 200 years of doing business in Africa, and holds much promise for the future of both groups."

Beyond short-term and life insurance in Ghana, Mr Werth said his company had appetite to offer asset management services.

He said the logical next phase of expansion was in Mozambique, Angola and Zimbabwe. "We would like to do something in all these countries in the next 12-18 months." The company has operations in Botswana, Namibia, Swaziland, Malawi, Zambia, Tanzania, Uganda, Rwanda, Kenya, Nigeria and Ghana. (BD 02-10-2014)

## LE FMI FAIT ANNULER DES CONTRATS MILITAIRES AU MALI

Le 30 septembre, s'est déroulée à Paris la quatrième réunion de suivi de la conférence “Ensemble pour le renouveau du Mali”. Un rendez-vous en présence du Premier ministre malien, Moussa Mara, et du directeur général adjoint du développement et de la coopération de l'Union européenne, Marcus Cornaro, qui officialise la fin du gel de l'aide internationale au Mali, décidé en mai dernier à l'initiative du Fonds monétaire international (FMI).

Réunis à Bruxelles le 15 mai 2013, les principaux bailleurs de fonds (Banque mondiale, FMI, UE, etc.) s'étaient en effet engagés à débloquer 3,3 milliards d'euros pour la reconstruction du Mali. Près de dix-huit mois plus tard, à Paris, Annick Girardin, la secrétaire d'État au Développement et à la Francophonie, a précisé que *"sur les 3,3 milliards d'euros annoncés, les trois quarts ont été engagés et la moitié a été effectivement versée".* Non sans mal.

Les résultats de la mission d'évaluation du FMI, qui a séjourné à Bamako du 12 au 25 septembre, ont bien sûr été au cœur de cette quatrième réunion destinée à faire *"le point sur les engagements des autorités maliennes et de leurs partenaires en matière d'aide au développement".*

**Acquisitions hors budget**

Cette mission du FMI fait suite à la décision en mai dernier des principaux bailleurs de fonds de geler l'aide promise à Bruxelles, dénonçant la mauvaise gestion des finances publiques par les autorités du Mali. Ils avaient justifié cette décision, lourde de conséquences dans un pays en crise, par la découverte de marchés décidés hors budget, et passés de gré à gré, pour l'équipement de l'armée ainsi que pour l'acquisition d'un nouvel avion présidentiel.

Dès leur arrivée, les experts du FMI se sont également penchés sur l'acquisition, toujours hors budget, de 6 hélicoptères de combat auprès de la société chinoise Qatic pour un montant de 200 millions de dollars.

Pour y voir clair, l'équipe du FMI, pilotée par le chef de mission Christian Josz, a commandé des audits au bureau du vérificateur général et à la Cour suprême. Leur résultats a mis en pleine lumière les défaillances de gestion du gouvernement du président Ibrahim Boubacar Keita et de son administration. Déjà, le FMI a pu constater que des contrats militaires ont été passés pour un montant total de 134 milliards de francs CFA (204 millions d'euros), alors que seulement 34 milliards de francs CFA (51,8 millions d'euros) avaient été initialement programmés dans le budget malien.

Concernant précisément le contrat de fournitures d'équipements militaires (chaussettes, etc.) de 69 milliards de francs CFA, une surfacturation de 29 milliards de francs CFA a été mise à jour dans ce marché de gré à gré passé en 2013 entre le gouvernement et la société privée malienne Guo-Star, pour la livraison de fournitures militaires.

**Surfacturations**

Au printemps, le FMI s'était aussi étonné de l'octroi d'une garantie de 100 milliards de francs CFA (165 millions d'euros) de l'État à cette même société pour financer cette opération d'importation auprès d'une banque. *"D'après le vérificateur général, cette garantie pourrait avoir été utilisée frauduleusement à hauteur de 10 milliards de francs CFA"*, a expliqué le chef de la mission du FMI.

Pour l'achat de l'avion présidentiel, deux audits ont été menés pour estimer le coût de l'appareil, évalué à lui seul à 20 milliards de francs CFA (environ 30 millions d'euros). *"Selon les intermédiaires spécialisés cités par le bureau du vérificateur général, le prix d'un avion de cette nature varie de 30 à 40 millions de dollars. Le prix que l'État malien a payé est proche du montant supérieur de cette fourchette. En tout cas, on ne sait toujours pas le prix réel sur le marché"*, a regretté Christian Josz.

Intransigeant, le FMI a exigé du gouvernement malien l'annulation de certains de ces marchés et lui a ordonné de ne pas régler les montants surfacturés. *"Cet exercice qui a consisté à annuler tous les contrats qui n'étaient pas encore lancés, à limiter les contrats existants à ce qui était livré et à annuler tout le reste, ainsi qu'à revoir à la baisse les prix des contrats qui sont surfacturés, cela a permis de ramener ce montant de 134 milliards de francs CFA à 57 milliards"*, a précisé Christian Josz lors d'un point presse.

**Fin de l'embargo**

Le gouvernement malien s'est engagé à adopter une loi de finances modificative pour annuler certaines de ces dépenses et intégrer les 57 milliards de francs CFA au budget de l'État. Un travail d'audit qui a par ailleurs coûté son poste au directeur des finances du ministère de la Défense, limogé le 17 septembre.

Au final, la mission du FMI a mis fin à l'embargo sur les versements de l'aide. Une décision confirmée à Paris. Toutefois, les deux parties se sont donné rendez-vous à Bamako le 5 février 2015 pour faire un nouveau point et constater que la totalité des 3,3 milliards d'euros auront bien été débloqués.(Acteurs Publiques 02/10/2014)

## ZIMBABWE'S FAMILY PLANNING DILEMMA

Pregnant at 15, Samantha Yakubu* is in a fix. The 16-year-old boy she claims was responsible for her pregnancy has refused to accept her version of events, insisting that he was "not the only one who slept with her".

Now Yakubu has dropped out of school and, like many sexually active youth in Zimbabwe, faces an uncertain future.

The issue of contraceptive use remains controversial and divisive in this country of 13.72 million people.

Parents and educators are agreed on one thing: that level of sexual activity among high-school students are on the rise. What they do not agree on, however, is how to deal with the corresponding inrcrease in teenage pregnancies.

"Lack of adequate, medically accurate information on puberty leaves young people dependent on uninformed peer sources and unguided Internet searches for information." -- Stewart Muchapera, communications analyst with the UNFPA in Zimbabwe.

While Zimbabwe has made huge gains in some areas of reproductive health, including stemming new HIV infections, according to the Health Ministry, various United Nations agencies have raised concerns about the growing number of adolescent pregnancies, which experts say point to a low use of prophylactics and a dearth of other family planning methods.

According to the U.N. Population Fund (UNFPA), contraceptive use in Zimbabwe stands at 59 percent, one of the highest in sub-Saharan Africa. Still, this is lower than the 68 percent mark that the government pledged to achieve by 2020 at the 2012 London Summit on Family Planning.

A proposal last year by a senior government official to introduce contraceptives into schools, allowing condoms to be distributed free of charge, was met with disbelief and anger among parents, who insisted this was tantamount to promoting promiscuity among learners.

There is still no agreement between parents and educators about the stage at which students can be introduced to sex education.

"Lack of adequate, medically accurate information on puberty leaves young people dependent on uninformed peer sources and unguided Internet searches for information," says Stewart Muchapera, a communications analyst with the UNFPA in Zimbabwe.

"The fertility rate among teenage girls aged 15-19 in 2010/11 was 115 per 1,000 girls, a significant increase from 99 per 1,000 girls in 2005/6," Muchapera tells IPS, adding that geographic location also determines the likelihood of early pregnancy, with girls living in rural areas twice as likely to be affected than their urban counterparts.

In fact, the rate of adolescent pregnancies is just 70 per 1,000 girls in urban areas, compared to 144 per 1,000 girls in rural areas, he adds.

The Zimbabwe Demographic and Health Survey (ZDHS) reports that nine out of 10 sexually active girls aged 15 to 19 are in some form of a marriage, and that for two out of three girls who first had sex before age the of 15, sex was forced against their will.

The risk of maternal death is twice as high for girls aged 15 to 19 as for women in their twenties, experts say, and five times higher for girls aged 10 to 14 years.

Currently, Zimbabwe has a maternal mortality ratio of 790 deaths per 100,000 live births and an under-five mortality rate of 93 deaths per 1,000 live births.

Janet Siziba, a peer educator with the Matabeleland Aids Council, says there is a stigma attached to early pregnancy, with many forced to drop out of school or endure financial hardships after the birth of a child, particularly after the disappearance of an adolescent father.

"You can escape both pregnancy and HIV by increased condom use and, perhaps more importantly, by using other female contraceptives [such as the female condom and oral contraceptives]," Siziba tells IPS.

But with young people getting mixed messages on contraceptives, the trend is unlikely to change anytime soon. In fact, the country's registrar-general Tobaiwa Mudede has actually warned women against using contraceptives, on the grounds that they cause cancer and are a ploy by developed countries to stem population growth in Africa.

Family planning advocates including the Zimbabwe National Family Planning Council (ZNFPC) called his comments retrogressive especially at a time when the country's health system is struggling to stem maternal mortality and also provide adequate antenatal care.

Through its National Adolescent Sexual and Reproductive Health Strategy (ASRH), the Ministry of Health now allows adolescents to access contraceptives at public institutions such as clinics and hospitals, but peer educators are concerned that youth are not too eager to collect contraceptives in full view of the public.

The result is an increase in pregnancies among adolescents in the 15-19 age group from 21 percent between 2005 and 2006 to 24 percent between 2010 and 2011.

Experts say that conservative attitudes towards contraceptive use could slow down global efforts under the multi-sector Family Planning 2020 (FP2020) initiative, which seeks to increase access to contraception for women and girls between 15 and 49 years of age in developing countries.

According to the Bill and Melinda Gates Foundation–supported FP2020 project, 260 million people from developing countries had access to contraceptives in 2012, and the initiative aims to add 120 million more by the year 2020. (IPS 01-10-2014)

**Names have been changed*

## KENYA POISED TO REAP REWARDS OF PRUDENT POLICIES

Rising domestic and foreign investment are set to boost economic activity in Kenya, as the central African country reaps rewards of extensive institutional reforms and prudent macroeconomic policy, the IMF staff said.

In a regular review of Kenya's economy, the IMF staff noted a surge in public investment in infrastructure, renewed interest of foreign investors, and lower transaction costs thanks to information technology.

The IMF staff report projected higher growth in the Kenyan economy for a third straight year, at 5.8 percent in 2014/15 after an estimated 5 percent in 2013/14. Inflation remains moderate, but rising food prices and rapid credit growth may fuel inflation expectations. Foreign reserves have increased steadily and are broadly adequate.

Kenya is taking steps to adapt its policies to middle income country–type challenges, the report said, noting the country's market-friendly business environment. The country's successful debut Eurobond issuance suggests a promising outlook for Kenya to further integrate with global financial markets and to reach, in time, emerging market status.

The staff report noted, however, that manufacturing, transport, and communications were the main supports of growth in early 2014, while the agricultural sector was relatively subdued due mainly to poor rains. In addition, security concerns following terrorist attacks and threats hit the tourism industry.

### Oil discoveries

Promising commercial prospects of oil discoveries could potentially provide significant foreign exchange and fiscal resources, the report said. Kenya's relatively high current account deficit, at 7.7 percent of GDP in 2013/14, reflects strong capital goods imports—in particular of equipment for oil exploration.

The Kenyan government has embarked on large-scale projects with sizable impact on domestic value added, the report said, citing construction of a railway between the capital, Nairobi, and the port city of Mombasa; geothermal power generation plants; irrigation projects; and new oil pipelines.

### Drivers of growth

The report said there are five principal drivers of growth in Kenya that support positive projections of economic expansion.

• ***Improved business conditions*** arising from the removal of bottlenecks by increased infrastructure investment in energy and transportation;

• ***Expansion of the*** East African Community ***market*** thanks to decisive steps toward regional integration with neighboring Burundi, Rwanda, Tanzania, and Uganda;

• ***Reduced social strife*** as a result of devolution and central government transfers to 47 newly formed counties under the 2010 constitution;

• ***A more dynamic small and medium-sized enterprises*** sector arising from strong financial inclusion and small business access to credit;

• ***Higher agricultural productivity*** and reduced medium-term vulnerability of agricultural production to weather shocks, reflecting implementation of large irrigation projects.

A boost in investor confidence following the successful Eurobond issuance could further improve Kenya's outlook. Accelerated regional integration, improved security conditions, and possible new discoveries of oil, gas, and other minerals could have a large impact on investor sentiment.

Nevertheless, the report added, the Kenyan economy is vulnerable to risks affecting the external and fiscal positions. Near-term risks include the potential for security conditions to deteriorate further, for poor rains followed by other weather-related shocks, and additional difficulties in implementing devolution that could complicate public finance management.

**Banking by mobile phone**

A section of the IMF staff report focused on financial inclusion—the general population's access to banking and credit—and the contribution of banking by mobile phone. The low-cost technology of mobile banking has helped reduce overall transaction costs and has particularly benefited the poorest section of the population.

The M-Pesa network of money transfers by mobile phone has particularly boosted financial access, the report said. The number of micro accounts—holding deposits of less than $1,200—in formal financial institutions has increased more than tenfold in the past decade.

Lower transaction costs, higher financial access, and continuous innovation of the mobile payment platform have a positive impact on social welfare. Farmers benefit from schemes to acquire capital equipment that allow repayment by mobile banking; solar panel installation can be financed by mobile phone; basic health care management can also be conducted by mobile phone.

**Natural resource management**

In a section on managing Kenya's natural resource wealth, the report cited commercial estimates that put the country's oil and gas reserves at levels similar to those of Equatorial Guinea and the Republic of Congo—respectively sub-Saharan Africa's fourth- and fifth-largest oil producers. If these reserves are confirmed, they could bring Kenya's external current account to surplus soon after exploitation starts.

Kenya's government plans to reform the legal and regulatory framework for natural resources to enable prudent management of oil and gas resources. The report observed that Kenya's petroleum regulatory and fiscal regime dates from 1986 and is in need of modernization.

Specifically, the production-sharing scheme for oil does not properly reflect costs, prices, and production volumes and should be revised; new production-sharing terms for gas need to be specified; and a full gas-specific regulatory framework is required. The report notes that work to enact most of these enhancements is under way, with the support of technical assistance from the IMF. (IMF 02-10-2014)

## KENYAN PORT AUTHORITY MAY GO TO MARKET FOR DEVELOPMENT FUNDS

The Kenya Maritime Authority is in talks for a debt sale that would finance a commercial shipping line to tap into growth in a region preparing to become an oil exporter.

The bonds may be offered on the Nairobi Stock Exchange, director-general Nancy Karigithu said in an interview in the port city of Mombasa on September 30, without giving details. The regulator is trying to build capacity to take advantage of demand in East Africa, a region set to grow 6.6% this year, faster than the sub-Saharan African average, according to the International Monetary Fund (IMF).

"Training marine engineers to international standards is very expensive and we have been struggling without our own ships," Ms Karigithu said.

Kenya and neighbouring Uganda are developing oil fields and investing in infrastructure to meet the needs of their economies. The governments are recruiting contractors for the construction of an oil pipeline scheduled to be completed by 2018, and Kenya, which has a $55.2bn economy, is planning a port in Lamu, 240km north of Mombasa.

"Increasing offshore oil exploration and the development of another international port in Lamu are accelerating the need for enhanced maritime capacity," Ms Karigithu said.

Kenya, which shares Lake Victoria with Uganda and Tanzania, wants to reach out to Uganda to develop cheap trade routes and a ship-building industry on the lake, she said. Moving goods between the countries out of the Mombasa port would sustain the industry, she said.

The East African Community, a five-member group that includes Rwanda and Burundi, is forecast to expand 6.7% next year, while sub-Saharan African output is set to grow 5.4% this year and 5.5% next year, according to the IMF's April regional outlook.

The authority joins companies including CIC Insurance Group and Shelter Afrique that are planning to sell debt in Kenya after the government issued the country's first Eurobond in June, selling $1.5bn of notes at a coupon of 6.875%. Yields have fallen 79 basis points since they were issued to 6.09% at 12pm in Kenya's capital, Nairobi.

Kenya's port of Mombasa is the largest in East Africa and serves landlocked countries including Uganda, Rwanda and South Sudan, along with eastern Democratic Republic of Congo. (*Bloomberg 02-10-2014)*

## BRITISH GAS GROUP EXITS TANZANIA BLOCK 3 GAS LICENCE

British gas producer BG Group said on Thursday it had withdrawn from the development of a gas block offshore Tanzania after finding it was not worth further exploration.

Its partner, Ophir Energy in block 3 off the coast of the east African country said it had applied to the government to take over BG's 60% interest and operations of the licence, bringing its stake in the block to 80%. Pavilion Energy, owned by Singapore investment company Temasek, holds the other 20%.

"We have applied to the government to relinquish (involvement). Our view of the resource does not support BG Group proceeding to the next phase of development," a spokesman for BG Group said.

Ophir would make no payment to BG as a result of taking over the stake.

BG, the UK's third-largest oil and gas producer, still holds a majority stake in the Kamba-1 well in Tanzania's block 4. The block is estimated to hold 1.03-trillion cubic feet of gas, Bloomberg reports.

The gas group is under pressure to rein in costs and reshape its asset portfolio after a series of production downgrades that led to the resignation of its chief executive earlier this year.

BG plans to open a liquefied natural gas export terminal in Tanzania together with partners Ophir, Statoil and Exxon Mobil, which will be fed with gas from two other offshore blocks.

The Papa-1 well was the only one drilled in block 3, where gas was discovered in 2012. (*Reuters 02-10-2014)*

## CENTRAL AFRICAN REPUBLIC'S SHATTERED JUDICIARY 'UNABLE TO TACKLE CRIME'

The system of justice in the strife-torn Central African Republic is so battered by neglect and a funds shortage that police, prosecutors and courts are helpless in tackling "endless" atrocities.

Human rights abuses against civilians by mainly Muslim former rebels and vengeful militias from the Christian majority have claimed thousands of lives since March 2013 and displaced more than a quarter of the population of 4.6-million.

Foreign military intervention quelled fears of a potential genocide, but the transitional government in Bangui has turned to the International Criminal Court (ICC) for help in tackling what ICC prosecutor Fatou Bensouda called an "endless" list of alleged crimes against humanity.

The collapse of the judicial system predates the latest conflict in the poor, landlocked nation that is prone to coups, rebellions, army mutinies and civil protest.
Over the decades, buildings have gone to ruin, equipment has been wasted and manpower has become pitifully short.
Peacekeepers were sent by the United Nations (UN) in September to join forces deployed by the African Union (AU), France and the European Union (EU) in a bid to stem the violence and keep order. Some troops on the ground are being incorporated into the UN mission known as Minusca (United Nations Multidimensional Integrated Stabilisation Mission in the Central African Republic).
In The Hague last week, the ICC announced a full probe into alleged crimes against humanity and war crimes on a vast scale, following an initial assessment.
"The information available provides a reasonable basis to believe that both the (mainly Muslim) Seleka and the (largely Christian) anti-Balaka groups have committed crimes against humanity and war crimes including murder, rape, forced displacement, persecution, pillaging, attacks against humanitarian missions and the use of children under 15 in combat," Ms Bensouda said on September 24. "The list of atrocities is endless. I cannot ignore these alleged crimes."
The Central African Republic's entire prosecution service consists of about 200 examining magistrates assisted by about 350 clerical staff, according to a justice ministry source.
"Many posts have not been filled and we see that a certain number of people are quitting their jobs. The general impression is a situation of warped justice ... incapable of really playing its role," the source said.
The justice department's budget of 1.5-billion CFA francs ($3m) does not even pay for upkeep of courts and jails across the former French colony.
In theory, there are about 50 prisons in the Central African Republic. In practice, about 30 remain because others in the provinces have tumbled down. In places, private homes have been turned into temporary jails.
Jailbreaks are frequent. More than 700 inmates are estimated to escape every year.
"Most members of the ex-Seleka or anti-Balaka militias belong only behind bars, because they are detainees who were convicted yet are still free because of the crisis," said an army officer who once ran the central prison in Bangui but asked not to be named.
Many convicted criminals took advantage of chaos to join armed groups after the downfall of the regime of François Bozize, a former army chief who seized power in a March 2003 coup but was ousted 10 years later by the Seleka alliance.
"We do everything we can in daily life not to run into them by being ever watchful," a prosecutor said bitterly. "Above all, we're not protected or armed and it's difficult to tell beforehand who is armed and who isn't."
In November last year, the head of judicial services, Modeste Martineau Bria, was murdered in the street by men held to be former Seleka rebels who wanted to steal his car. Several sources said his killers were convicts who had joined the rebels.
The lives of Bangui residents are poisoned by frequent assaults, hold-ups and disappearances. Policemen are often nowhere in sight since they are as threatened as prosecutors.
While the transitional government has turned to the ICC in the hope of ending the impunity enjoyed by killers, the authorities must for now count on the UN for many police duties.
Minusca, which started to deploy on September 15, includes about 1,000 international policemen of a planned 1,800. The UN police jointly patrol Bangui with Central African Republic contingents. "If somebody commits acts against the laws of the CAR, we'll go to work and help the defence and security forces to render justice," Minusca police commissioner Luis Carrilho said this week.
"Somebody caught in the act should be arrested automatically. And the penal system does its work with the prosecutor at the first level. The rest will fall into place." *(*AFP 02-10-2014)

## ENPI 2007-2013: AN INSTRUMENT FOR THE NEIGHBOURHOOD – NEW REPORT OUTLINES SEVEN YEARS OF ACTIVITIES AND RESULTS

A new report outlining how the European Neighbourhood and Partnership Instrument (ENPI) has contributed towards strengthening relations between the EU and its Neighbourhood Partner Countries and made aid delivery more effective, has just been released by EuropeAid.

The report, entitled ***"**[European Neighbourhood Instrument 2007-2013 – Overview of Activities and Results](#)**"***, outlines the achievements of the past seven years. It covers the general aspects of support to the Neighbourhood partnership, refers to the regional effort, includes a country-by-country breakdown, and offers many examples of activities undertaken.
The ENPI, with a €13.4 billion commitment, operated from January 2007 to January 2014, when it was replaced by the European Neighbourhood Instrument (ENI) worth over €15 billion and running from 2014-2020. Its main purpose was to create an area of **shared values, stability and prosperity, enhanced co-operation** and **deeper economic and regional integration**, by covering a wide range of co-operation areas**.**

In implementing the ENPI, there was a continuous dialogue between the EU and each of the partner countries, in order to achieve a spirit of **co-ownership and partnership**, ensuring that programmes funded are adapted to the needs of partner countries and contribute to their **economic and social development**, and ultimately to the well-being of the **citizens,** the report underlines.

Overall, the report notes, the **mix of available tools and modalities for aid delivery** in the Neighbourhood became **richer**, which translated into more opportunities for adapting the ENPI response to different needs and changing situations. Partners were granted access to **institution building tools**, and the use of **budget support** opened new paths with the governments.

The **bilateral breakdown** of assistance contributed to each partner country, both in the South and the East, is detailed in the report, and each country section includes a story of support on the ground, highlighting the fact that the **citizens** are the ultimate beneficiary of this support.

There is a special reference to the two **"umbrella programmes"** introduced by the EU following the review of its policy and adoption of a more incentive-based approach towards the Neighbourhood in 2011. These are the **SPRING** (Support for Partnership, Reforms and Inclusive Growth) programme for the South with €540 million in 2011-2013, and the **EaPIC** (Eastern Partnership Integration and Cooperation) programme for the East with €152 million in 2012-2013. Both programmes sought to channel additional assistance to selected partner countries. The important role of **civil society**, as a key stakeholder in policy making and monitoring, is also emphasised. (EU Neighbourhood 02-10-2014)

## DRC TOASTS ITS FIRST MODERN MALL

The sod-turning ceremony for the first modern retail shopping centre in the Democratic Republic of Congo, situated in the southern mining hub of Lubumbashi, was held in the city this week.
The shopping centre, on which construction has already begun, is part of Luano City, a 300ha, $1.4bn mixed-use development being built on the outskirts of the city. The developer is South African-based Forum Properties Africa.

Shoprite's Luano City store will be its second in the Democratic Republic of Congo. It has one supermarket in the capital, Kinshasa, which opened more than a year ago.

Luano City is an initiative of international entrepreneur Preston Haskell, who attended Wednesday's event alongside Moïse Katumbi, governor of Katanga province, where most of the international mining companies active in the country are located.

Other companies at the event included joint venture partner in the shopping centre, Heriot Properties, facilities and leasing company JHI DRC and Shoprite.

Mr Katumbi said he believed that with the rapid pace of urbanisation and new investment in the province, there was huge potential for the premium retail, housing and office space that Luano City would provide.

The first A-grade office buildings in Luano City were completed last year. International mining giant Tenke Fungurume Mining and China's CNMC Hauchin Mining SPRL, have bought these and another three blocks are near completion. A total of more than 30,000m² of office space will become available over the lifetime of the project.

The shopping centre development is a new phase of development in Luano City, which will take place alongside 60 residential units being constructed.

The 6,000m² shopping centre is scheduled to start trading from October next year. Besides Shoprite, tenants signed up so far include Famous Brands, Innscor from Zimbabwe, Vodacom and a number of local banks, retailers and service providers.

Forum Properties Africa CEO Deon Bruwer said the company was excited by the increasing interest shown in the Luano City project. An indication of this was the access to funding being offered by banks that previously were not interested in funding real estate in the country.

Heriot Properties director Steven Herring said the Lubumbashi project was a natural progression from the property developments with which they were already busy in the Copperbelt in Zambia. "Katanga is an extension of where we see demand growing," he said. (EurActiv 03-10-2014)

## MINISTERS PLEDGE CLOSER EURO-MED COOPERATION ON DIGITAL ECONOMY

Digital Economy Ministers and representatives of ministries, the Union for the Mediterranean (UfM) Secretariat, telecoms regulators, development banks and EU institutions this week all pledged closer cooperation to reap the benefits of the digital economy for Euro-Mediterranean citizens, consumers and businesses.

Gathered in Brussels on Monday for a UfM Ministerial meeting, participants agreed to forge closer ties on the use of open data and e-government, and to step-up dialogue between national telecoms regulators around the Mediterranean. They also agreed to improve connectivity between scientific and research communities and to work on a long-term eHealth cooperation strategy.

European Commission Vice-President Neelie Kroes said the European Commission aimed to promote *“a fair, modern, open, competitive and transparent market for communications, a connected ICT research environment, an open and vibrant use of the internet for all and a diverse media environment”*. She added: *“Today's agreement with our Southern Mediterranean neighbourhood and partner countries means we can share experiences and learn from each other in ways that are not always possible in other sectors.”*

Jordan’s Minister of Information and Communication Technology Dr. Azzam Sleit commented: "*It is widely recognized that the growth of the digital economy has a far-reaching impact on the whole economy, and this is attributed to the influence that ICT services have on all IT sectors, such as transportation, health, education, environment and financial services. Despite the promising potential that digital economy holds for us, there remains a set of challenges for which we need to find solutions."*

For his part, UfM Secretary General Mr. Fathallah Sijilmassi described Information and Communication Technologies (ICT) as *“a driving force for the modernization of both the private and public life, and thus, for the further development, integration and sustainable economic growth of the entire Mediterranean region”*. He said the UfM Secretariat stood ready actively to participate in the cooperative initiatives outlined and to move forward the agenda for the advancement of the Digital Economy.

The meeting adopted an *“achievable, forward-looking and focused declaration”*, which responds to the rapid pace of digital change and the huge potential of the digital technologies for the economy and society. They committed to:

- Build closer ties to foster theuse of **open data and e-government**, leaning on the principles already developed in the 2013 G8 Open Data Charter such as *open data by default*;

- Boost e-infrastructures connectivity between **scientific and research** communities –also as a means of exploiting open data;
- Establish a regular **recommendations-based dialogue between functionally independent telecoms regulators and Euro-Mediterranean ICT Ministries** in order to create a harmonized, pro-competitive and investment-friendly environment in the sector, and to accelerate the development of the EU-Southern Mediterranean Information Society;
- Through the UfM, to **promote more cross-border business** through the use of electronic business transactions and eSignatures;
- Work on a long-term **cooperation strategy for e-Health** and to expand the deployment of e-Health solutions;
- Support the current global discussions on **Internet governance.**

The previous Euro-Mediterranean Ministerial Meeting on Information and Communication Technology (ICT) was held in Cairo in February 2008. (EU Neighbourhood 03-10-2014)

## EU PROVIDES NEW SUPPORT TO HELP MIGRANTS AND VICTIMS OF HUMAN TRAFFICKING

EU Development Commissioner Andris Piebalgs today announced a new project to promote and protect the rights of migrants moving between developing countries, worth over €10 million. The project focuses on two types of migrants: those who carry out domestic work in the recipient country (e.g. house-cleaning) and those who fall victim of human trafficking. The project is being implemented in the Middle East and North Africa, as well as Africa, the Americas and Asia.

Currently, many developing countries without adequate migration or labour policy frameworks rely substantially on migrant labour force for their economic development. Migrants are vulnerable, and susceptible of being victims of forced labour, in particular in sectors such as domestic work, given the ‘invisible’ nature of their work. They also represent an easy target for human trafficking networks.

Commissioner Piebalgs said: *“This project proposes an innovative approach focusing on migration between developing countries. It shows the EU’s genuine and firm commitment to address human trafficking and forced labour, some of the worst forms of modern slavery, and our will to improve migrants’ rights more generally. And it’s clear for us that we need to work with civil society to make sure that migrants' dignity is respected.”*

Thanks to the project, direct social assistance and protection will be provided to the migrants and their families. This support will for instance include access to healthcare, legal assistance and reintegration measures like training, or interpretation services. These concrete measures will be adapted to the specific needs of each category of migrants targeted through this initiative.

The project also aims to help civil society organisations (CSOs) to better protect the rights of these migrants: for example, by creating a network where all the CSOs can share best practices. Promoting well-managed migration, labour and anti-trafficking policies and legislation, and supporting dialogue with public authorities, employers’ associations and the private sector, are some other actions that will be pursued.

The project in funded under the Global Public Goods and Challenges programme – which is part of the Development and Cooperation Instrument. It will be implemented by the International Federation of Red Cross and Red Crescent Societies (IFRC), targeting the following origin, transit and destination countries:

- Jordan, Lebanon and Morocco in the Middle East and North Africa
- Ethiopia and Zimbabwe in Africa
- Dominican Republic, Ecuador and Honduras in the Americas
- Indonesia, Nepal, Thailand, Kazakhstan, Russia and Tajikistan in Asia

There are 232 million migrants worldwide, according to the United Nations Department of Economic and Social Affairs (UNDESA). Over half of these migrants reside in low- and middle-income countries, and many developing countries are simultaneously countries of origin and destination of migrants. This increases regional and global mobility and creates opportunities for contributing for instance to poverty reduction and innovation. But it also requires effective governance in order to address challenges such as 'brain drain' (outward migration of educated people), migrant exploitation and the effects of migration on urbanisation.

Migration is a priority under the EU's development cooperation policy. Between 2004 and 2013, the Commission has committed over €1 billion to more than 400 migration-related projects. This support has focused on capacity building for migration management (e.g. sharing expertise, providing training) with an emphasis on maximising the development impact of migration. (EU Neighbourhood 02-10-2014)

## MAURITIAN ECONOMY FACES BLEAK PROSPECTS IN 2014

Mauritian Deputy Prime Minister and Acting Finance Minister Rashid Beebeejaun Thursday said that economic growth in the island will reach 3.5% in 2014 as compared to 3.8% to 4% estimated at the beginning of the year.

Talking to trade unionists and employers in Port Louis at a tripartite meeting on salary compensation to be paid to employees in 2015, the minister painted a dark picture of the Mauritian economy.

'Even though our economy is resilient in this difficult economic context at international level, we are still operating at a lower level than our potential in terms of growth,' Beebeejaun affirmed.

Apart from the construction sector, he said the government expects a growth in all other sectors of the economy.

'The seafood sector will grow positively this year as compared to a decline of 1.2% in 2013 while the tourism sector will register a growth of 3.9% this year as against 2.1% in 2013 and zero growth in 2012,' he indicated.

According to the estimates, the number of tourists will rise by 3.7% to reach a million "but we will have to consider the economic slowdown in Europe and on the traditional tourism markets of Mauritius like South Africa and Reunion constitutes a threat for the Mauritian tourism industry."

The minister said a few other sectors of the economy were still facing difficulties like the textile industry that is expected to grow by only 1.5% this year as against 2.6% in 2013.

"But the government is most concerned with the sugar sector that faces presently a big problem of prices. This represents a direct threat to the survival of this industry", Beebeejaun noted.

Regarding the construction sector, which registered no growth in the last four years, the minister said: "It is estimated that this year it will decline by 6.7%."

According to Beebeejaun, the government was concerned by the decline after several years of investment with the aim of attaining 21% growth of the Gross Domestic Product (GDP) this year.

'Private investment rate has also declined from 20% in 2009 to 15% in 2014, particularly in the building sector. As for the inflation rate, it remains stable at 4% since the beginning of the year but unemployment among the youth of 16 and 24 years and women is still disturbing," the minister added. (Pana 03/10/2014)

## ZAMBIA TOPS LANDLOCKED AFRICAN COUNTRIES FOREIGN INVESTMENT INFLOW

Zambia has the highest inflow of Foreign Direct Investment (FDI) among the 16 Landlocked Developing Countries in Africa, according to the UN Conference on Trade and Development (UNCTAD).

UNCTAD New York Office Chief Chantal Carpentier said FDI flows to Landlocked Developing Countries (LLDCs) fell by 11 per cent in 2013, and that the Asian group of LLDCs experienced the largest fall in FDI flows of nearly 50 per cent.

“Despite a mixed picture for African LLDCs, eight of the 16 LLDCs economies increased their FDI inflows, with Zambia attracting the most at US$1.8 billion,” Carpentier said when she addressed a special event on facilitating the participation of LLDCs in regional and global community value chain.

According to a statement issued Thursday by the Zambian mission at the UN in New York, Zambia’s Minister of Transport, Works, Supply and Communications Yamfwa Mukanga who, spoke at the same meeting, urged LLDCs to strive to attain sustainable development and save the lives of the people from the poverty circle.

“Our major pre-occupation should be to find lasting solutions to the challenges we face through diversification of our economies, value-addition to the commodities we produce, and enhancing our competitiveness which will enable us join regional and global value chains,” said the Minister, adding that “this will inevitably call for greater cooperation in fundamental transit policies, laws and regulations with our transit neighbours.”

Mukanga expressed gratitude that UNCTAD continually advocates for a comprehensive development-centred agenda for LLDCs to address transport, transit and trade facilitation challenges.

The Minister called on development partners to assist LLDCs invest in infrastructure, development institutions, enhancement of entrepreneurship, training of human resource and skills development, technology acquisition and impart technological know-how in the people.

“Regional integration and cooperation should be strengthened under the new concept of developmental regionalism to develop regional infrastructure networks which would in turn enhance competitiveness and increase productive capacities,” Mukanga said.

The discussion – organised by UNCTAD, the Common Fund for Commodities (CFC) and the UN OHRLLS – focused on the challenges, opportunities and the way forward for the development of the 32 landlocked developing countries.

In July, the African Union said “in recent years Zambia witnessed a substantial 93 per cent rise in investments compared to 2011, a feature attributable to a well-managed economy and a peaceful transfer of power”. (Pana 03/10/2014)

## UFM LAUNCHES PROJECT IN THE SUPPORT OF MEDITERRANEAN MSMES

The Secretariat of the Union for the Mediterranean (UfM) has officially launched the “Euro-Mediterranean Development Center for Micro, Small and Medium Enterprises (EMDC)” during the SME Internationalization Forum, organised by the European Commission (DG Enterprise) in the framework of the EU 2014 SME Assembly in Naples.

Micro, Small and Medium sized (MSMEs) enterprises from the Southern and Eastern Mediterranean countries involved in the UfM-labelled project are the main expected beneficiaries of the initiative. In addition, public and private agencies are also expected to greatly benefit from this project, thanks to the capacity-building programmes deployed.

The overall goal of the project is to build an efficient networking infrastructure among Euro-Mediterranean entrepreneurs, institutions and investors, in order to support MSMEs along the critical stages of start-up, growth and internationalization.

Addressing the audience, UfM Deputy Secretary Claudio Cortese said: *"SMEs constitute over 85% of all registered companies in the Euro-Mediterranean region and contribute to over two-thirds of the total formal employment. They also participate on average at 35% of national GDP and generate two times as many jobs per euro invested as larger companies. The UfM strongly supports SME development as an essential element for economic growth and stability in the region."*

The EMDC Foundation has a network of 26 chambers of commerce and agencies. The programme is already implemented in Morocco and Tunisia, while action plans for Egypt and Jordan are being finalised. The Foundation has also been actively creating its information retrieval system, a multi-level business information service oriented to internationalization. (03-10-2014)

## EBCAM NEWS


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**UPDATE: Minister Ploumen has confirmed**

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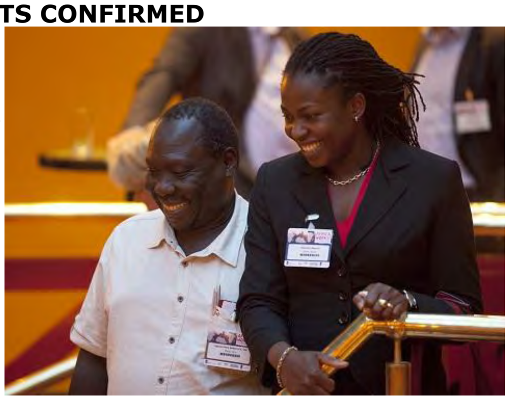

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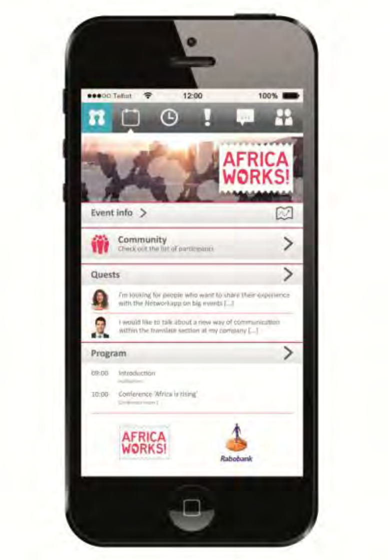


**KEY NOTE SPEAKERS**

- Liliane Ploumen - Minister of Foreign trade and Development Cooperation
- Minister Julia Duncan-Cassell, Ministry of Gender and Development Liberia
- Hans Ouwendijk - CEO Vlisco Group
  Monique Giskens - Vlisco Group
- Berry Marrtin - Board Member Rabobank
- Miquel Pestana - Vice President Unilever
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- Ambassadors Panel

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