# MEMORANDUM

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***12 YEARS OF PUBLICATION***

## SUMMARY


| | |
|---|---|
| Outcry as Paul Biya wins Cameroon election to extend 36-year rule | Page 2 |
| Portuguese group builds aerodrome in Mozambique for Anadarko Petroleum | Page 2 |
| Construction kicks off on Walvis Bay Port new container terminal in Namibia | Page 3 |
| South Africa and Rwanda to receive US $500m energy fund finance | Page 3 |
| Port of Namibe, southern Angola, may become a logistics development hub | Page 4 |
| The EU is reinforcing gender equality in Morocco | Page 4 |
| Egyptian manufactured smartphone to expand African reach | Page 5 |
| Besix chosen for Africa's tallest tower in Morocco | Page 6 |
| Sierra Leone cancels China-backed international airport | Page 7 |
| Construction of Somalia's Berbera Port set to kick start this October | Page 9 |
| Kenya to improve geothermal power generation | Page 10 |
| East Africa infrastructure construction to grow sharply over next 5 years | Page 10 |
| Northern Africa: Europe's new border guard? | Page 11 |
| The seven year EU budget must be ambitious to support a new partnership with Africa | Page 13 |
| Thorough reform Belgian Investment Company for Developing Countries (BIO) completed | Page 13 |
| Proparco soutient l'agro-industrie en Afrique de l'Ouest avec SIFCA | Page 14 |
| Growth in Sub-Saharan Africa is Slower than Expected | Page 15 |
| EU palm oil strategy risks investment in Africa | Page 16 |

## OUTCRY AS PAUL BIYA WINS CAMEROON ELECTION TO EXTEND 36-YEAR RULE

Cameroonian President Paul Biya has won re-election by a landslide, the Constitutional Council said on Monday, extending his 36-year rule and cementing his place as one of Africa's longest serving rulers.

Looming over his victory are opposition claims of voter fraud and a secessionist uprising in the Anglophone Northwest and Southwest regions in which hundreds, including civilians, have died over the past year.

At 85, Biya is the oldest leader in sub-Saharan Africa and most Cameroonians have known only him as president.

He won 71% of the vote, giving him seven more years in power, but opposition candidates said the election was marred by ballot stuffing and intimidation. The Constitutional Council last week rejected all 18 petitions claiming fraud.

"The results were known beforehand. They do not reflect reality in Cameroon," said Cabral Libii, an opposition candidate who came third with six%. Monday's results showed turnout of 54%, with Biya winning strongly in nine of 10 regions. In the South and East regions he took more than 90% of the vote. His closest rival, Maurice Kamto, won 14% overall.

"Thank you for your renewed and large confidence," Biya said on Twitter. "Let us now join in taking up, together, the challenges that confront us."

The announcement follows two weeks of tension in the coffee-and oil-producing country where, despite economic growth above 4% a year since the last election, most people live in poverty. Kamto claimed victory for himself on October 8 based on his campaign's figures.

In recent days, police silenced opposition marches in the port city of Douala, where Kamto is popular.

Authorities have defended the voting process. "The election was free, fair and credible in spite of the security challenges in the English-speaking regions," the president of Constitutional Council, Clement Atangana, said on Monday.

**Struggle for secession**

The secessionist movement began in reaction to a government clampdown on peaceful protests calling for an end to the marginalisation of Cameroon's English-speaking minority. Police killed civilians, sparking further protests.

The army burned villages and killed unarmed civilians, residents told Reuters, forcing thousands to flee to French-speaking regions or neighbouring Nigeria. Ghost towns are all that remain of once vibrant cities in those regions.

Turnout was 5% in the Northwest and 16% in the Southwest. In an area of 5-million English speakers, less than 100,000 voted.

Despite the unrest, and a desire among the young for change, the opposition appeared unable to mount a credible challenge to Biya who, despite long absences in Switzerland, has kept core support. He has also benefited from apathy from many who saw no point in voting.

"I voted for the opposition even though I did not trust them. I wanted anything but Paul Biya," said Jerome, an unemployed 32-year-old. "My three children will have no future as long as he is there."

The only current African president to have ruled longer than Biya is Equatorial Guinea's Teodoro Obiang Nguema Mbasogo. (Reuters 22-10-2018)

## PORTUGUESE GROUP BUILDS AERODROME IN MOZAMBIQUE FOR ANADARKO PETROLEUM

Portuguese group Gabriel Couto has been hired by US-based Anadarko Petroleum to build an aerodrome in Afungi, northern Mozambique, the director of the construction group said.

Tiago Couto told Portuguese newspaper O Minho that the future aerodrome will be built close to the city of Palma, in Cabo Delgado province, and will support the development of the natural gas exploration projects of the Area 1 and Area 4 blocks, the latter to be operated by Italian group ENI.

The contract covers the design and construction of a 2,300 metre runway plus a terminal for 150 passengers and other buildings to support the runway.

The total term of the project is 21 months, comprising two different phases. The first phase will include the construction of a 1,600-metre-long runway, designed to operate an Embraer ERJ-145 aircraft, a parking area for four aircraft and a helicopter, as well as construction of a passenger terminal, access roads and parking.

The second phase will include the extension of the runway to 2,300 metres, including the provision of navigation equipment, access ladders for aircraft, support trailers and luggage transport equipment.

The director of the Gabriel Couto group did not disclose the value of the contract signed with US group Anadarko Petroleum. (24-10-2018)

## CONSTRUCTION KICKS OFF ON WALVIS BAY PORT NEW CONTAINER TERMINAL IN NAMIBIA

Construction works on the Walvis Bay Port new container terminal in Namibia, set to place the country as a regional hub and gateway to international markets has kicked off. This is according to African Development Bank Group.

According to the report from the bank, 85% of expansion works have been completed with ancillary activities to follow. The project includes the construction of a new container terminal on a 40 ha of land reclaimed from the sea.

### Walvis Bay Port

Walvis Bay Port new modern container terminal is expected to increase the container handling capacity from the current 355,000 twenty-foot equivalent units (TEUs) to up to 1,005,000 TEUs. This will lead to more and sustained trade between the South African Development Community and the rest of the world.

The US $300m project supported by the AfDB, aligns with the Namibian Government's ambition to increase the capacity and efficiency of the Walvis Bay Port to respond to the growing freight demand in the region, says African Development Bank Group.

Additional capacity will lower the transport costs of goods purchased in Namibia and neighboring countries, representing some 14% of the total cost compared to an international standard of only 5%.

### Up-to-date port equipment

The African Development Bank will also finance the purchase of up-to-date port equipment and training for pilots and operators at the new terminal. The project financing also includes a grant to finance the Logistics and Capacity Building component.

The component activities include the preparation of the National Logistics Master Plan study, technical support and capacity-building for the Walvis Bay Corridor Group, and training freight forwarders with a particular emphasis on female staff. Fifty one people have been trained and graduated in April 2018, 24 of whom are female. This has spurred discussions on similar training.

The construction of the new container terminal which will be located on Africa's western coast is due for completion in June 2019.(CRO 17-10-2018)

## SOUTH AFRICA AND RWANDA TO RECEIVE US $500M ENERGY FUND FINANCE

South Africa and Rwanda are set to receive US $500m from the African Development Bank (AfDB) to help fund the upgrade and expansion their power grids, in line with the AfDB 'High 5s' programme which aims at tackling the power problem by improving access to electricity to Africa bringing with it industrialization and economic development.

Amadou Hott, AfDB vice president for power, energy, climate change and green growth, confirmed the reports and said the approved programme will support the government to add over 193,000 new on-grid and over 124,000 off-grid connections.

### Upgrading of substation equipment

In its commitment to South Africa, the bank has loaned US $217.9m to the state electricity provider Eskom, including US $25m from the Africa Growing Together Fund (AGTF), a joint project with the People's Bank of China.

The funds will be directed towards the construction of 555 km of 400 kV transmission lines in KwaZulu-Natal and Mpumalanga, as well as the upgrading of substation equipment in Mpumalanga as part of the Eskom Transmission Improvement Project (ETIP).

In Rwanda, the bank has approved a loan of US $266m towards an expansion project for the electricity supply system, which is part of a drive to transform the country into an export-oriented economy.

The US $266m is a joint amount of US $192m AfDB loan from the bank and US $74m credit from the African Development Fund, over three years, and will go into the scaling up electricity access program (SEAP II).

Additionally, the programme will see the construction of 7,317 km of low voltage power lines and 795 km of medium voltage, aimed at improving the power network across the country and providing power to communities with no access to power.(CRO 15-10-2018)

## PORT OF NAMIBE, SOUTHERN ANGOLA, MAY BECOME A LOGISTICS DEVELOPMENT HUB

The port of Namibe could become a hub for logistics development in southern Angola after completion of the second phase of modernisation works in 2019, said the chairman of the port management company.

The chairman of the Lobito Commercial Port, António Samuel, told Angolan news agency Angop that in the first phase of the project US$24 million were spent and that in the second phase a similar amount will be spent.

The second phase, which began last June and ends in August 2019, consists of the recovery of 240 metres of docks and the paving of the port container yard, with the cost financed by a donation of US$20 million from the Japan International Cooperation Agency (JICA).

This work was awarded to Japan's TOA Corporation, and the respective contract was signed during a visit to Tokyo by a delegation led by the managing director of the Maritime Port Institute of Angola (IMPA), Victor de Carvalho.

In February 2017 JICA and IMPA signed a financing agreement for the second phase of this project, which was part of the Angola recovery, expansion and modernisation programme adopted a year earlier, on 15 January, 2016, by the governments of Angola and Japan.

The agreement between the two governments covers the full refurbishment of the 480-metre dock at the port of Namibe, with the first phase completed in 2011 and focused on an extension of 240 metres in operation under Angolan company Sogester.

The port, which was built in 1957 to serve four southern provinces, is located in the city of Moçâmedes, which between 1985 and 2016 was called Namibe. (24-10-2018)

## THE EU IS REINFORCING GENDER EQUALITY IN MOROCCO

As part of the European Union support programme for the Government Programme for Equality, the Higher Magistracy Institute is organising a training course on gender equality from 8th to 20th October 2018 in Rabat. Supported by the EU, this will be attended by 40 teacher trainers, comprising magistrates and court secretaries.

Given that sexist stereotypes are one of the most widespread and recurrent obstacles facing women when accessing the judicial system, the Higher Magistracy Institute has decided to act by contributing to the emergence of new professional practices that will guarantee effective, equal and fair access to the justice system for women and for men.

The training courses held over twelve days will aim to help legal professionals to adopt professional practices that incorporate human rights, equality and non-discrimination as well as a gender-based approach in accordance with Morocco's commitments.(EC 16-10-2018)

## EGYPTIAN MANUFACTURED SMARTPHONE TO EXPAND AFRICAN REACH

SICO set to expand reach in Africa

Silicon Industries Corporation (SICO), Egypt's first smartphone maker is set to expand to the rest of Africa by the end of 2018 or early 2019.

SICO which already exports to the Gulf and aims to start selling phones in Kenya, Morocco, the Democratic Republic of Congo, South Africa, Nigeria, Mozambique and Ghana, said Mahmoud Ali, Sales Director at SICO.

"It's a promising market and there's much less competition than in the Gulf," Ali said, noting big demand for affordable phones in Africa. He said he mostly expected to sell smartphones in the $50 to $60 price range to African customers outside Egypt.

SICO, which was set up last year with capital of 150 million Egyptian pounds ($8.4 million), sells phones under the brand name Nile X and has said it uses a Chinese design of 3G/4G US technology.

Private investors hold 80 percent of the company and the remaining 20 percent is held by Egypt's Ministry of Communication.

In 2019 the company aims to export 40 percent of its production and keep 60 percent local, Ali said. It also wants to expand its market share in Egypt from about 4 percent currently to 12-15 percent next year, he said.

He said it was too early to set a sales target for exports to African countries, but he expected to export more to customers in Africa than in the Gulf next year.

"We are still entering the market and talking to people," he said. "We are working with several operators and hoping that [the phones] will be available at their branches at the end of 2018 or early 2019."

The company expects to triple its total production from 500,000 units in 2018 to 1.5 million units in 2019, Ahmad el-Sawaf, SICO's international business development manager said. Of the 1.5 million, 900,000 would be sold in Egypt while 600,000 would be sold abroad, he added.

He said the company targets sales of 400 million pounds this year, tripling to 1.2 billion pounds next year. The target for 2020 is 2.5 billion pounds, he said.

The smartphone maker plans to introduce new phones next year, offering a total of 14 products, he said. SICO currently offers six products, including smartphones and a tablet, he said.(ITNA 15-10-2018)

## BESIX CHOSEN FOR AFRICA'S TALLEST TOWER IN MOROCCO

A rendering of Rabat's Bouregreg valley development, masterplanned by Atkins

Belgian contractor Besix and Travaux Generaux de Construction de Casablanca (TGCC) have been chosen to build the BMCE Bank of Africa tower in Rabat, Morocco, it was announced on Thursday (11 October).

Rik Vandenberghe, chief executive of Besix, said: "The Bank of Africa Tower will be an emblematic building for the country. I am proud to see Besix participating in its construction in Morocco, a kingdom in which it has been a pleasure to work in recent years. In the case of the Bank of Africa Tower, we can count on our solid expertise in high-rise construction."

The Brussels-based company has already completed the Tangier Med II port expansion and built the Mazagan Beach seaside resort in Morocco.

The 250m building is being developed by O Tower, a subsidiary of Moroccan company FinanceCom Group. Its 55 storeys will host a luxury hotel, office and apartments, with an observation desk at the top.

The design was by architects Rafael de la Hoz and Hakim Benjelloun, who are hoping to be awarded a LEED Gold energy efficiency rating, thanks in part to the fact that a third of the tower's façade will be covered with photovoltaic panels.

The tower will be the centrepiece of the Bouregreg Valley Development Project, which is itself part of the "Rabat City of Light" project, masterplanned by UK engineer Atkins.

The district aims to boost the Moroccan capital's cultural profile with, among other things, the Grand Théâtre de Rabat, and the Maison des Arts et de la Culture, which was begun in 2014.

The project has had a number of false starts. In March 2016, King Mohammed VI was reported to have been present when the scheme was launched, at a price of $300m.


BMCE is the second-largest private bank in Morocco

Its start date was then pushed back to October 2017, at which China Railway Construction Corporation International (CRCCI) was TGCC's construction partner. CRCCI will "continue to provide support" to the scheme, according to Besix's press statement.

The works is due to start on 1 November and to be complete by the end of May 2022. (GCR 15-10-2018)

## SIERRA LEONE CANCELS CHINA-BACKED INTERNATIONAL AIRPORT

Sierra Leone has cancelled a troubled $400m airport development that was funded by China on the grounds that it already has one that is operating well below capacity.
The Mamamah International Airport would have been located near to Freetown, Sierra Leone's capital, and would have taken over from the country's current main airport in the town of Lungi.

Lungi airport, a former British air base with an annual passenger capacity of 170,000, is located on the other side of the Freetown estuary, requiring visitors who land there to travel by boat to Freetown.

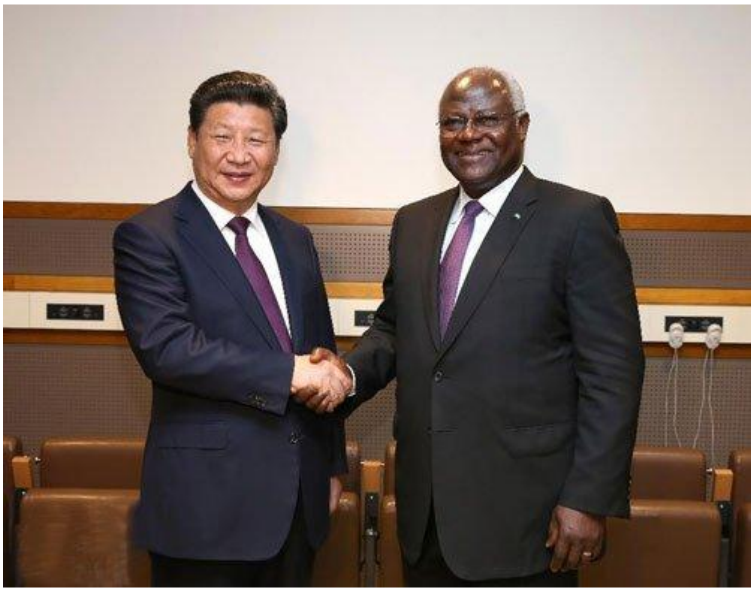
Despite the small size of Lungi, it is far from reaching capacity.

*A rendering of Mamamah International*

Mamamah Airport was an initiative of former Sierra Leone president Ernest Bai Koroma, but a new government led by Julius Maada Bio, elected in April 2018, decided there was no business case for it.

*The Daily Nation*, quotes a letter sent by the government to the director of the Mamamah project. It said: "After serious consideration and due diligence, it is government's view that it is uneconomical to proceed with the construction of a new airport when the existing one is grossly under-utilised".

When first announced in 2011, Sierra Leone's economy was booming, mainly due to a surge in the price of iron ore, the country's main export.



Former Sierra Leone president Koroma and Jinping in China in 2015

It is unclear how much work on the project had been completed, but Balogun Koroma, the minister of transport and aviation, told a local news site in early 2016 that Mamamah would be constructed "at all costs".

"We cannot allow this project to be killed," he said, "as the Chinese construction team has already done all the basic work and they are just waiting for the contract to be signed."

When announced, the development came under scrutiny from the International Monetary Fund, which told *Africa Confidential* that the plan was a "vanity project".

The fund recently travelled to Sierra Leone, and published a report, saying the country's "economic environment remains challenging, with output growth still recovering from the recent loss in iron ore mining and reduced activity in the non-mining sectors".

The World Bank was also against the project, and has previously invested $200m in upgrades to Lungi Airport.

In 2015, the *Sierra Leone Telegraph*, argued that President Koroma should "use common sense and compassion to focus on health, education, the provision of water and electricity, and forget about his politically inspired, crackpot and wasteful idea of building a grandiose second international airport, costing over $400m".

Despite the cancellation, the BBC quotes Wu Peng, China's ambassador to Sierra Leone, saying: "I don't think the airport project should affect our future bilateral relations."(GCR 11-08-2018)

## CONSTRUCTION OF SOMALIA'S BERBERA PORT SET TO KICK START THIS OCTOBER

Construction works for the Berbera Port in Somalia has been rescheduled to kick start this October following a multibillion dollar agreement, signed between Somaliland president Musa Behi Abdi and DP World chairman and Chief Executive Officer Sultan bin Sulayem which sees the start of first phase of the expansion project.

DP World Chief Executive Officer speaking before the official Sultan bin Sulayem signing of the contract said the modernization of the port will see Berbera regain its right as an important port and a critical maritime transportation route.

"Our aim is to make this an important regional hub for the maritime industry in the Horn of Africa," said the Chief Executive Officer Sultan bin Sulayem.

The Berbera port expansion, will be designed to equip the Somaliland port for major vessels and transform it into one of Africa's pre-eminent facilities. It is planned to be built on an 800m² area in two phases. Phase 1 estimated to cost US $232m, will sit on an 400m² area and accommodate two vessels at any given time.Total investment of the two phases will reach US $442m.

The expansion includes the construction of additional berths in line with the Berbera master plan, which DP World has started implementing, while adding new equipment to further improve efficiencies and productivity of the port.

### Berbera Port

Berbera Port historically served as a naval and missile base for the Somali central government. Following a 1972 agreement between the Siad Barre administration and the USSR, the port's facilities were patronized by the Soviets. It was later expanded for US military use, after the Somali authorities strengthened ties with the American government.

The existing old port facility has a 650m long linear wharf. Berbera's facility encompasses more than 600m² with terminals for containers, general cargo, an office building and other properties. Ethiopia has acquired a 19% stake in the port, while DP World and Somaliland hold a 51% and 30% stake respectively.

In July 2013, the Raysut Cement company of Oman announced that it is scheduled to build a new state-of-the-art cement terminal at the Port of Berbera. The construction project is part of a joint venture with Somali business partners. It will comprise three silos with a 4000t capacity each, which will be earmarked for storage, packing and distribution of cement.

### Regional trade and logistics hub

In May 2016, DP World signed a US $442m agreement with the government of Somaliland to annex and operate a regional trade and logistics hub at the Port of Berbera Somaliland. The project, which will be phased in, will also involve the setting up of a free zone.

As part of the agreement, the government of Ethiopia will also invest in infrastructure to develop the Berbera Corridor as a trade gateway for the inland country, which is one of the fastest growing countries in the world.

The agreement comes as part of a larger government-to-government Memorandum of understanding between Government of the United Arab Emirates and the Government of the Republic of Somaliland to further strengthen their strategic ties.(CRO 13-10-2018)

## KENYA TO IMPROVE GEOTHERMAL POWER GENERATION

Geothermal power generation in Kenya is set to be improved so as to achieve enhanced security and efficiency with the Internet of Things (IoT) technologies.

This came into place after The Kenya Electricity Generating Company (KenGen) signed a joint declaration with the United Nations Industrial Development Organization (UNIDO) and the Japan International Cooperation Agency (JICA)

KenGen MD and CEO, Rebecca Miano, Deputy Director General of UNIDO, Shigeru Maeda and Senior Vice President of JICA signed the declaration on cooperation in Japan recently.

### Olkaria Geothermal Power project

The declaration brings together stakeholders of the upcoming operation and maintenance capacity strengthening with IoT technologies for the Olkaria Geothermal Power project. It creates a platform for dialogue between the industry, manufacturers, policymakers and investors. The aim is to jointly build capacities and promote sharing of expertise with a view to improving efficiency.

### Efficiently exploit geothermal resources

Rebecca Miano pointed out that the joint declaration will open opportunities for KenGen to enhance and strengthen capacity with IoT technologies to efficiently exploit geothermal resources with a view to meeting Kenya’s ever-rising power needs.

“We believe this joint partnership will enable Kenya to employ innovative methods to provide clean and affordable electric power for national development,” she said.

Through the partnership, UNIDO will strengthen operation and maintenance capacity with IoT technologies for Olkaria geothermal power in collaboration with JICA.(CRO 12-10-2018)

## EAST AFRICA INFRASTRUCTURE CONSTRUCTION TO GROW SHARPLY OVER NEXT 5 YEARS

East Africa infrastructure construction is expected to grow sharply over the next 5years with Ethiopia, Kenya and Tanzania, expected to invest US $98.8bn in 2022, from US $25.9bn in 2017 according to GlobalData, a leading data and analytics company.

### Infrastructure Insight

The company’s latest report, ‘‘Infrastructure Insight: East Africa’’, reviews some key components of the 287 large-scale public and private sector infrastructure projects in East Africa that GlobalData are tracking, from project announcement to execution.

Collectively, these projects are worth US $209.1bn. Transport (rail and road) and energy sectors account for a large proportion of the project pipeline (37.1% and 45.2% respectively), and have total values of US $77.5bn and US $94.6bn.

Yasmine Ghozzi, Construction Analyst at GlobalData, comments, ‘‘Investment rates in transport infrastructure have been increasing, thanks to major continental initiatives such as the Program for Infrastructure Development in Africa (PIDA) – a strategic continental initiative for mobilizing resources across African countries to transform Africa through modern infrastructure.’’

### Poor infrastructure

Despite having some of the fastest-growing economies in the world, East Africa remains among the least competitive regions globally, mainly due to poor infrastructure, which constitutes a significant impediment to the achievement of the Sustainable Development Goals. Reflecting this, governments in the region have allocated around a third of their individual budgets in the new financial year towards financing infrastructure development.

East Africa Community (EAC) reported that it needs more than US $100bn over the next four years to plug their infrastructure gap, which has kept the cost of doing business in the region high. Of this amount, US $78bn over the next ten years would be used on railways, roads and energy projects in a bid to ease transportation and boost manufacturing.’

Ghozzi, added, “There are various factors that hinder infrastructure financing in East Africa, including higher transaction costs, inadequate availability of bankable projects, permits and licenses required, and the multi-governmental agencies and institutions that investors must deal with in a typical capital project. There are also obstacles related to limited local capacity for project preparation and tender.’’(CRO 12-10-2018)

## NORTHERN AFRICA: EUROPE’S NEW BORDER GUARD?

As a new European Council meeting gets underway, European leaders remain obsessed with sealing European borders. In promoting cooperation on migration management and border control with countries of origin and transit, including those with authoritarian regimes and problematic track records on human rights, the EU is willing to trade core European values for the sake of short-term political gains.

If recent Council statements are to give us any indication of what is to come, Egypt is next in line and willing. The European Council President Donald Tusk triumphantly praised Egypt for having stopped migration to Europe and announced enhanced cooperation with the country, notably through an Arab League Summit in February 2019.

In fact, EU engagement with countries of origin and transit for the purpose of stopping migration is nothing new. Propositions to enhance cooperation on migration management and border control in order to prevent departures of irregular migrants and to re-admit those returned from Europe have for long been sugar-coated with promises of economic investment, trade cooperation or development aid.

Never mind, of course, that irregular migration is largely a response to the fact that reaching Europe through legal channels has been made virtually impossible.

The latest EU proposals on a “regional disembarkation mechanism” or “platforms” recycle old concepts aimed at externalising Member States’ responsibilities on asylum and border control to neighbouring countries.

Several EU countries even dream of creating Australian-style offshore processing centres outside of Europe, despite the fact that a comprehensive study by the European Commission in 2002 identified serious moral, political, humanitarian and legal obstacles to that idea.

### 'Disembarkation platforms' outside EU considered to end migrant row

The EU is considering setting up “disembarkation platforms” outside the bloc to process migrants, according to draft summit conclusions seen Tuesday (19 June) by AFP, as Brussels tries to solve a political crisis over immigration.

Since the Libyan coast guard has started to return people to detention and misery in Libya, thanks to EU and Italian support, Spain has become the first destination for migrants coming from Africa.
Consequently, the EU is now putting pressure on countries such as Morocco, Algeria and Tunisia to crack down on migration by discouraging people from migrating and by stepping up border surveillance.
This can reinforce violent state practices against migrants, particularly in countries that are often plagued by widespread racism and discrimination against sub-Saharan Africans.
For example, local Moroccan NGOs have raised the alarm about the forced internal displacement of more than 5,000 sub-Saharan African migrants since this summer, who are now stuck in the south of the country.
It is deeply worrying that the EU is increasingly turning a blind eye on human rights infringements and partnering with authoritarian regimes that are cracking down on civil society, such as Egypt.
Besides the consequences for the rights of migrants and refugees, the path taken by EU leaders is likely to have a far-reaching impact on Europe's credibility as a global champion of human rights and human dignity in its external relations more broadly.
Political and good governance prerequisites, typical of trade and economic agreements throughout the 1990s and the beginning of the new millennium, are now hastily replaced by migration clauses.
As a result, EU cooperation with northern African countries risks to legitimise regimes that are lacking democratic accountability and to seriously undermine the EU's role in promoting and defending human rights worldwide. Turkey is a case in point, with the EU and its Member States substantially toning down criticism of Erdogan's government out of fear that the Turkish regime may reconsider its position.
The focus on short-term political gains is also likely to lead to very unpredictable outcomes in partnerships with non-EU countries. In theory, African governments appear to have little to gain from engaging in an EU agenda that would likely threaten their internal stability, particularly when it comes to cooperation on forced returns.
Negotiations are difficult because many of these countries cannot do much to counter high emigration rates, due to demographic imbalances, rising youth unemployment and stagnating economic growth. For them to therefore engage in a potentially poisonous partnership with the EU, the financial rewards need to be very significant.

**African leaders set up migration body, reject EU migrant 'platforms'**

African leaders have announced the creation of a new body to help coordinate national policies on migration, but rejected EU plans to set up migrant "disembarkation platforms" on their soil.
By describing the EU-Turkey deal as the blueprint for future agreements with non-EU countries, EU decision makers have set the bar high and raised financial expectations for other partners.
Besides, acutely aware that migration continues to dominate the political agenda in Europe, neighbouring authoritarian and undemocratic regimes are now skilfully leveraging their position at the crossroads of migration routes to fulfil their political and economic strategic interests.
Morocco, for instance, is alleged to have "let" more migrants reach Spain in order to increase its political leverage in discussions with the EU on the thorny issue of Western Sahara. Similarly, Egypt is suspected of having used the closure of the Egyptian maritime border as a bargaining chip in the 2016 negotiations on the financial support from the IMF.
The long-lasting obsession with the security aspects of migration and border control policies stands in the way of a more balanced and sustainable partnership with non-EU countries.
Such partnerships must be based on a comprehensive agenda on migration that matches the needs and objectives of both sides of the negotiating table and that reflects a longer-term strategy.
There is still a great lack in the provision to partners of labour migration measures, such as visa liberalisation or mobility schemes and safe and legal pathways to ensure the protection of the most vulnerable.
Without seriously discussing human mobility as a sustainable long-term option, the cat and mouse game against smugglers and traffickers will continue, as no wall will be high enough to stop people's determination to reach wider opportunities or protection.
Finally, European leaders should truly consider the consequences that empowering non-democratic regimes will have not only on the rights of migrants and refugees but also on the EU's role as a champion of human rights worldwide.(EA 18-10-2018)

## THE NEXT SEVEN YEAR EU BUDGET MUST BE AMBITIOUS ENOUGH TO SUPPORT AN AMBITIOUS NEW PARTNERSHIP WITH AFRICA, ARGUE A GROUP OF SENIOR FORMER EU MINISTERS.

*This opinion piece is signed by a group of former EU ministers listed at the bottom of this article.*

As the European Union embarks on negotiations for its next seven-year budget – the Multiannual Financial Framework (MFF) – we want to highlight the importance of securing a budget that can support an ambitious and visionary new partnership with Africa.

The next MFF will end just three years before the deadline to reach the Sustainable Development Goals and could be historic in delivering for both Europe and its partners. Now is not the time for a business-as-usual approach.

Africa is on the cusp of demographic transformation which will give it the world's youngest population by 2050 – 10 times the size of the EU's. At this critical juncture, Africa needs more support from its closest partners. The continent will need to create 22.5 million jobs each year in order to provide opportunities for its booming population.

Much of this population growth is taking place in the poorest and most fragile states, where extreme climate, extreme poverty and extreme ideology compete to prevent young people reaching their full potential and their countries benefiting from an educated and empowered workforce. There are rarely national solutions to these challenges and with other global players stepping back from their international responsibilities, we urgently need strong European leadership.

We therefore call on Europe and its leaders to agree on an ambitious MFF, with increased investments in Africa targeted at the poorest and most fragile states. The next EU budget must deliver not only for the challenges of today but also ensure that the EU lives up to its commitments and sets us on a path to ending extreme poverty.

A youthful Africa represents an enormous opportunity to harness a potential engine for global growth, peace and prosperity. Investing now is a win-win opportunity that Europe must grasp firmly.

*Signatories:*

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- **Philippe Douste-Blazy**, former Foreign Affairs Minister, France
- **Erhard Eppler**, former Federal Ministers for Economic Cooperation, Germany
- **Eamon Gilmore**, former Foreign Affairs and Trade Minister, Ireland
- **Miguel Angel Moratinos**, former Foreign Affairs Minister and Cooperation Minister, Spain
- **Lapo Pistelli**, former Deputy Minister for Foreign Affairs and International Cooperation, Italy
- **Michel Sapin**, former Finance Minister, France
- **Benita Ferrero-Waldner**, former Foreign Minister, Austria
- **André Vallini**, former State Secretary for Development, France
- **Heidemarie Wieczorek-Zeul**, former Federal Ministers for Economic Cooperation, Germany(EA 15-10-2018)

## THOROUGH REFORM BELGIAN INVESTMENT COMPANY FOR DEVELOPING COUNTRIES (BIO) COMPLETED

The Chamber of Representatives approved an amendment of the legal framework in which the Belgian Investment Company for Developing Countries (BIO) operates. The amendment is the final element of a thorough reform of BIO. This reform makes the investment company better embedded in the Belgian development policy, strengthens the link with the private sector, and increases the impact of the development initiatives in Belgium's partner countries.

In 2016 already, the mandate of BIO had thoroughly changed. Stronger cooperation with the private sector was one of the focal points. This made it possible to open the capital of BIO to private investors, and it gave BIO the possibility to set up and manage investment funds itself. On top of that, the rules were tightened to prevent flight of capital from developing countries and to make it impossible to work through tax havens.

**Smaller investments with a higher development impact**
The new legislative amendment allows BIO to make smaller investments with a higher development impact in the future. This enables BIO to invest more in the least developed countries where the risks are often higher. Eleven of the fourteen partner countries of Belgium are least developed countries.

Besides that, BIO gets more possibilities to grant subsidies to stakeholders of companies like small farmers or local professional associations for example. From now on, the investment company is also able to carry out specific assignments for third parties, such as the management and training of funds for the European Union.

**Calling on BIO expertise**
Thanks to the reform, the Belgian Government will also be able to entrust specific assignments to BIO and to call upon its expertise. A concrete example of this is the possibility to support the Belgian Government in the management of participations in development banks as in Rwanda or Burundi. (BIO 18-10-2018)

## PROPARCO SOUTIENT L'AGRO-INDUSTRIE EN AFRIQUE DE L'OUEST AVEC SIFCA

Un prêt de 90 millions d'euros vient d'être octroyé ce 8 octobre à SIFCA afin de financer les investissements agricoles de ses filiales.
Proparco a organisé le prêt avec le cofinancement de son homologue hollandais, FMO, et Société Générale. En soutenant la croissance d'un acteur agro-industriel majeur, le projet contribuera au développement économique et social de la région. Une centrale biomasse produisant de l'électricité à partir de déchets de palmiers permettra également de générer une électricité sobre en carbone.
Leader agro-industriel en Afrique de l'Ouest, SIFCA opère en Côte d'Ivoire, au Ghana, au Nigeria, au Liberia et au Sénégal, à travers une dizaine de sociétés. SIFCA emploie plus de 33 000 employés et s'approvisionne en matière première auprès de plus de 110 000 petits planteurs.
Cette ligne de crédit de 90 millions d'euros mise à la disposition de SIFCA par Proparco (chef de file), FMO et Société Générale servira à financer son plan d'investissement. En soutenant la croissance d'un acteur qui opère dans des zones rurales et dans des pays post-conflit, le projet aura de forts impacts économiques et sociaux.
Ainsi, dans les 5 prochaines années, l'extension des activités générées par ce projet soutiendra la création ou le maintien de plus de 180 000 emplois directs et indirects dans les cinq pays concernés (environ 33 000 emplois directs et 150 000 emplois indirects, par l'intermédiaire des petites exploitations agricoles familiales). Le projet contribuera à la formation et au transfert de technologie et de savoir-faire car SIFCA propose un accompagnement technique aux agriculteurs pour les former aux bonnes pratiques agricoles.
La croissance des activités de SIFCA soutenue par ce financement permettra également de développer une chaine de valeur locale et d'améliorer l'offre de biens de 1ère nécessité. La production d'huile alimentaire et de sucre, produits de 1ère nécessité, sera en effet destinée aux marchés locaux et se substituera aux importations en provenance d'Asie. Cela permettra de baisser les prix des produits alimentaires de base et contribuera à l'autosuffisance alimentaire de l'Afrique de l'Ouest. Le caoutchouc sera entièrement exporté du fait de l'absence d'unité de production de pneus dans la région.
Enfin, ce projet permettra de développer les infrastructures sociales dans des zones rurales et enclavées. SIFCA entretient et réhabilite régulièrement les routes, gère des écoles, des dispensaires, des infirmeries et des infrastructures d'approvisionnement en eau courante auxquelles ont accès les employés, leurs familles et les communautés avoisinantes.
Une partie de l'investissement inclut également le projet Biokala, une centrale biomasse d'une capacité de 46 MW produisant de l'électricité à partir de déchets de palmiers, qui permettra aux populations de Côte d'Ivoire d'accéder à une source d'électricité sobre en carbone.

Ce financement répond à notre mandat de soutien de l'agriculture en Afrique Sub-saharienne, notamment dans certains Pays les Moins Avancés et post-conflit, souligne Delphine Moreau, référente agro-industrie dans la division Industrie, Agriculture et Services de Proparco. Ce financement sera accompagné d'un plan d'action environnemental et social qui nous permettra d'accompagner SIFCA et ses filiales dans l'amélioration de leurs pratiques E&S.

**À propos de Proparco**

Filiale de l'AFD dédiée au secteur privé, Proparco intervient depuis plus de 40 ans pour promouvoir un développement durable en matière économique, sociale et environnementale. Proparco participe au financement et à l'accompagnement d'entreprises et d'établissements financiers en Afrique, en Asie, en Amérique latine ou encore au Moyen- Orient. Son action se concentre sur les secteurs clés du développement : les infrastructures avec un focus sur les énergies renouvelables, l'agro-industrie, les institutions financières, la santé, l'éducation... Ses interventions visent à renforcer la contribution des acteurs privés à la réalisation des Objectifs de développement durable (ODD), adoptés par la communauté internationale en 2015. Dans ce but, Proparco finance des sociétés dont l'activité participe à la création d'emplois et de revenus décents, à la fourniture de biens et de services essentiels, ainsi qu'à la lutte contre le changement climatique. Plus d'informations : www.proparco.fr (09-10-2018)

## GROWTH IN SUB-SAHARAN AFRICA IS SLOWER THAN EXPECTED

Sub-Saharan African economies are still recovering from the slowdown in 2015-16, but growth is slower than expected, according to the October 2018 issue of Africa's Pulse, the bi-annual analysis of the state of African economies by the World Bank. The average growth rate in the region is estimated at 2.7 percent in 2018, which represents a slight increase from 2.3 percent in 2017.

*"The region's economic recovery is in progress but at a slower pace than expected,"* said **Albert Zeufack, World Bank Chief Economist for Africa**. *"To accelerate and sustain an inclusive growth momentum, policy makers must continue to focus on investments that foster human capital, reduce resource misallocation and boost productivity. Policymakers in the region must equip themselves to manage new risks arising from changes in the composition of capital flows and debt."*

Slow growth is partially a reflection of a less favorable external environment for the region. Global trade and industrial activity lost momentum, as metals and agricultural prices fell due to concerns about trade tariffs and weakening demand prospects. While oil prices are likely to be on an upward trend into 2019, metals prices may remain subdued amid muted demand, particularly in China. Financial market pressures intensified in some emerging markets and concern about their dollar-denominated debt has risen amid a stronger US dollar.

The slower pace of the recovery in Sub-Saharan Africa (0.4 percentage points lower than the April forecast) is explained by the sluggish expansion in the region's three largest economies, Nigeria, Angola, and South Africa. Lower oil production in Angola and Nigeria offset higher oil prices, and in South Africa, weak household consumption growth was compounded by a contraction in agriculture. Growth in the region - excluding Angola, Nigeria and South Africa - was steady. Several oil exporters in Central Africa were helped by higher oil prices and an increase in oil production. Economic activity remained solid in the fast-growing non-resource-rich countries, such as Côte d'Ivoire, Kenya, and Rwanda, supported by agricultural production and services on the production side, and household consumption and public investment on the demand side.

Public debt remained high and continues to rise in some countries. Vulnerability to weaker currencies and rising interest rates associated with the changing composition of debt may put the region's public debt sustainability further at risk. Other domestic risks include fiscal slippage, conflicts, and weather shocks. Consequently, policies and reforms are needed that can strengthen resilience to risks and raise medium-term potential growth.

This issue of Africa's Pulse highlights sub-Saharan Africa's lower labor productivity and potentials for improvement *"Reforms should include policies which encourage investments in non-resource sectors, generate jobs and improve the efficiency of firms and workers,"* said **Cesar Calderon, Lead Economist and Lead author of the report**.(WB 13-10-2018)

## EU PALM OIL STRATEGY RISKS INVESTMENT IN AFRICA

The European Union is quietly but determinedly preparing a new rule that is designed to block palm oil exports from Africa and Asia out of the EU market. The EU's actions on palm oil risk trade and investment in Africa, writes Thompson Ayodele.

In July this year, after 18 months of fractious debate, the various arms of the European Union declared they would allow palm oil – arguably the rich world's most hated vegetable oil – to continue to be accepted as part of the EU's renewable energy mix.

However, that is not the end of the story. The EU has put in place a caveat. The European Commission will determine which biofuels it considers to be 'high risk' or 'low risk' in terms of 'indirect land use change' in 'high carbon stock' areas.

'Indirect land use change' is the proposition that when demand for one commodity goes up, demand for secondary commodities goes up too. The stinger is that any deforestation caused by the secondary commodities should be attributed to the first commodity.

The European Commission has knocked back using ILUC in the past for the simple reason that vegetable oil markets depend on a web of variables that can't be measured or verified. It is purely theoretical.

The EU has cleverly avoided this problem. Rather than trying to measure ILUC, it is going to classify different biofuels – and their farmers – as being 'risks' for land-use change, and merge ILUC and other factors into a wider 'Deforestation Criteria' to determine the level of 'risk'.

This poses an existential threat to farmers who rely on palm oil: the EU essentially wants to designate millions of developing world farmers as 'risky'. This kind of signal would be devastating for future trade, investment, and employment.  Furthermore, declaring palm oil risky is a disrespect to millions of farmers.

It appears as though the EU has already made its political decision on palm oil – to remove it from the market in order to protect uncompetitive EU oilseeds.

In Jakarta last month, EU Ambassador Vincent Guerend said the EU would continue its move towards phasing out palm oil from its biofuels programs. And last week, Yewande Sadiku, the Executive Secretary, Nigerian Investment Promotion Commission (NIPC), said that NIPC had been told by officials that the EU proposed to ban the importation of palm oil to Europe.

Now, the EU is simply putting together its case on 'risk' post-fact in order to justify the political decision. At the same time, the broader implications of the EU's actions are myriad.

On trade, the market effects should be reasonably straightforward. Demand for palm-based biofuel – and palm oil — will fall. This will knock global palm prices down, affecting farmers around the globe.

On investment, there will be bigger problems, particularly for Africa. Investment in new oil palm plantations will likely fall. There has been significant interest from European investors to supply both the EU's biofuel and food markets.

The problem, though, is that the EU's push on palm-based renewables isn't just about energy. It's more about a pure dislike of palm oil: because it is imported mostly from developing countries.

The EU has signalled that it is seeking to lower the EU's global deforestation footprint. It is attempting to place curbs on products that it considers to be linked to deforestation. In reality, this is simply cover for keeping out cheaper imported commodities and propping up its declining agricultural sector.

It already has several programs across different commodities – timber, fish products — to achieve this aim.

Palm oil has been – and could continue to be – a windfall for Africa and for African agriculture. There are an estimated 4 million oil palm smallholders in Nigeria, across nearly 90 per cent of the country's cultivated area.

Most of Nigeria's palm industry relies on natural groves and local-level processing. Greater foreign investment could introduce a production model similar to that common in Malaysia and elsewhere in Africa: a major investment for processing and infrastructure, with local farmers supplying the raw material. This would lead to improvements in productivity and logistics.

This, now, is all under threat. Policymakers in Brussels have the arrogance to determine whether Nigerian palm oil growers are defined as 'risky', with the sweep of a pen.

When EU policymakers make such a move, they're not just talking about palm oil within the context of renewable energy, they're talking about palm oil production and its use across the world. What remains baffling is how natural smallholder palm groves in Nigeria have anything to do with deforestation in Brazil or northern Europe.

The EU's plans are a step back to the past and will reduce the daily labour of farmers in Nigeria and elsewhere across the world to little more than a concocted risk factor in a spreadsheet. There is one word for this: dehumanising (EA 18-10-208)

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