MEMORANDUM

N°119/2016 | 03/06/2016

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SUMMARY

BOTSWANA'S POWER STATION FAILS AHEAD OF SURGE IN DEMAND DURING WINTER

Botswana is battling to repair its troubled 600MW power station before a surge in power demand during winter, its power supplier said on Wednesday.

Built by China National Electric Engineering Company at a cost of $970m, the power station was commissioned in 2012, but has often broken down due, leading to reliance on diesel generators and imports from neighbouring SA.

Botswana Power Corporation said in a statement that demand was expected to rise from the current 530MW to a projected 669MW during winter (June to August).

Only two of the four units were operational, producing 260MW, the company said, adding that it was hoping to have all the units restored at the earliest possible time.

The power utility projects that it will import 190MW. Botswana's power generation stands at 479 MW.

Botswana is currently weighing an option to sell the troubled 600MW power plant back to its Chinese developers, but a decision has not yet been taken. (Reuters 02-06-2016)

ANGOLA RECEIVES INVESTMENT PROPOSALS OF US$30 BILLION IN SEVEN MONTHS

Investment proposals received by the Technical Private Investment Unit (UTIP), a body set up seven months ago, so far total US$30 billion, the director general of UTIP announced recently.

Norberto Garcia recalled that the approved investments over seven months amounted to US$7.5 billion in projects for the agriculture, fisheries and industrial sectors.

The Director-General of UTIP was taking part in the Act of Accession of Cipro construction company to the Community of Exporting and Internationalised Angolan Companies (CEEIA), where he pledged to make efforts for members of this association to begin to export as soon as possible, especially to the regional market.

Garcia said that "continuing to import products is not the best way to build the country, because that is exporting currency, but rather we should seek to consolidate investments, giving credit to Angolan brands."

The president of the CEEIA Augustine Capaia, said the association's objectives were in line with UTIP, which brings together companies in order to promote and give credibility to Angola in international markets. (30-05-2016)

GHANA BUYS 180 MW, POLICE CLASH WITH YOUTH MAKE HEADLINES

The purchase of 180 Megawatts (MW) of electricity from Ivory Coast and a clash between the youth and police in Kumase in the Ashanti region of Ghana on Wednesday made the headlines.

The Finder newspaper although the government has invested millions of US dollars into expanding the generation capacity of the country, Ghana still imported 180 MW of power from Ivory Coast to solve energy challenges.

The paper said its investigations revealed that Ghana has installed electricity capacity of 3,000 MW whiles its peak demand was a little over 2,100, therefore the problem with generation is associated with irregular gas supply and inadequate fuel to power the plants, thereby falling on Ivory Coast in times of crisis.

The Ghanaian Times for its part, said the police and the youth at Krofrom, a suburb of Kumasi on Tuesday clashed over an autopsy report released to clear three police officers accused of battering a suspect in cell to death.

The youth pelted the police with stones and smashed the screen of one of their vehicles in a demonstration to register their protest against the death of a 22-year old man in police custody.

The Daily Graphic said government has introduced legislation to stretch the tax net to cover allowances workers earned on monthly basis.(APA 01-06-2016)

TOP USAID CONTRACTORS FOR 2015

The U.S. Agency for International Development obligated contract funding for fiscal 2015 reached $4.8 billion — a $1 billion increase from its total in 2014. This 26 percent budget surge marks the first upward movement in USAID's contract spending in the last three years.

Despite USAID's focus on channeling more foreign aid to local organizations — most notably through the USAID Forward initiative — the agency continues to award the bulk of its contracts to American firms. In 2015, the top 20 recipients of USAID funding were all U.S.-based organizations. Combined, these transactions account for 70 percent of the total USAID spending for obligated contracts for the year, up slightly from 67 percent in 2014.

The consortium Partnerships for Supply Chain Management received the most USAID contract funding, while international development consulting firm Chemonics was second. In 2015, Chemonics secured an indefinite delivery, indefinite quantity agreement, or IDIQ, with USAID to the tune of $9.5 billion — the largest USAID award to date which could lift the firm into the top place next year.

Meanwhile, four organizations managed to break into the top 20 in fiscal 2015. Checchi and Co. more than doubled its contract funding with $44 million compared to just $19 million in 2014. The consulting firm Dexis, formerly a small business, received $48 million in 2015 versus $22 million for the previous year. Morganti, meanwhile, significantly increased its winnings from just over $4 million in 2014 to $56 million in 2015 and PAE entered the top 20 list receiving $75 million in USAID contract funding. USAID also channeled $101 million to an undisclosed domestic contractor.

Below is the complete list of USAID's top contractors for 2015 based on data from USASpending.gov.

1. Partnership for Supply Chain Management

Founded: 2005
Headquarters: Arlington, Virginia, United States
Obligated USAID contract funding: $777,635,321

Partnership for Supply Chain Management is a conglomerate of 13 organizations established by Management Sciences for Health and JSI Research and Training Institute, the nonprofit arm of John Snow, Inc. Its major programs include a supply chain management system project funded by the President's Emergency Plan for AIDS Relief as well as a pooled procurement mechanism program under the Global Fund to Fight AIDS Tuberculosis and Malaria. Four member organizations also won multiple contracts with USAID during fiscal 2015, namely Booz Allen Hamilton Holding Corporation ($2,272,836), Crown Agents Limited ($8,800,680), Management Sciences for Health, Inc. ($36,881,708) and The Manoff Group, Inc. ($2,519,817).

2. Chemonics International, Inc.

Founded: 1975
Headquarters: Washington, D.C., United States
President and CEO: Susanna Mudge
Obligated USAID contract funding: $520,333,009

Chemonics is an employee-owned for-profit consulting agency with experience implementing projects in over 150 countries across Africa, Asia, Europe and Eurasia, Latin America and the Caribbean, and the Middle East. Its services cover program design, implementation and management, capacity building for local institutions, performance management and evaluation, knowledge management and communication, and corporate social responsibility. Chemonics works in a broad range of sectors including agriculture, conflict and crisis, democracy and governance, economic development, education and youth, environment, gender and social inclusion, health, supply chain solutions, water, energy and sustainability.

3. John Snow Incorporated

Founded: 1978
Headquarters: Boston, Massachusetts, United States
President: Joel Lamstein
Obligated USAID contract funding: $415,715,554

John Snow Incorporated is a consultancy firm specializing in public health management. With eight offices in the U.S. and 60 international offices, JSI has implemented projects in over 100 countries. Its range of services include health service planning and delivery, support for health care providers, health services research and evaluation, training and technical assistance, health information technology, health communication, as well as conference and event planning.

4. Tetra Tech, Inc.

Founded: 1966
Headquarters: Pasadena, California, United States
Chairman, CEO, and President: Dan L. Batrack
Obligated USAID contract funding: $359,240,310

Tetra Tech's programs for international development cover a wide range of areas including agriculture, environment and sustainability, water, energy, governance and the rule of law, security and infrastructure. With 400 offices worldwide and a staff size reaching 16,000, Tetra Tech mainly provides practical research and technical services, as well as design, implementation and management services for programs and construction activities. The company currently has 13 subsidiaries including Management Systems International, which won USAID contracts amounting to $126,874,406 in fiscal 2015.

5. DAI

Founded: 1970
Headquarters: Bethesda, Maryland, United States
President and CEO: James Boomgard
Obligated USAID contract funding: $272,429,308

A global consultancy, DAI implements projects across several regions including Asia-Pacific, Eastern Europe, Latin America, the Caribbean, Middle East and North Africa, and sub-Saharan Africa. With a staff size of almost 3,000, DAI's work focuses on economic development, environment and sustainability, governance, ICT, global health, stability and business development. In late 2013, DAI took ownership of HTSPE, a global consultancy firm based in the U.K.

6. AECOM

Founded: 1990
Headquarters: Los Angeles, California, United States
Chairman and Chief Executive Officer: Michael S. Burke
Obligated USAID contract funding: $150,059,632

With a staff size of 2,000, AECOM carries out its international development initiatives in over 100 countries. Its areas of expertise include infrastructure development, agriculture and economic development, democracy, human rights and governance, social development, and disaster and crisis management. In late 2014, AECOM acquired URS Corp., an engineering firm based in San Francisco that focuses its development work in Asia and the Pacific region.

7. Abt Associates

Founded: 1965
Headquarters: Cambridge, Massachusetts, United States
President and CEO: Kathleen L. Flanagan
Obligated USAID contract funding: $143,578,474

Abt Associates currently works in nearly 50 countries doing research and program implementation. Its focus areas include education, environment and climate change, food security and agriculture, health, community development, income security and workforce development. Its subsidiaries include Abt JTA, a consulting firm focusing on health and social development in Australia and Asia-Pacific, and Abt SRBI, a research and strategy organization that delivers policy and opinion surveys in various sectors including health, education and workforce development, finance, transportation and utilities.

8. RTI International

Founded: 1958
Headquarters: Research Triangle Park, North Carolina, United States
President and CEO: E. Wayne Holden
Obligated USAID contract funding: $106,177,372

RTI International is a nonprofit, independent research institute working in over 75 countries with a staff size reaching 4,000. In international development, RTI uses its research capabilities to design programs and provide advisory and training services in areas of global health, education, governance, and workforce and economic development.

9. Engility

Founded: 2012
Headquarters: Chantilly, Virginia, United States
Chief Executive Officer: Lynn A. Dugle
Obligated USAID contract funding: $82,466,915

In international development, Engility mainly works in areas of agriculture, energy, water, environment, disaster preparedness and relief, and transition and stability. Across all its programs, the organization incorporates measures to build climate-resilience, increase learning and capacity through training and innovative technology, and strengthen local civic organizations. Engility became an independent organization after branching out of L-3 Communications in 2012.

10. PAE

Founded: 1955
Headquarters: Arlington, Virginia, United States
Chief Executive Officer: John Heller
Obligated USAID contract funding: $75,147,354

Apart from USAID, PAE works with various U.S. government agencies in areas of aviation, capacity building and stabilization, infrastructure, logistics, information management and security. PAE has presence in over 60 countries and commands a workforce of 15,000 individuals. Earlier this year, PAE was acquired by Platinum Equity.

11. FHI 360

Headquarters: Durham, North Carolina, United States
Obligated USAID contract funding: $63,021,701

12. Morganti

Headquarters: Danbury, Connecticut, United States
Obligated USAID contract funding: $56,350,972

13. CAMRIS International

Headquarters: Bethesda, Maryland, United States
Obligated USAID contract funding: $54,465,293

14. ICF International

Headquarters: Fairfax, Virginia, United States
Obligated USAID contract funding: $50,583,810

15. Dexis

Headquarters: Washington, D.C., United States
Obligated USAID contract funding: $48,658,930

16. Deloitte

Headquarters: New York, New York, United States
Obligated USAID contract funding: $46,905,855

17. Checchi and Company

Headquarters: Washington, D.C., United States
Obligated USAID contract funding: $44,141,899

18. Fintrac

Headquarters: Washington, D.C., United States
Obligated USAID contract funding: $44,001,483

19. Creative Associates International

Headquarters: Washington, D.C., United States
Obligated USAID contract funding: $43,067,478

20. IBM

Headquarters: Armonk, New York, United States
Obligated USAID contract funding: $37,556,140
(27-06-2016)

MOZAMBIQUE AND VTB BANK ABOUT TO REACH AGREEMENT ON LOAN

Mozambique and Russian bank VTB are close to reaching an agreement on the restructuring a loan to public company Mozambique Asset Management (MAM) and payment of the first installment, due on 23 May, Bloomberg reported.

Rogério Nkomo, spokesman for the Finance Minister, told the financial news agency that “the government of Mozambique is negotiating with the Russian bank on how to make the loan repayments and restructuring of the loan.”

However, countries and multilateral organisations that support Mozambique, including through direct funding to the state budget, issued a document requiring full disclosure of the “state of the country’s public finances”, before any aid can resume.

“Suspension of aid derives from what is understood by the partners of the support programme as a serious breach of trust, low level of governance and lack of fiscal transparency,” said the document.

The members of the Group of 14 require the Mozambique government to provide a list of all existing and planned loans, with details on what the money will be used for, terms and repayment conditions as well as the disclosure of the MAM shareholder structure and of another public company, Proindicus, which in 2013 took on a loan with a State guarantee, in the amount of US$622 million. (30-05-2016)

EGYPT, HUNGARY INK EUR 900M DEAL FOR 700 TRAIN CARRIAGES

Egypt on Wednesday signed a letter of intent (LOI) with Hungary where the latter will finance its sale of 700 train carriages to the North African country in a deal worth Eur 900 million ($1 billion).
Under the LOI, Hungary will also give 80 train carriages to the state-run Egyptian National Railways as a “gift” worth €100 million grant.

The LOI was signed by the Egyptian Minister of International Cooperation Sahar Nasr and Zoltán Urbán, CEO of the Hungarian Export-Import Bank in the presence of Egyptian President Abdel Fattah al-Sisi and Hungarian Prime Minister Viktor Orbán.

President Sisi held a meeting with the Hungarian prime minister on Wednesday to boost bilateral relations.

The Egyptian leader also discussed with Orbán ways to enforce the relations between Egypt and Hungary, especially in the fields of economics and investments.

Both sides signed five memoranda of understanding (MOU) in various fields such as water resources and agriculture.

The Egyptian minister of defence also signed an MOU with his Hungarian counterpart to boost military cooperation.

Prime Minister Orbán arrived in Cairo on Tuesday along with the Hungarian ministers of Foreign Affairs and Commerce as well as top business executives. (APA 01-06-2016)

INDIA DEEPENS FINANCIAL RELATIONS WITH AFRICA

India has opened a $10bn line of credit for Africa, it was announced at the African Development Bank's annual meetings in Zambia earlier this week.

The Export-Import (EXIM) Bank of India's chair, Yaduvendra Mathur, announced on Wednesday that the concessional funds would be available over a five year period, as pledged in October last year by the country's government.

Mathur said the funds are intended for healthcare, in particular to develop public-private partnerships, but will be available for us across a wide variety of sectors.

Indian prime minister Narendra Modi pledged to provide the credit last year in an effort to strengthen ties with African nations and counter growing Chinese influence on the continent.

Following Mathur's announcement, it was declared that India will host the AfDB's annual meetings next year.

India and Africa plan to strengthen their partnership on healthcare, with the continent using India's experience in implementing PPP projects in health, as well as the power and transport sectors. .

Joseph Kasonde, Zambia's health minister, explained that the Exim Bank is assisting the country in establishing 650 health posts.

"We are now in discussion about the PPP arrangement with India to improve the healthcare systems in our country, therefore diminishing the need for people to travel for treatment," Kasonde said.

In October, Modi also announced plans to deepen the India-Africa partnership on clean energy, sustainable habitats, public transport and climate resilient infrastructure.

AfDB acting vice president of sector operations Kapil Kapoor saying the country was best-placed to help Africa as it looks to secure $60bn of investment needed for the continent until 2021.

In his October announcement, Modi also pledged to deliver a $600m grant, a $100m India-Africa Development Fund and 50,000 scholarships in India over the next five years.

The AfDB's annual meetings have been underway this week in Lusaka, Zambia. Other announcements at the meeting include the bank's plans to tackle Africa's $120bn trade finance gap by extending its offering across the continent, and the launch of a scheme to ramp up agriculture and increase food security.(Public Finance International 27-06-2016)

AFRICA WON'T FALL BACK INTO 1990S-STYLE DEBT TRAP, SAYS AFRICAN DEVELOPMENT BANK

Africa is unlikely to fall into the type of unsustainable debt trap seen in the 1990s despite a spike in borrowing and widening budget deficits, the African Development Bank (AfDB) said on Monday.

Falling commodity prices and slowing global growth have hammered African economies in the past year, prompting many governments to sharply increase borrowing, drawing comparisons with the crippling debt trap many countries faced in the 1990s.

The AfDB said last week that African governments must take urgent steps to ensure they can finance their debt after borrowing heavily when interest rates were low.

In 1996, international donors cancelled tens of billions of dollars in debt owed by African countries through the Heavily Indebted Poor Countries (HIPC) Initiative.

"Clearly the increase in debt coupled with serious budget deficits are putting a lot of pressure on African countries," AfDB vice-president Charles Boamah told Reuters on the sidelines of a meeting on debt management.

"But we don't think it is going to put us back into the pre-HIPC type of era." Though Africa still relies heavily on commodity exports, most of the continent's economies are far more diverse and developed than 20 years ago while governments have adopted more responsible fiscal policies.

"We certainly believe in the strength of the macroeconomic policies that many African countries are pursuing," Boamah said.

The AfDB said in a report last week that Africa was likely to grow 3.7% this year as resilient private consumption and investment offset the impact of a slump in commodity prices and global headwinds. (Reuters 30-05-2016)

ZIMBABWE TO INTRODUCE LOCAL BANK NOTES IN OCTOBER

Zimbabwe's central bank will start circulating local bank notes in October but the country will continue to use the dollar and other foreign currencies and will not be returning to a domestic currency abandoned in 2009, its governor said on Monday.

Zimbabweans are worried that introducing "bond notes" to ease dollar shortages could open the door to rampant printing of cash, as happened in 2008 when inflation hit 500-billion percent, wiping out savings and pensions.

Reserve Bank of Zimbabwe governor John Mangudya described the local notes as vouchers meant to boost exports and generate foreign exchange and dismissed talk of a return to the local currency as "unfounded rumours".

"The export vouchers are expected to be disbursed in October 2016. The multi-currency system is here to stay," he said in a statement.

"We have assured the public before and we would like to continue to do so that the country's economic fundamentals do not support the return to the Zimbabwe dollar." Zimbabwe has faced a shortage of bank notes since March, unnerving depositors who fear the central bank may turn on the printing presses again and render their cash worthless.

Long queues continue to form outside banks, which have imposed daily withdrawal limits as low as $50. (Reuters 30-05-2016)

BUHARI DOES NOTHING TO CLARIFY NIGERIA'S APPROACH TO THE NAIRA

Nigerian President Muhammadu Buhari's Sunday speech has left foreign-exchange traders with little clue as to the fate of the naira.

Far from clarifying the government's approach on the currency, following central bank governor Godwin Emefiele's pledge last week to adopt a more flexible exchange-rate policy, Buhari's words have left the market as confused as ever. While some, including Standard Chartered, said a looming recession had forced Buhari to change tack, others said the president — who once likened letting the currency weaken to "murder" — had signalled continued resistance to reducing the naira's value.

"What Buhari was saying is that while he is committed to stability, he concedes that only a strong economy can have a strong exchange rate," London-based Africa economist at Standard Chartered Razia Khan said on Monday. "No one wants to see disruptive weakness for the sake of it — hence the commitment to stability — but that commitment does not rule out the adoption of a more flexible foreign-exchange regime."

Flexible system

Emefiele said on May 25 that a more flexible exchange-rate system would be unveiled "in the coming days", sending naira forward contracts to record highs as traders anticipated a devaluation. Nigeria has held the naira at 197-199 per dollar since March 2015, even as other oil exporters, from Russia to Colombia and Malaysia, let their currencies drop amid the slump in crude prices since mid-2014. Foreign reserves dwindled as the central bank of Africa's largest oil producer defended the peg, while foreign investors, fearing a devaluation, sold Nigerian stocks and bonds.

Buhari, who has opposed weakening the currency since coming to power, did not specifically refer to the central bank's statement in a speech on Sunday marking his first year in office. He said only that he would "keep a close look at how recent measures affect the naira and the economy," while also saying devaluation in the past "had done dreadful harm."

"Based on the president’s recent comments, it is clear he remains firmly opposed to the idea of a devaluation," NKC Independent Economists Cobus de Hart said on Monday. "Whether this implies that he may overturn the Central Bank of Nigeria’s decision to allow more flexibility in the interbank market remains to be seen, but what has become more clear is that, even if the CBN goes ahead and introduces some sort of new foreign-exchange arrangement for the interbank market, it will likely not be a fully flexible regime."

Nigeria’s economy — Africa’s largest — is headed for a recession, Emefiele said last week as the central bank left its policy rate on hold. Gross domestic product (GDP) fell about 0.4% in the three months to the end of March from a year earlier — the first quarterly contraction since 2004 — as oil output slumped amid militant attacks on pipelines and as the central bank’s foreign-exchange restrictions led to shortages of imported goods, including fuel.

"We cannot get away from the fact that a strong currency is predicated on a strong economy," Buhari said. "The measures we must take, may lead to hardships."

The floundering economy left the central bank — and Buhari — no choice but to let the currency weaken, said Bismarck Rewane, CEO at Financial Derivatives in Lagos.

Currency adjustment

"Nigeria has been compelled to make a currency adjustment because of market forces and the deteriorating state of the economy," Rewane said on Sunday. "The antidevaluation lobby has succumbed to the reality of the day."

Emefiele said last week the central bank would allow the currency to trade at a market-related level on the interbank platform, while continuing to allocate dollars at a fixed rate to strategic industries.

Buhari’s comments "raise concern in relation to what proportion of trade will be shifted to the interbank market, assuming the CBN’s decision is not overturned completely," De Hart at NKC said.

Calls to Buhari’s spokesmen seeking comment went unanswered.

"The genie is out of the bottle," Magnus Kpakol, a director at Economic and Business Strategies, said on Monday. "They will have to do the right thing and introduce some kind of flexibility." (Bloomberg 27-05-2016)

STANDARD & POOR’S LOWERS CREDIT RATING ON MOZAMBIQUE

Standard & Poor’s (S&P) has lowered its credit rating on Mozambique by two levels from “B-” to “CCC”, due to the country’s increasing difficulty in honouring its financial commitments, according to a statement issued Friday.

At the end of April the Mozambican government announced it had granted a state guarantee on loans worth US$1.4 billion taken on by public companies, which led the International Monetary Fund (IMF) to suspend the disbursement of the second tranche of a loan to Mozambique and the deployment of a mission to Maputo.

Following this decision the IMF, the 14 partners of the country’s support programme suspended direct aid to the Mozambique Budget, the lifting of which is currently the subject of talks between the parties.

“The combination of higher than expected debt and the interruption of external financing will probably reduce Mozambique’s capacity to meet the obligations on time and in full,” said S&P, to explain the downgrade.

On Tuesday, Fitch Ratings downgraded the risk on Mozambique’s long-term debt in national and foreign currency from “CCC” to “CC”.

The “CC” rating, according to the scale applied by the agency, means that Mozambique’s debt is “highly vulnerable”, and is represented by “very speculative bonds.” (30-05-2016)

S/AFRICAN PETRO-CHEMICAL GIANT TO PLOUGH $1.4B IN MOZAMBIQUE

South Africa's petro-chemical giant, Sasol says it will invest $1.4 billion by mid 2018 in Mozambique despite the country's debt crisis and the fall of oil prices on the international market.

In a statement seen by APA on Wednesday, Sasol said the debt and price slump will not affect the development of its oil project in the fields of Pande and Temane in the southern province of Inhambane.

Mozambique missed a loan repayment deadline in June, plunging one of the world's poorest countries into a debt crisis.

"I do not see any impact on us due to the debt crisis," John Sichinga, director of exploration and production of Sasol was quoted as saying.

The South African firm has begun drilling the first well of a total of 13 under the Petroleum Production Agreement, which includes the production of liquid oil, Liquefied Petroleum Gas (LPG) and natural gas.

Sasol's project, which lies about 600 km north of the capital Maputo, will be rolled out in stages.

The first phase will include an oil, liquefied petroleum gas and gas project adjacent to its Pande and Temane fields.

"We are long-term in Mozambique. We will spend good times and bad, "he added.

Sasol owns 70 percent of the project, the Mozambican government (25) through the Mozambican Hydrocarbon Company (CMH) and the International Finance Corporation (5).

Natural gas from these two fields is being transported through a pipeline with a length of about 600 kilometers to the gas markets in Mozambique and South Africa.

Since 2004 Sasol has been producing from the natural gas fields in Pande and Temane, whose main market is South Africa.

Mozambique is sitting on huge gas reserves and developing liquefied natural gas export projects is expected to bring tens of billions of dollars to the country's coffers.(APA 01-06-2016)

ACP TARGETS TRANSFORMED GLOBAL ROLE FOR FUTURE

The future of the 79-member African, Caribbean and Pacific Group of States will be anchored on a commitment to South-South solidarity and increased effectiveness in the global arena, a streamlined mandate that adds value to global efforts, and concrete steps towards financial sustainability.

Leaders convening in Papua New Guinea for the 8th Summit of ACP Heads of State and Government outlined a new outlook for the Group, based on deliberations on the Final Report of the ACP Eminent Persons Group (EPG), as well as the Report by the Council of Ministers to Summit.

The Summit accepted the EPG report, with an implementation plan expected by the end of 2016, subject to further analysis at national and regional levels.

"*The Summit adopted the Port Moresby Declaration that captures the main outcomes of the leaders' discussions, and the Waigani Communiqué that sets the way forward for the future of the ACP Group beyond the expiry of the ACP-EU Cotonou Partnership Agreement in 2020… I believe this Summit has inspired us to take the giant steps in our approach that will shape and transform the ACP Group into a more dynamic force*," stated the **President of the 8th ACP Summit, the Prime Minister of Papua New Guinea Rt. Hon. Peter O'Neill** (pictured).

The Waigani Communiqué reaffirmed the vision that the ACP Group take a lead role in efforts to improve the living standards of its citizens through good governance, promoting trade and investment particularly at the intra-ACP level, entrepreneurship and building capacity in the private sector, access to technology, and South-South, North-South and Triangular Cooperation.

Noting the 'urgent need for reform' in the organisation, leaders discussed how to streamline the Group's mandate to be more results-oriented and people-focused. This includes restructuring of the Brussels-based ACP Secretariat.

The Summit also agreed on the need for the Group to work towards improving financial self-sufficiency, including the establishment of a Long Term Endowment Fund.

"*While building consensus amongst 79 member countries can be a challenge, there is a clear and compelling need for an organisation that promotes the interests of developing countries, especially Least Developed Countries, Small Islands Developing States, and Landlocked Developing Countries, which make up the bulk of the ACP membership.*

"Common needs concerning trade and development, climate change, and access to energy and technology can be addressed together, building on each others' expertise and knowledge and pushing for the same causes at the global level," said **Assistant Secretary General of the ACP Group in charge of Political Affairs and Human Development, Amb. Léonard Ognimba**.

Post-Cotonou ACP-EU relations

A key concern for the ACP Group is the upcoming negotiations on the follow up partnership framework with the European Union. Current relations between African, Caribbean and Pacific countries and the EU bloc in terms of trade, political dialogue and development cooperation, are governed by the ACP-EU Cotonou Partnership Agreement. As the expiration of the Agreement approaches in 2020, negotiations to shape a post-Cotonou partnership are expected to begin in 2018.

The Summit expressed its determination to renew and enhance the ACP-EU partnership with a legally-binding agreement, building on the experience and gains obtained under the Cotonou Partnership Agreement.

The Summit resolved to jointly identify issues of common interest with EU partners to ensure that the ACP-EU cooperation takes into account the implementation of SDGs, promotion of regional trade and integration, financing for development, and other identified priorities.

At the same time, ACP leaders committed to jointly exploring additional forms of development finance such as public-private partnerships, domestic resource mobilisation, and the reduction and recovery of illicit financial flows from ACP countries.

Outcomes of the meeting will be forwarded to the United Nations Secretary General, the President of the European Council, ACP regional integration organisations, as well as other international bodies and all development partners. (ACP 01-06-2016)

IMF BEGINS ASSESSMENT OF FINANCIAL SUPPORT TO ANGOLA

A team from the International Monetary Fund (IMF) is due Wednesday, in Luanda to begin meetings with the Angolan authorities to assess the amount of financial assistance provided to Angola, the IMF said in a statement.

"The main goal of this mission is to continue talks on the key components of a package of reforms that would help accelerate the diversification of the economy, safeguarding macroeconomic and financial stability," the statement said.

The team, which will remain in Luanda until 14 June, will help set the amount of financial assistance to be provided to Angola under the Extended Fund Facility (EFF).

The EFF is a financial instrument loan with conditions and targets evaluated on a regular basis focused on structural reforms to diversify the economy and improve the balance of payments.

The financial aid application was submitted by the government of Angola at the IMF and World Bank spring meetings in April in Washington. (01-06-2016)

AFRICA PROSPERITY INDEX: MALAWI DROPS TO 24TH PLACE

Malawi has dropped four places to nestle in 24th place in the latest Africa Prosperity Index which measures the human and economic prosperity of nations around the world.

The index released by the London-based think tank, Legatum Institute on Wednesday shows that Malawi performed well in the governance sub-index where it ranked 71 in the world mainly in the areas of the rule of law, political rights and regulation quality.

“There were some concerns for widespread corruption in the country,” the release said.

Malawi’s lowest ranking is in the economy index which measures classic aspects such as Gross Domestic Product (GDP), unemployment, inflation and foreign direct investment where it ranked 138th.

The country also performed badly in the Prosperity Index covering education, health, business and social capital.

Research analyst at the institute, Augustine Chipungu said in a statement that the 2016 Africa report sought to determine what level of prosperity African countries can and should expect to deliver given their level of wealth.

“This was done by assessing their level of wealth, GDP per capita and modeling it against their score in the Prosperity Index”, he said.

The organization compares several variables to emerge with the list.

The variables are then split into eight sub-indexes of economy, entrepreneurship, governance, education, health, safety and security, personal freedom and social capital.(APA 01-06-2016)

BOLLORE CHALLENGED BY GEFTARAIL FOR WEST AFRICA RAILWAY LINK

Niger has signed an agreement with Geftarail stating the company still holds the rights to build West Africa’s biggest railway network at a cost of €10bn, even as French billionaire Vincent Bollore constructs a rival line to link five nations in the region.

The agreement "fully recognises the 1999 deal to build the railway link," Paris-based Geftarail chairman Michel Bosio, 70, said by phone. "It’s the recognition of the law, of the international law and of an agreement signed collectively by four African states."

The two French companies are intent on building a railway network that will facilitate trade and boost growth in a region where seaports to ship commodities have typically been a priority. Their plans coincide with ambitious multi-billion-dollar railway projects in East Africa that are designed to connect landlocked countries like Rwanda to the coast and provide an alternative to clogged highways.

"They’re two different perimeters," said Mohamed Moussa, who signed the accord as permanent secretary for public-private partnerships at the office of Niger’s prime minister. "If Geftarail wants to build its railway, they are most welcome. That won’t in any way challenge Bollore’s perimeter," Moussa said by phone from Niger’s capital, Niamey.

Arbitration request

Geftarail has yet to find funding for its project 16 years after it obtained concession rights to build a regional railway, which was inspired by plans from the colonial era. It wants to attract Chinese companies to build it, said Bosio, who is being supported by a French former prime minister, Michel Rocard.

Bollore Group has a near-monopoly on ports in West Africa, holding concessions to operate container terminals in at least nine nations including Senegal, Guinea, Ivory Coast and Ghana. The company also runs dry ports in landlocked nations such as Burkina Faso. Julien Varin, a Bollore spokesman, said by phone he couldn’t immediately comment on the issue.

In November, Geftarail filed a petition at the International Court of Arbitration in Paris demanding work on Bollore’s railway project in Niger and Benin be halted because it constituted a violation of Geftarail’s concession rights. Under Wednesday’s agreement, the company says it will drop the arbitration request, while Niger will ask Benin to approve the Geftarail accord.

Bollore Africa Logistics in August signed a concession agreement to build and rehabilitate a 1,065km railway connecting Niger and Benin, part of a planned project to build a railway link between five countries in the region. Bollore's Ivory Coast unit Sitarail is upgrading an existing 1,260km railway to neighbouring Burkina Faso. (Bloomberg 30-05-2016)

COFFEE PRODUCTION IN ANGOLA NEEDS SPECIFIC BANK SUPPORT

The coffee sub-sector in Angola lacks a bank or a financial institution dedicated to meet the needs of farmers, said the president of the Angolan Association of Coffee and Palm (Cafang).

João Ferreira told Angolan news agency Angop that the coffee sub-sector has needs that are not compatible with the bureaucracy and lengthy lprocesses of commercial banks in lending.

The head of the association said that the main obstacles facing the sector are the presentation or preparation of a feasibility study, as per the requirements of the institution, as well as interest rates "that are discouraging."

Ferreira said that the demand for Angolan coffee is growing, with buyers from Israel, Lebanon, China and Russia joining the traditional importers from Portugal, Spain, Italy and Germany.

The president of Cafang said that Angola has conditions to produce coffee and that the association is focusing on creating specific cooperatives for the product as was the case in the period before independence.

Before independence in 1975, Angola was the world's fourth largest coffee producer, with estimated production of 230,000 tons per year. (01-06-2016)

EGYPT: JANUARY-TO-APRIL SUEZ CANAL REVENUE TOPS $1BILLION

Revenue from Egypt's Suez Canal reached $1.239 billion in the first quarter of 2016, up slightly from $1.236 billion in the same period last year, according to Mohab Mameesh the Suez Canal Authority chairman on Wednesday.

Mohab Mameesh noted the canal's revenues had increased despite a slowdown in global trade.

The Suez Canal Authority usually reports the canal's revenues in dollars towards the closing stages of the month following the end of every quarter.

Since February it has not published dollar figures for revenues on its website, making monthly comparisons hard to assess after the central bank devalued the pound in March.

The canal is one of Egypt's main sources of foreign currency.

Egypt has been struggling to revive its economy since a 2011 uprising scared away tourists and foreign investors, another main source of hard currency.(APA 01-06-2017)

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, AHEAD-GLOBAL, Business Council for Africa, Corporate Council on Africa, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABA - Norwegian-African Business Association, NABC- Netherlands Africa Business Council, and other organisations.

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

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