MEMORANDUM

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SUMMARY

3 KEY CONVERSATIONS FROM THE US-AFRICA BUSINESS SUMMIT

African ministers and business people joined their American counterparts in Washington, D.C., last week at the U.S.-Africa Business Summit, to discuss greater economic engagement, despite lingering uncertainty over the United States' position toward global trade.
Conversations at the Corporate Council for Africa-hosted event ranged from broad strategy to country-specific investments, with plenty of time for meetings and deal-making. Throughout those talks, a few key issues emerged.
First on many attendees' minds was what the U.S.-Africa relationship will look like under President Donald Trump's leadership. But robust discussions also emerged around the role of business in pandemic response, how to target and achieve social impact and the need for regional integration and infrastructure improvements.
Here's a look inside several of those conversations, and where they may be headed.

The U.S.-Africa relationship

U.S. Commerce Secretary Wilbur Ross addressed the summit, offering reassurances and some specifics about the administration's view toward existing and future trade pacts with the continent.
"We cannot ignore such a large, dynamic and vital part of the world," he told attendees of the administration's interest in Africa. The administration would like to see Africa continue to grow and become more self-reliant, he said.
"Our trade relationship is vital to the security and stability of both the U.S. and Africa. But our relationship with Africa has to continue its transition from being 'aid-based' to 'trade-based,'" Ross said.
The U.S. will honor the African Growth and Opportunity Act, he said, adding that it will hold countries to account for the compliance restrictions. But he argued that two-way trade agreements and bilateral agreements are preferable to large, multilateral agreements.
Also on trade, he encouraged African countries to implement the new World Trade Organization's Trade Facilitation Agreement, which he described as an "excellent opportunity" that "streamlines customs operations, enhances transparency, removes red tape and reduces costs to exporters and importers."
He called for continued engagement with American companies, especially in importing goods that African consumers want. He also encouraged governments to rethink procurement processes to make decisions based on quality and long-term value, rather than bottom-line cost, a shift that would favor more U.S. companies.
Akinwumi Adesina, the president of the African Development Bank, echoed Ross's remarks, arguing that Africa must be approached with an investment mindset rather than a development mindset.
"I agree completely with Secretary Wilbur Ross about the importance of the shift from aid to trade, to which I would add the extra insight that it should be from aid to investment," he said.
Adesina added that the bank will be launching an Africa Investment Forum aimed at attracting global and regional institutional investors to the continent later this year.

Pandemic response and partnership

Businesses across a number of industries are actively engaged in prevention and planning for potential pandemics, several business representatives said at the event. They are looking for ways to reduce risks to the business environment and the community.
Private sector and government leaders said partnership will be key to these efforts. "I don't think any of the companies here, or NGOs in the room, can respond to [a] global health crisis in isolation," said Jirair Ratevosian, the director of government affairs for pharmaceutical company Gilead.
Companies see a clear business case to get involved in pandemic prevention and response.
"Infectious disease rarely stops at the fence line," said Deena Buford, global medical director of the Medicine and Occupational Health Department for Exxon Mobil Corp. "We know it can hinder or stop operations, and we also live in communities where we have operations and it can ripple through the entire business environment."
Exxon, she said, has more than 80 clinics and 70,000 employees that can be deployed in partnership with others when the next emergency strikes.
Gilead is working directly with health ministries to help improve access to medicines, strengthen health systems, improve research and public awareness, licensing some medications and finding local or regional suppliers, Ratevosian said.
For its part, the U.S. government's Centers for Disease Control and Prevention has helped develop a "joint external evaluation tool" that helps assess a country's readiness to respond to a crisis.

The tool creates a scorecard that can help identify where a country needs to improve lab capacity or emergency operations or needs additional technical expertise, said Jordan Tappero, the director of the division of global health protection at the Center for Global Health at the CDC.
With this knowledge of where the strengths and weaknesses are, the private sector can help provide logistics skills, innovation and technology, he said. The assessments can help countries seek partners and make smart choices about pandemic investment and who to partner with.
He urged more countries to create emergency operations and incident managed systems with a single point of contact that can help coordinate private sector efforts.
Marie Lichtenberg, the director of international partnership at Planet Aid, cautioned that while partnerships can be critical to achieving scale and success, they require work to be effective. She suggested three critical factors to identify a match: It should be a good fit for all involved, sustainable after the initial investment, and scaleable.

Regional integration

Integration within Africa has been the buzzword at several recent gatherings. Proponents argue better connectivity would not only improve trade between countries on the continent but also make Africa a more attractive destination for American companies and capital.
To be effective, however, many attendees argued that integration must be complemented with improved infrastructure, efforts to reduce the amount of time it takes to move goods, and stronger local capacity.
Inter-African trade plans are progressing fairly swiftly, Ghana’s Minister of Trade and Industry Alan John Kwado Kyermaten told the summit. A planning team is now sorting out the final terms of how the negotiations will play out.
“There is no doubt it is a development imperative for Africa. There is no turning back, even if it takes time, it has to happen,” he said. Kyermaten argued that infrastructure upgrades should begin in tandem with efforts at better integration.
Several other efforts are underway that could improve inter-African connectivity. The African Export-Import Bank has been working to improve certifications so that there are set standards for goods, said Benedict Oramah, the president and chief executive officer of the bank. By the end of 2017, the bank will launch a new inter-African trade platform, through which people can see who is producing what, place orders and pay for goods in their local currency and a feature that focuses on logistics.
TradeMark East Africa, a trade focused non-profit, has worked with a number of companies to improve ports, streamline customs processes and improve transit times. The Economic Community of West African States has created a common tariff and worked to reduce red tape, though there is still some corruption and border issues, said Marcel De Souza, the president of ECOWAS.
In addition to tackling some of the trade barriers, De Souza said the region must also work to address peace and security. Without safe passage and safe borders, it is difficult to have free movement of goods and services or attract investment, he said.
“Regional integration is the right path. I think our region is very integrated despite any weaknesses we might have,” De Souza said. (DEV 19-06-2017)

CAIO DEEP-WATER PORT IN ANGOLA TO START OPERATING IN 2020

Construction work on the Caio deep-water port in Angola’s Cabinda province is expected to be completed by 2020, said the president of the project’s management company Caio Porto, Jack Helton.
Helton also told Angolan news agency Angop that work is still in the first phase, which consists of dredging the coastal area where the port will be built.
At the end of this phase there will be a terminal 630 metres long, connected to the coast by a 2-kilometre bridge.
The Caio deep-water port will have a 1,130-metre dock to moor up to four ships at the same time, which will be 16 metres deep. The port will have capacity to move about 60 containers per hour.
The project will cover an area of over 2,500 hectares, where customs facilities, workshops with port support and ship repair services, warehouses and commercial establishments will be built.

This port, which will be the first deep-water in Angola, has funding of US$180 million from the Angola Sovereign Fund and the Export and Import Bank of China has granted a loan of US$600 million. Construction work was awarded to the China Road and Bridge Corporation (CRBD). (19-06-2017)

SOUTH AFRICA TO AWARD NUCLEAR BUILD CONTRACT BY YEAR-END, WITH RUSSIA'S ROSATOM 'AN IMPORTANT' CONTENDER

Russian state-controlled energy group Rosatom is a contender for SA's nuclear expansion project and the country will award the contract by the end of the year, the chairman of the South African Nuclear Energy Corporation (Necsa) said on Monday.

SA is planning to build 9,600MW of nuclear capacity to wean itself off coal, a project that could be one of the world's biggest nuclear contracts in decades.

Besides Russia's Rosatom, major nuclear firms from South Korea, France, the US and China are interested in bidding for all or part of the contract.

"We are aiming for this to be done before the end of the year, and we very imminently want to start," Kelvin Kemm, Necsa chairman, said on the sidelines of a nuclear conference in Moscow, when asked when SA would make a decision on which company would build the new nuclear reactors.

"Rosatom is definitely in there, but a decision has not been finally made. That will be a decision made by the senior politicians in collaboration with the technological and the company people," Kemm said.

Earlier on Monday, a Rosatom official said the Russian company was in contact with South African authorities over their plans to increase the country's nuclear capacity.

Those plans were disrupted after SA's High Court earlier this year deemed a nuclear cooperation pact with Russia unlawful. Earthlife Africa-Southern African Faith Communities Environment Institute had taken the Department of Energy to court. The judges in the case found Rosatom had been favoured over other potential vendors as a "a firm legal commitment existed between SA's government and Rosatom in terms of the Intergovernmental Agreement signed with Russia in 2014". The deal was found to have been in breach of section 10 of the National Energy Regular Act, which calls for participatory decision-making processes.

In May, Rosatom said it was still committed to taking part in a competitive bidding process to build nuclear plants in SA.

Rosatom was created in 2007 from the Russian Atomic Energy Ministry with a view to turning nuclear power into a major export industry for Russia.

Necsa's Kemm said on Monday the court ruling had delayed the country's plans by a couple of months.

In response to a question as to whether Rosatom was a leading contender for the planned nuclear expansion, Kemm said: "Absolutely, Rosatom is a very important player". (Reuters 19-06-2017)

SOUTH AFRICA SEEMS SET FOR SECOND MOODY'S DOWNGRADE IN DECEMBER

The only credit rating agency to still rate SA's sovereign credit rating above junk, Moody's, looks likely to give this country a further downgrade in December.

Moody's, which on June 9 cut SA's sovereign credit rating to Baa3 with a negative outlook, issued a downbeat commentary on SA's economic prospects on Monday.

The ratings agency revised its forecast of SA's economic growth down to 0.8% from 1.1% for 2017 when it issued the credit rating downgrade. Its report — Steep Decline in SA's Business Confidence is a Setback to Growth Recovery — indicated this lower forecast may still be too optimistic "without improved trust in policymaking".

On June 14, a Rand Merchant Bank (RMB) sponsored business confidence index by Stellenbosch University's Bureau for Economic Research found business confidence in the second quarter had fallen 11 points to 29, the lowest since 2009.

"Persistently low business confidence reflects the ongoing uncertainty about future political leadership in the ANC and policy priorities of the new leader. Investment will be further delayed and with it a sustainable growth recovery. Real investment in 2016 declined by 3.9%, similar to the drop recorded during the global financial crisis. We expect investment to stagnate at best this year," Moody's said on Monday.

The credit-negative drop in business confidence follows a March Cabinet reshuffle, which sent mixed signals about policy direction and intentions, and disrupted an emerging partnership between the government, the business sector and labour to support policy stability and investment, the report said.

Moreover, the government has continued to delay the implementation of key structural reforms, another barrier to sectors seeking a stable policy environment for investment.

"Slow growth makes fiscal consolidation increasingly challenging. Strict adherence to expenditure ceilings has been a hallmark of the National Treasury, but falling growth has reduced revenue collection. In the 2017 budget, the public debt-to-GDP ratio is projected to peak next year at 53% of GDP and decline thereafter. This would be a positive turnaround after years of gradual debt accumulation with the ratio of public debt to GDP more than doubling during 2009-16, weakening the government's fiscal position.

However, this objective is more difficult as growth slows. We project that instead of stabilising, debt to GDP will continue to rise, even after exceeding 55% next year." (BD 19-06-2017)

MOZAMBIQUE TO BE CONNECTED TO SOUTH AFRICA BY A NEW ROAD

The construction of the Mapinhane-Pafuri regional road (N222), which covers the provinces of Inhambane, Gaza and Maputo, in southern Mozambique, is expected to begin in May 2018 and be completed three years later, a representative of South African company Capital Projects said in Inhambane.

The representative of Capital Projects said the company had US$780 million available to build the 500-kilometre road, which connects Vilanculos district to the border between Mozambique and South Africa.

This funding was obtained through a partnership between Capital Projects and China Harbor Engineering Company Ltd. (CHEC).

China Harbor Engineering Company is involved in a US$1 billion investment project to build a new port in Maputo province to serve Mozambique and neighbouring countries including South Africa.

The project for the Techobanine deepwater port in the Matutuíne district of southern Maputo province is being promoted by a consortium led by Mozambican company Bela Vista Holdings (BVH) which, in addition to CHEC, is part of South Africa's Transnet. (19-06-2017)

SOUTH AFRICA: BIG DECLINE IN CONSUMER GOODS INDUSTRY

Average 15% drop in earnings of producers of food and agricultural items

Consumer goods companies have been through the mill due to a slowdown in consumer spending, with interim earnings of 13 JSE-listed companies falling an average of 15%.

"If you look at SA's growth rate 10 years ago, compared with what it is now, it is not surprising that most businesses in consumer goods aren't knocking out the lights," said EY Africa analyst Graham Thompson.

"The double-digit fall in headline earnings is quite drastic. It is indicative of how squeezed consumers actually are and of the difficult circumstances in which companies find themselves," said Thompson.

According to EY, the 13 companies — Astral, AVI, Clover, Crookes Brothers, Distell, Oceana, Pioneer Foods, Premier, Quantum Foods, RCL Foods, Rhodes Foods, Tiger Brands and Tongaat Hulett — have a collective annual revenue of R180bn.

Agri-processors Quantum Foods, Astral, RCL Foods and Clover all reported lower earnings before interest and taxes. For the poultry producers, this was put down to the drought, poultry imports and brine regulations. All four eked out some gains in revenue.

In sugar, Crookes Brothers, RCL Foods and Tongaat Hulett posted growth in earnings before interest and taxes and revenue — partly due to the 30% rise in sugar prices, said EY.

As far as the diversified consumer goods companies were concerned, Tiger Brands reported the lowest growth in earnings before interest and taxes as well as revenue. Premier led the gains followed by AVI.

Food and beverage companies Pioneer, Oceana and Distell all reported a decline in earnings before interest and taxes.

EY Consumer products and retail sector leader Derek Engelbrecht said the key similarities across the sector had been the squeeze on margins as well as the scaling down of capital expenditure.

It is indicative of how squeezed consumers actually are and of difficult circumstances.

"The intersection of economic factors, coupled with unfavourable climate-related events, has undoubtedly led to a sharp contraction in recent reported numbers," he said.

In the near term, EY expected to see continued pressure "with strategy a critical differentiator to growth through these turbulent times".

In its interim results statement released in May, Tiger Brands said it expected challenging volumes in South African business for the rest of the year.

Mergence portfolio manager Peter Takaendesa said this was a general theme, particularly in the food producers sector and would be true for the company's peers. The company could outperform its peers over the next two to three years.

Pioneer, which also reported interim results in May, said it expected to deliver a better performance in the second half of the year due to lower maize prices. However, CEO Phil Roux stressed that the poor results of the first half could not be recovered in the second.

For diversified company AVI, Electus Fund Managers equity analyst Damon Buss said consumer sentiment and disposable income would continue to be challenges for the company going into its second half.

The company would recoup margin losses in the 2018 financial year, Buss said.

For the year to date, the consumer goods index on the JSE is up 8.4%, while the all share is 2.17% higher.(BD 14-06-2017)

ANGOLA SEEKS FOREIGN INVESTMENT AT MEETING HELD IN WASHINGTON

The Angolan government is committed to creating a good business environment in order to attract private investment, a necessary condition for the implementation of the economic diversification strategy, the Technical Unit for Private Investment (UTIP) said in a statement released in Luanda.

The statement said that the same idea was conveyed to participants at the US-Africa Business Summit, which took place from 13 to 16 of June in Washington, organised by the Corporate Council on Africa.

UTIP also reported that the Angolan representatives, in addition to publicising the investment opportunities that Angola offers, also presented what Angolan government institutions have been doing to support both local and foreign investors, namely by providing generous incentives to investors.

"It is a priority of the Angolan government to develop the productive and structuring sectors of the economy that were stagnant," said the document quoted by Angolan news agency Angop. (19-06-2017)

PRITI PATEL INSISTS UK'S AID INFLUENCE IS 'MASSIVE'

Development secretary says she's fed up with the myth she sits there 'writing cheques for North Korea' and announces aid packages for Somalia and Ethiopia
Britain's foreign aid minister, Priti Patel, has told the Guardian she is fed up with the myth that all she does is sit at her desk "writing cheques to North Korea", in her most robust response yet to critics of the foreign aid budget.
On a surprise visit to drought-stricken east Africa on Saturday, Patel, the international development secretary, announced a new £60m package for Somalia, and £30m for Ethiopia, saying the sharp rise in numbers of people needing food, water and shelter meant it was critical to stop the food crisis becoming the kind of famine which killed a quarter of a million people in Somalia in 2011.

MPs call on Priti Patel to increase UK aid spending on 'global learning crisis'

Parliamentary committee takes aim at 'shameful neglect' of schoolchildren in poor countries as development secretary is urged to devote more funding
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"The truth is that UK development influence is massive, greater than our foreign policy, and this isn't just about money, Britain is saving lives and bringing stability and security, and that's good for our economy and for what comes to our doorstep."
She said Britain could take much of the credit for having averted a huge loss of life so far this year.
In an exclusive interview with the Guardian, her first since last week's cabinet reshuffle that saw her reappointment to the role, Patel said it was UK investment in "resilience" and the early lead taken by Department for International Development which put £110m into Somalia in January and persuaded the World Bank to add another £40m – which had kept the death rate down.
"Britain can stand tall on this one. People need feeding and people need shelter, people are dying right now from cholera and measles. Famine is tragic, I cannot find the words to describe how appalling the situation in South Sudan is, children wasting away, children in camps alone because their parents have been murdered.
"I was the one who was on the phone to UN secretary general Guterres in January, calling the UN out on this, and the [aid] agencies. We have to be integrated on this.
"My priority is saving lives but in development that doesn't just mean putting food in mouths, that means investing in jobs and peace and stability, in education."
Patel's tenure has seen the department dogged by criticism from the right over programmes, waste and spending, and sniping from those opposed to the aid commitment of 0.7% of GDP, a UN target ring fenced by David Cameron. It has also come under attack from the left for appearing to "share" its budget with other departments with an alleged lack of transparency.

"We have been in goal defence," said Patel. "Newspapers could twist up a story every day about UK aid, but to date there hasn't been one that's been 100% accurate. Part of my job has to be to demonstrate the value of UK aid."
In the Somalian capital, Mogadishu, where at least 20 people were killed by al-Shabaab Islamic militants in an attack on a restaurant last Thursday, the UK minister met with NGOs, the Somalian prime minister and visited the "drought operations room" where the latest figures showed a sharp rise in people being internally displaced by the food crisis. Some 1.75 million people are in makeshift camps as livestock have died, water holes dried up and farms have desiccated. Cholera and measles are ravaging a weakened population.
Until this drought Somalia had been making progress, attracting back some of its refugees, a vast diaspora which currently sends more money back into the country, supporting millions, than all the international donors put together.
At Mogadishu's heavily fortified airport, Patel watched UK emergency food rations being loaded up to be transported across a deeply insecure country.
"This is a young country," she said, "in transition from more than two decades of civil war. Somalia has a low standard of living and a very small public purse, a weak state is vulnerable to shock and this is a massive shock.
The Guardian view on the aid target: it's the fraction that counts

“One of the things we need to focus on more and more is building on the resilience that has seen massively less loss of life than at the same point in the 2011 drought.”

If famine is declared in Somalia later this summer, despite all efforts, it would, she said, “be tragic”. “But you can’t solve a problem like Somalia in a fiscal year, we are committed. That’s leadership, now we need others to commit,” she added.

Patel, a Brexiter, insisted she was “a global citizen”. “My parents came from east Africa, born in India, we have that melting pot background. I’m an internationalist,” she said.

She added: “I’m a money girl. My background is economics and I do a lot of the crunchy fiscal side. On accountability I’m everybody’s worst nightmare. I’m running a lean and mean ship.

“And I’m a no-bullshit person when it comes to calling out finance ministers or the World Bank. I think we shouldn’t hesitate to slap the IMF and shake the tree of the World Bank when we are stepping up. I don’t take no for an answer.

“I’m fed up with people thinking we just sit here handing out money, that I sit writing cheques for North Korea,” she said.

“My mantra since taking up this job has been ‘lean into Whitehall’ – DfID needs to be integrated with other departments so that post-Brexit we can be even stronger in the world.”

She pointed out that DfID money had paid for specialist rescue training of some UK firefighters – able to be deployed abroad when disasters struck, but also able to help at Grenfell Tower.

Asked about comments by one of her predecessors, Andrew Mitchell, that DfID’s days were numbered as other ministers eyed its budget, she said: “It’s never been so needed, we face more global challenges in 2017 than ever before.

“When has Britain ever turned its back on the world?”

 (DEV 18-06-2017)

PRAIA MEETING IS A SUCCESS, SAYS PRESIDENT OF CABO VERDE TRADEINVEST

The meeting of businesspeople from China and Portuguese-speaking countries was a “huge step” for investments to be made in Cabo Verde (Cape Verde), said the president investment agency Cabo Verde TradeInvest on Friday in Praia.

Ana Barber said the meeting, besides being a “huge step”, was also a success, giving the 10 protocols that were signed by several companies and organisations in China and Portuguese-speaking countries as an example.

The protocols include boosting exchange with China by Angola and Cabo Verde, the commercial representation of Cabo Verde’s coffee in China, the planning, construction and management of a private hospital in the city of Praia and creation of an alliance of legal services, among others.

At the end of the meeting, which on Sunday continued with visits to companies and the interior of the island of Santiago, Finance Minister Olavo Correia restated the government’s commitment to creating conditions for the private sector to become the driving force behind development.

Cabo Verde’s prime minister, Ulisses Correia e Silva, said at the opening of the meeting that his government intends to make the archipelago a “safe, attractive” country to live, reside, invest and as a “platform of economic circulation in the Mid-Atlantic.”

“Cabo Verde should distinguish itself as a country with low political, security and economic risks,” said the prime minister, adding that the natural wealth of the archipelago is its social and political stability and the fact that it is a country “where one can trust business relations and relations between states.”

Correia e Silva acknowledged that the small size of Cabo Verde’s financial market is a constraint on business development, but added that “it will be overcome through the complete liberalisation of capital movements and the creation of a Sovereign Guarantee Fund for Private Investments for companies to have access to the external banking and capital market to finance larger investments.”

According to Correia e Silva, in terms of markets and making the most of the country’s geographic and economic position, Cabo Verde intends to play a relevant role in China’s Belt and Road initiative, establishing the link between China, Europe and West Africa as well as nd The Portuguese-speaking Africa. ”

More than 400 representatives of institutions and companies took part in the Meeting of Entrepreneurs for Economic and Trade Cooperation between China and Portuguese-Speaking Countries.

Portugal will host the next meeting, in Lisbon in 2018. (19-06-2017)

CROSS-BORDER ELECTRICITY LINK TO TRANSFORM WEST AFRICA

Access to reliable and affordable energy in four West Africa countries will be transformed once a new 1303km electricity interconnector, inaugurated on 4 June 2017 on the sideline of the ECOWAS Heads of State Summit in Monrovia, is operational

The first cross-border energy supply between Cote d’Ivoire, Liberia, Sierra Leone and Guinea will support economic development, reduce the need to use expensive generators and allow existing and future hydro power projects to benefit the region.

President Ellen Johnson of Liberia led the historic ground breaking of the energy project. Joining her were her counterparts from Cote d’Ivoire (President Alassane Ouattara), Sierra Leone (President Ernest Bai Koroma) and Guinea (President Alpha Conde). Donor partners, contractors and other high-level officials from ECOWAS, CLSG countries and the international community were in attendance.

“We are pleased for this project. As many of you know, as ECOWAS proceeds to transform our economy, power has been identified as one of our main constraints. For Liberia, power is the one thing that has made a difference in the deterioration in the quality of life in all areas, as power supports education, health, industry, security and the comfort of life,” President Johnson Sirleaf said in her opening remarks.

The President maintains the CLSG project will bring to the beneficiary countries a big relief and that for those countries emerging, it will enable them to move at a faster pace in achieving their development goals. The Liberian leader described the CLSG project as major impetus for development in Cote d'Ivoire, Liberia, Sierra Leone and Guinea. "As we break grounds, all four us as leaders of the CLSG countries, give to TRANSCO CLSG our fullest commitment and support to see that this project moves as quickly as possible in reaching the goals that have been set."

"Once operational the CLSG Interconnector will ensure that communities across Cote d'Ivoire, Liberia, Sierra Leone and Guinea can access affordable electricity. Hard work by African and international partners over recent years has ensure essential technical and financial preparations based on international best practice could be completed and the construction phase of the scheme to proceed. CLSG Transco looks forward to continuing this close cooperation over the years to come," confirmed Mohammed M. Sherif, Director General of TRANSCO CLSG.

The regional importance of the CLSG project was highlighted at a ground-breaking ceremony in the Liberian capital Monrovia attended by the heads of state of Cote d'Ivoire, Liberia, Sierra Leone and Guinea and local and international partners involved in the project.

In Sierra Leone and Liberia less than 5 per cent of inhabitants have access to electricity and recent conflict in the region severely damaged existing infrastructure and hindered development of new networks. The new interconnector is also expected to significantly reduce use of diesel and heavy fuel oil generators.

The European Investment Bank is providing a EUR75mn (US$84.08mn) 25-year loan for the EUR370mn (US$414.8mn) CLSG Interconnector project that is also being financed by the African Development Bank, World Bank and KfW, as well as the four countries involved.

The EU-Africa Infrastructure Trust Fund is also providing grant funding totalling EUR27mn (US$30.27mn) that will support technical assistance for engineering, feasibility studies and rural electrification. It will also reduce the loan repayment costs thereby allowing transmission tariffs to remain lower.

The European Investment Bank has supported regional energy investment through development and expansion of the West African Power Pool since 2005 and financed rehabilitation of the Mount Coffee hydropower facility in Liberia and Sierra Leone.

Over the last decade the European Investment Bank has provided more than EUR7.5bn (US$8.41bn) for energy investment across Africa. (African Review 15-06-2017)

CRACKDOWN IN ZAMBIA QUALIFIES AS A DICTATORSHIP, CRITICS CHARGE

Nearly a year after coming to power in a contested election, Zambian President Edgar Lungu is facing a growing chorus of criticism over his government's crackdown on dissent.

"Zambia eminently qualifies to be branded a dictatorship," the country's religious leaders said in a rare statement on Friday, the latest sign that opposition to Lungu's authority is spreading.

At the heart of the tension is the arrest and continued detention of opposition leader Hakainde Hichilema, a rich businessman who has run for president five times, narrowly losing to Lungu last August.

His United Party for National Development (UPND) unsuccessfully tried to contest what it called a stolen election, and in April Hichilema was arrested on treason charges after his convoy allegedly refused to give way to the presidential motorcade.

He has since been moved to a maximum security prison and it is unclear when he will return to court. In the meantime, the authorities have kept up pressure on his supporters, including blocking a South African opposition leader from attending Hichilema's trial last month.

"Hakainde's arrest for treason was at first dismissed as an intimidatory gimmick by President Lungu," said Telesphore Mpundu, the archbishop of the Lusaka diocese, but "outrage over Hichilema's arrest and incarceration is growing". Treason is a non-bailable offence in Zambia, with a minimum jail term of 15 years and a maximum sentence of death.

And Lungu himself did not mince his words during last year's election campaign, warning political rivals and activists that "if they push me against the wall, I will sacrifice democracy for peace".

The country's parliament last week suspended 48 UPND legislators and the government has increased pressure on media outlets that support the opposition. (AFP 19-06-2017)

RWANDAIR CELEBRATE FIRST DIRECT FLIGHT TO UK WITH TRAVEL TRADE COMPETITION

To celebrate the launch of the first direct flight between the UK and Rwanda, RwandAir has announced a new travel trade competition running until 14 July 2017

Any bookings made on the RwandAir London Gatwick to Kigali service between 01st June 2017 and 14th July 2017 for outbound travel between 1 June 2017 and 14 July 2017 can be entered into the prize draw.

Agents who make a booking during this period will have the chance to win a trip for two to Rwanda in Business Class to experience one of the fastest emerging tourism destinations in Africa.

The second prize consists of two return economy flights from London Gatwick to Nairobi via Kigali and the third prize is a £200 (US$254) voucher redeemable against a RwandAir flight.

Agents simply need to log their sales with the Flight Directors office in London by emailing tradesales.lon@rwandair.com with the ticket numbers of their bookings along with the company name, IATA number and their contact details.

The London Gatwick to Kigali route is served by a new Airbus A330-200 offering travellers Business, Premium Economy and Economy Class travel. Flights depart London Gatwick on Tuesdays, Thursdays, and Fridays with a flight time of just 8 hours 40 minutes and return fares starting from £368 (US£467). Passengers travelling on the new service in Business Class will be able to take advantage of fully-flat beds and convenient overnight flights. (African Review 12-06-2017)

SIERRA LEONE SIGNS CONTRACT FOR 46KM TRANS-AFRICA ROAD

Sierra Leone government has signed a US$17m deal for a road construction project. The 46km road is the second and final phase of the Sierra Leone leg of the Trans-Africa road Sierra Leone project.

The road will run from Bo to Bandajuma in the south of the country, linking Sierra Leone to Liberia on its southern flank.

The project is jointly funded by Sierra Leone Roads Authority (SLRA) on behalf of Sierra Leone government, the OPEC Fund for International Development and the African Development Bank. The project's implementation is expected to take 24 months.

The China Hen International Company (CHICO), a Chinese firm has been contracted to construct the road. On completion, the road will ease road challenges farmers and business people face along the area in transporting their products and services.

According to the Director General of SLRA, Engineer Maimuna Kumba Jalloh, the "last missing link" of the Trans-Africa Highway involving 10 highways is currently under construction on the continent with the aim of linking the countries in the region.

Nonetheless, the Bo-Bandajuma highway has a rehabilitation component and reconstruction component. Some 44km will be rehabilitated and 2km to be constructed.

The Trans-African Highway network comprises of the transcontinental road projects in Africa which are being developed by the United Nations Economic Commission for Africa (UNECA), the African Development Bank (ADB), and the African Union in conjunction with regional international communities. The developer's objective is to promote trade and alleviate poverty in Africa through the highway infrastructure development and the management of road-based trade corridors. (CRO 14-06-2017)

A UNIQUE RESOURCE: ANNA LINDH FOUNDATION PRESENTS HANDBOOK ON INTERCULTURAL CITIZENSHIP EDUCATION

The Anna Lindh Foundation has published a Handbook on Intercultural Citizenship Education in the Euro-Mediterranean region, described as *"a unique resource for educators, schools, civil society, governments, youth, and citizens at large for strengthening awareness around the common values among the people of the region"*.

The Handbook has been developed by a multi-country group of authors and through a regional consultation among a group of around 300 educators. It includes an introduction to the concepts of education to diversity, intercultural interaction and proactive citizenship building, to the methodologies and education formats related to intercultural citizenship, as well as learning activities to enhance the knowledge and practices of intercultural citizenship.

The Handbook is a resource that can be used over a number of pedagogical sessions, or from which educators can extract content according to their set learning objectives.

The Anna Lindh Intercultural Citizenship Education Handbook is the basic resource for a pilot capacity-building programme initiated by Anna Lindh Foundation to constitute a first Euro-Mediterranean pool of trainers in the field of Intercultural Citizenship Education. Currently the pool of 30 trained educators are engaged in the organisation of training activities on the topic of intercultural citizenship education, accompanied by a group of mentors supporting them at each stage of implementation.(Anna Lindt Foundation 19-06-2017)

Download the Handbook

CHINA-BACKED AIIB TOUTS GROWTH, SUSTAINABILITY

Leaders of the China-backed Asian Infrastructure Investment Bank touted its growing membership and commitment to sustainable development at its annual meeting, even as environmental groups were disappointed by its openness to investing in coal projects.

The AIIB, which has 80 member countries, was set up to help meet the estimated $26 trillion need for infrastructure spending in Asia through 2030, while also demonstrating that a China-led institution can meet international standards for best practice.

The United States and Japan, both members of the Manila-based Asian Development Bank (ADB), have not joined the AIIB.

The AIIB has pledged to use its investments to help members fulfil their commitments to the Paris climate accord, which the United States is withdrawing from under President Donald Trump.

"We will not consider proposals if we are concerned about the environmental and reputational impact," AIIB president Jin Liqun, a former vice president at the ADB, said Friday at the opening ceremony.

But the bank did get pushback from environmental groups about its commitment to being green, with several NGOs saying they were disappointed the bank's new energy industry strategy, adopted Thursday, left the door open for coal sector investment.

"I have a hard time reconciling in the energy strategy a statement that says up front the purpose of the energy strategy is to help countries meet their commitments under the Paris agreement, with 'we're going to finance coal projects'," said Andrew Deutz of the Nature Conservancy.

Jin said that after many rounds of discussion on the bank's energy policy, "this is the best we can achieve", adding there are no new coal projects in its pipeline of investments.

Other groups saw improvement over the last year in how the bank engages with NGOs.

"We thought this was a really interesting opportunity to see if this new institution can foster a race to the top in terms of creating strong sustainable credit practices, or foster a race to the bottom," said Katherine Lu of Friends of the Earth.

"I think the jury is still out," she said.

The AIIB, China's first effort to launch a multilateral development organization, has been careful publicly to put distance between itself and Chinese government policy as it looks to placate concerns it will be a tool of Beijing's foreign policy.

AIIB president Jin said "there's been some confusion" about the relationship between AIIB and China's huge "Belt and Road" infrastructure development and foreign policy initiative.

"We operate by our standards, by our governance. The Belt and Road is a marvellous programme ... but we have our standards," he told a Saturday news conference on the South Korean holiday island of Jeju.

The meeting's venue was chosen before a dispute between South Korea and China over Seoul's decision last year to host a U.S. anti-missile system. China has clamped down on its citizens visiting South Korea, which has squeezed tourism on Jeju, local businesses said.

The bank began operations 18 months ago and has approved $2.5 billion in loans. It expects that to reach about $4 billion by the end of this year. By comparison, the ADB made $17.74 billion in commitments last year.

AIIB has about 100 staff, which some meeting attendees said limits the depth of sector expertise and leads it to rely on partners to carry the load on project assessments. The bank said it is ramping up hiring but did not give target numbers.

By comparison, the ADB has 2,000 employees and the World Bank has more than 10,000.

"Because of that leanness, AIIB is more contributing to deals that were originated by others," said Nena Stoiljkovic, vice president for blended finance and partnerships at the World Bank's International Finance Corporation and the most senior World Bank official to attend the AIIB meeting.(NYT 19-06-2017)

UGANDA AND TANZANIA TO CONSTRUCT ELECTRIC RAILWAY LINES

Uganda and Tanzania are looking to incorporate electric railway lines into their standard gauge railway transport network.
According to the East African newspaper, the two countries are planning to upgrade the SGR project after its installment to electric lines. However, this will depend on the availability of sufficient energy supply.
Uganda's SGR project co-ordinator Kasingye Kyamugamba said the decision to go ahead with the incorporation of electric trains is as a result of assurance of adequate power from ongoing energy projects. Moreover, the option is more cost- effective in the long term when compared to diesel.
Uganda and Tanzania are planning to buy trains with an electric element while Kenya's trains run on diesel engines.
Kenya on the other hand has announced that its newly launched SGR will have an electric line installed in the year 2021. Kenya's Transport Cabinet Secretary James Macharia said this is because Kenya lacks a dependable source of electricity. However, he was quick to add that the diesel locomotive line that is currently operational has upgrading capabilities. A single electric line costs approximately $480m.
Electric railroads depend on the availability of electricity in a region, currently the supply is inadequate.
Uganda expects its power generation to reach 1,500MW in 2019, after the two dams inject an additional 783MW — Karuma at 600MW and Isimba Hydropower at 183MW into the national grid.
Kenya's SGR was officially flagged off in May this year. The 472- kilometer project had initially been set for completion in December 2013.
Just weeks after the completion of the Nairobi-Mombasa line, phase two which will run from Nairobi to Naivasha will be an extension of the former and will run till it links up with Uganda SGR line and then to Kigali in Rwanda, (CRO 14-06-2017)

BP ENERGY OUTLOOK OFFERS A MIXED OUTLOOK FOR AFRICA

The latest edition of the BP Energy Outlook outlines the role of Africa in driving energy demand, including oil, gas and renewables

Access to energy remains a major challenge for Africa. More than a billion people worldwide do not have access to electricity, mainly in Africa, India, and developing countries in Asia, according to the report.

Looking ahead to 2035, the 2017 edition of BP's annual barometer of world energy markets forecasts GDP to double over the next 18 years. However, for Africa, this means the continent will account for almost half the projected increase in the global population but will contribute less than 10 per cent of the expected increase in GDP. This population increase is fuelling growing energy demand across Africa, particularly as multiple countries move towards greater urbanisation.

Growth in worldwide energy demand is projected to slow towards 2035, attributable to the stimulus from China and India fading. In simple terms, this implies that growth in global energy demand could slow to around 0.9 per cent per year in 2035-2050, compared with 1.3 per cent over the period covered by the report. But the report writers are cautious, noting that these figures assume continued relatively slow growth in Africa. If Africa's economy and energy demands grow more rapidly and if African productivity increases to come into line with India's over the past 10 years. Furthermore, the report notes that of these productivity gains are accompanied by increased industrialisation, energy growth beyond 2035 may not slow for Africa.

Oil demand for Africa is at around 110Mb/d. There has also been a growth in gas supply, fuelled largely by the shale gas revolution in the US, with countries across Africa actively involved in exploration and, in some cases, production activities for the cleanest-burning of the fossil fuels. LNG supplies from Africa are also increasing. By 2035, it is expected that Africa will export 7Bcf/d of LNG.

As the world looks to move away from dependence on fossil fuels, there is a growing market for hydro power generation in Africa. Globally, hydro power is expected to grow at a rate of 1.8 per cent per year until 2035. In terms of renewables in general, such as solar and wind power, it is the EU and China leading the way. China is particularly noteworthy with the report forecasting it will add more renewables to the energy mix than the US and EU combined over the next 20 years. Renewables are becoming more attractive as costs fall and the efficiency of wind power improves. (AR 15-06-2017)

EU LAUNCHES CALL FOR PROPOSALS TO SUPPORT NON-STATE AND LOCAL ACTORS IN NORTHWEST ALGERIA

The EU is launching a call for proposals to support non-state actors and local actors (non-governmental organisations, public sector operators, local authorities and intergovernmental organisations) in north-western Algeria.

The aim of the call is to contribute to the reduction of social and economic disparities through integrated and sustainable local development. It aims to support non-state actors and local actors in key areas corresponding to the following priorities:

Strengthening the capacity of non-state actors and local actors and their networking.

Contributing to the development and/or support of income-generating activities in rural and local areas.

Contributing to synergies between different local actors with an integrated and participative approach to achieve a better social and economic integration of vulnerable populations (disabled people, women, etc.) through the involvement of the voluntary sector and civil society.

The deadline for submission of applications is 28 September. EU Delegation Algeria

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The Memorandum is also made available by AHEAD-GLOBAL, BCA, Chamber of Tenerife (by posting it at the Africa Info Market), CCA - Canadian Council on Africa, CCA - Corporate Council on Africa (USA), ELO,HTTC,NABC (by posting selected news) and SwissCham-Africa to their Members.

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