

# MEMORANDUM

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## ZUMA TO FACE NO-CONFIDENCE VOTE, THIS TIME BY SECRET BALLOT

Over his eight increasingly embattled years in power, President [Jacob Zuma](#) of [South Africa](#) has fended off five parliamentary no-confidence motions that would have forced him from office. On Tuesday, he is to face another, with a difference: Lawmakers will vote anonymously.

The speaker of Parliament, Baleka Mbete, announced late on Monday afternoon that a vote of no confidence would take place by secret ballot, following a request from a coalition of opposition parties.

More than 60 of the 249 lawmakers from Mr. Zuma's party, the [African National Congress](#), would have to rebel for the motion to pass — something analysts still deem unlikely. But he may find it harder to contain [a bitter factional struggle](#) within the A.N.C., which has dominated South African politics since the end of apartheid in 1994.

Mr. Zuma has come under increasing pressure as evidence of high-level corruption in his administration has mounted, most recently with a trove of leaked emails that appeared to expose the extent of links between senior A.N.C. officials and an influential family, the Guptas.

The motion requires only a simple majority to pass South Africa's 400-member Parliament.

If the motion passed, Mr. Zuma and his entire cabinet, including deputy ministers, would have to step down, with Ms. Mbete becoming interim president, though he would remain president of the A.N.C.

The party's chief whip in Parliament, Jackson Mthembu, said on Friday that voting against Mr. Zuma would be "tantamount to throwing a nuclear bomb" at South Africa, and that only a "bewitched" party would vote against its own president.

After Ms. Mbete's ruling on Monday, a national spokesman for the A.N.C., Zizi Kodwa, [said on Twitter](#) that the party had "full confidence" that its members would vote to keep Mr. Zuma. And several small opposition parties, including the Communists, said they would vote against the measure.

Mr. Zuma has [survived three no-confidence votes](#) in Parliament. Another was amended into a vote of confidence, and then passed; yet another was withdrawn. He has also withstood an attempted impeachment motion, in 2016, and twice defeated votes challenging him as the party's leader.

[Leaked emails](#) released in May, suggesting collusion between the Gupta family — which owns large companies in the technology, media and mining sectors — and senior A.N.C. members, has built pressure on Mr. Zuma as South Africa's economy has slid into recession, its first since 2009.

The family's relationship with the presidency has introduced a new portmanteau term into the South African political lexicon — "Zupta" — and prompted a critical report last year from the public protector, a national anti-corruption figure.

Somadoda Fikeni, a political analyst, said the no-confidence motion was unlikely to succeed, even in a secret ballot. "The A.N.C. doesn't want to be seen changing its leadership on the back of pressure from the opposition, even though half the party believes that Mr. Zuma has become a serious political liability," he said.

A more serious challenge to Mr. Zuma may come in December, when the A.N.C. is to hold its national conference and elect its next leader.

"The President's opponents in the A.N.C. — and there are many — have clearly decided to wait until December to try and get rid of him," said a political analyst, Steven Friedman. "The fight that matters is taking place within the party. Until we have millions of people marching on the streets, instead of merely thousands, the A.N.C. is going to remain focused on this internal struggle."

Mr. Friedman cautioned in an [opinion essay](#) last week that the secret ballot could set a damaging precedent.

Protesters gathered in Cape Town on Monday afternoon, led by a coalition of civil society and religious leaders called #UniteBehind. A brief but spirited counterprotest by members of the A.N.C.'s Umkhonto We Sizwe Military Veterans Association, numbering some 50 people, was disbanded by police.

The marchers were addressed outside Parliament by Mcebisi Jonas, a former deputy finance minister axed by Mr. Zuma in [a contentious cabinet reshuffle](#) in March.

The protest, organized by a coalition of more than 20 civil society organizations, was a “call for accountability from A.N.C. members,” said its organizer Mandisa Dyantyi, deputy secretary general of the Social Justice Coalition, which helped organize the protest. “They’re in Parliament to represent the people who elected them, not their party,” she said.

Mr. Jonas — who has accused a member of the Gupta family of offering him a bribe, a claim the family has strongly denied — told the protesters: “We cannot allow our freedom to be sold so cheaply. We have to fight. We’re gathered here to shape the future of this country.”

“This march is a distraction from the real issues in South Africa,” said Banzi Siwe, 23, a student, who added: “Compared to what the white people stole before, this is nothing.”

Two further protests are planned in Cape Town for Tuesday, one led by opposition parties and one in support of Mr. Zuma by the A.N.C. branch for the Western Cape metropolitan area. This has spurred fears of clashes between rivals. “The likelihood of this turning into violence is our biggest concern,” said [Nomfundo Mogapi](#) from the Center for the Study of Violence and Reconciliation, a local think tank.

Khaya Yozi, a spokesman for the A.N.C. in Cape Town, said that the party’s members “would not be provoked” by opposition protesters. “We need to set aside the divisions within our party and protect the A.N.C.” (NYT 07-08-2017)

## MOZAMBIQUE’S BANKS RESISTING ECONOMIC ADVERSITIES QUITE WELL

Even after two central bank interventions, the Mozambican banking sector has shown itself to be quite flexible at a time when the country’s economy is undergoing a process of accelerated growth following the very difficult year of 2016, analysts indicate.

Mozambique was affected by economic and financial difficulties last year due to the suspension of assistance from the International Monetary Fund and major donors. That occurred after the government recognised that two public enterprises had contracted loans worth US\$1.2 billion with state endorsement though in breach of current legal provisions.

The US\$850 million loan contracted by the Mozambican state-owned tuna company Ematum was widely publicised in due time. A contract for acquisition of fishing and coastal patrol boats was even signed in Cherbourg, France, at a ceremony attended by the presidents of Mozambique and France, respectively Armando Guebuza and François Hollande.

In banking, the financial crisis affected the health of two banks, Nosso Banco and Moza Banco, forcing intervention by the regulator, Banco de Moçambique (BdM). Although the worsening scenario is still not entirely out of the picture, the sector has shown itself to be sufficiently flexible, reports the Economist Intelligence Unit.

“The central bank will remain largely independent” and, despite the “risk of a crisis throughout the sector”, the “forecast is that the major banks will be able to resist pressures and that the smaller banks do not represent a systemic threat”, indicates the EIU in its latest report on Mozambique.

The macroeconomic foundations of Mozambique have improved since the 2016 liquidity crisis and BdM has begun imposing a flexible monetary policy. The EIU nevertheless asserts that the “pressures that plagued the banking sector are far from over”, especially due to nonperforming loans and some banks’ exposure to the public sector, namely to ‘hidden’ loans.

Following BdM’s decision to increase capital requirements, the EIU expects some of the country’s smaller banks to close in coming months, though the three biggest banks, which together hold more than half of total deposits and assets, have conditions to resist adversities, namely via “recourse to their foreign owners for additional financing, if necessary”.

Particularly regarding the solution found by BdM for Moza Banco (its capitalisation via the regulator’s own pension fund (Kuhanha), which diluted the stake of the two main shareholders, Novo Banco (Portugal) and Moçambique Capitais, to 10 percent each), the EIU considers it a justifiable solution. (07-08-2017)

## AS KENYA’S VOTE NEARS, FEAR THAT ‘FAKE NEWS’ MAY FUEL REAL BLOODSHED

Those political phenomena, familiar to voters in the United States and Europe, have surfaced in [Kenya](#) ahead of a tightly contested presidential election on Tuesday. But in a country with a history of election violence, the addition of such toxic behavior has further fanned fears about whether the country can pull off a credible and peaceful vote.

Two previous elections were marred by violence amid widespread claims that they had been rigged; in 2007, [the disputed vote](#) plunged Kenya into bloodshed that left at least 1,300 people dead and 600,000 displaced from their homes.

Just in the past week, there was a break-in at the country estate of the vice president, which ended after an 18-hour siege. Then, a senior election official in charge of crucial voting technology [was found dead](#). His body, disposed of in a forest outside Nairobi, the capital, showed signs of torture.

In addition, the military confirmed the existence of [a document](#) that the opposition party claimed revealed plans to rig the vote in favor of President Uhuru Kenyatta. But the military then backtracked, saying that the document was being “quoted out of context” and that the military was “apolitical.”

In the latest development, just two days before Election Day, the main opposition coalition, the National Super Alliance, accused Mr. Kenyatta of ordering an armed raid on one of its tallying centers. The accusation was reported by some media outlets but dismissed by others as false.

The details of all those events remain hazy and unconfirmed, spawning fears and conspiracy theories among Kenyans already nervous about Tuesday’s vote. Whether those reports are false or simply shoddy journalism, 90 percent of Kenyans surveyed in a report in July said they had seen or heard deliberately fake news, [according to GeoPoll, a polling service](#). This included stories [said to have been produced by the BBC and CNN](#). One news article had the headline “Crooked Raila,” referring to [Raila Odinga](#), who is running against Mr. Kenyatta. The president’s team is reported to have enlisted [Cambridge Analytica](#), the big-data company that worked on President Trump’s campaign.

“There is an ecosystem of fake news around this election,” said Alphonse Shiundu, editor of Africa Check, a fact-checking organization. “Kenyans really don’t know what the truth is.”

Misleading reports combined with a shaky trust in the electoral process — a third of Kenyans have “no trust at all” in the fairness of the electoral commission, [according to a nationwide opinion poll](#) — could set off a rerun of the violence seen a decade ago.

“This makes me worried,” Mr. Shiundu said.

Fearful of clashes erupting, thousands of people have already fled major cities, including Nakuru and Eldoret, in the Rift Valley region of Kenya, where some of the worst postelection violence took place a decade ago. Shortly after the 2007 election, [about 50 people were burned alive as they sought refuge in a church](#) near the city, in western Kenya. Bus tickets from Nairobi to rural cities are twice the usual price, and flights are overbooked, according to travel agencies.

“After what happened in 2007, no one wants the same,” said Vanity Kosgi, 37, a politician in Eldoret. “People learn.”

Alfred Agisu, 35, the leader of a scraggly troupe of young drummers in Eldoret, urged residents not to succumb to violence. “We make music to preach peace,” Mr. Agisu said.

In a contest that will cost at least \$1 billion, [according to Kenya’s treasury](#), more than 19.6 million registered voters will choose hundreds of legislative candidates across the country, in addition to the president and vice president.

“Quite a lot is at stake,” said [Justin Willis](#), professor of history at Durham University in England and an expert on Kenyan politics. “Everyone is working hard to win. People have invested so much — and so much money — that they need to recoup their losses, right up to the president.”

Facing no limits on campaign financing, politicians have spared no expense. They have showered voters with money and even hired helicopters for their campaigns. The common belief is that once voted in, lawmakers, whose official salaries are 25 times higher than those of average Kenyans, will redistribute some of that wealth to their supporters.

Eldoret, for example, is a stronghold of Vice President William Ruto. It has some of the best roads in Kenya. Its city center is a hive of businesses and hotels. There is little garbage on the streets. Outside town, lush cornfields and banana forests stretch as far as the eye can see. (Mr. Ruto’s country estate, which was breached by an unknown assailant who was later shot dead by members of the security forces, has a well-manicured garden decorated with pink bougainvillea.)

If the election is transparent and credible, it will send a powerful message to Kenya’s neighbors, where longtime leaders are holding on to power, as is the case in Ethiopia, Uganda and Rwanda, or have taken a despotic turn, as in Tanzania.

President Kenyatta, 55, who leads the Jubilee Party, will face off against Mr. Odinga, 72, a former prime minister who leads the National Super Alliance. Both men are wealthy scions of post-independence leaders, and their families have largely dominated Kenyan politics for decades.

Mr. Odinga, who is running for a fourth time, says he was robbed of victory in the previous two contests. In 2013, Mr. Kenyatta won by a tiny margin, prompting Mr. Odinga to ask the Supreme Court to invalidate the election. Mr. Odinga is now rousing supporters by warning that this year’s election could also be stolen, which critics say is an incitement to violence.

Mr. Kenyatta and Mr. Odinga were virtually tied in recent polls, but neither is drawing more than 50 percent. They are running on similar platforms — economic development — and have mostly appealed to voters based on ethnic affiliation.

The Kikuyus and Kalenjins, who make up a large chunk of Kenya’s population, are mainly supporting Mr. Kenyatta. The Luos, Luhyas, Kambas and other smaller ethnic groups are backing Mr. Odinga.

For most Kenyans, unemployment and the high cost of living are the dominant issues, intertwined with deep-rooted ethnic allegiances, which were entrenched under Britain's colonial rulers, who pursued a policy of divide and rule.

Although the economy has been growing at an annual rate of 5 percent in recent years, inflation, partly caused by drought, is whittling away at Kenya's fragile middle class and creating a vast underclass. Many Kenyans cannot afford to buy staple foods or pay school fees. Electricity and water shortages are common. Youth unemployment is high.

"What do you want us to do, steal?" asked Vincent Losano, an unemployed man in Eldoret. "We need jobs."

Kenyans, still smarting from past violence, are hopeful that this year will be different. One reason is that the two ethnic groups that fought each other in 2007 and 2008 — the Kikuyus and the Kalenjin — are now in the same camp. (President Kenyatta is a Kikuyu; his running mate, Mr. Ruto, is a Kalenjin.)

Many Kenyans interviewed for this article also expressed optimism that, despite the gruesome murder of the election official, the vote would be fair and credible — as long as the technology did not fail. Kenya will be using biometric technology to identify voters and transmit results electronically, which should diminish the chances of fraud.

In June, KPMG, the auditing firm enlisted by the Independent Electoral and Boundaries Commission, recommended that more than 92,000 dead voters be removed from the registration rolls.

Before his death, the election official, Christopher Msando, reassured the public that the collection and tallying of votes was watertight. The commission, he said, had invested in satellite technology in case phone networks failed, as well as backups. It even ordered, for each of the country's 40,883 polling stations, more technology kits than necessary to identify voters and transmit the results.

There are other reasons for optimism. "A lot of work has gone into institutions, at the grass-roots level," said Marietje Schaake, who leads the European Union's Election Observation Mission. "You have a new Constitution, and that has put in place checks and balances. These are the kind of steps that have been meaningful compared to even five years ago."

Candidates who are not affiliated with any party or driven by ethnic interests have also started to emerge.

Boniface Mwangi, 34, a photojournalist and activist who gained prominence for his work documenting electoral violence a decade ago, formed a party and has become popular on social media sites. He is the leading candidate for a seat in Parliament representing Starehe, a constituency in Nairobi.

Mr. Mwangi said voting habits were starting to change, especially among young people, who make up more than half the electorate and who, he said, "are tired of party and tribal politics." He said that by the next election, in 2022, he expected the dominance of the two political families to have diminished.

Kenyans, he said, are beginning to pay more attention to economic issues than to ethnic and party loyalties. "When they get even more broke they will start to look at actual ideas," he said.

Mr. Mwangi said that a decade ago, when he traveled around Kenya taking photographs of the violence, he was struck by haunting images of "the poor killing the poor."

"The poor should be smarter," he said. "They shouldn't die for Boniface Mwangi. They shouldn't die for Raila Odinga. They shouldn't die for Uhuru Kenyatta." (NYT 06-08-2017)



## MINISTER GUARANTEES SOLUTION FOR CABO VERDE AIRLINES BY END OF AUGUST

The privatisation of TACV Cabo Verde Airlines will be completed this August, Cabo Verdean Finance Minister Olavo Correio guaranteed on Sunday in Ribeira Grande de Santiago.

The government is mobilising partnerships and creating the necessary legal framework so that “at the right time we will present a good solution to the country,” said Correia, cited by Inforpress news agency. The idea underlying the government’s intention is to make Cabo Verde a cargo and passenger transport hub with a view to enhancing business and opportunities.

The government is convinced that there are risks that must be managed, Correia said. He mentioned the case of the airline’s indebtedness, with accumulated liabilities of nearly 100 million euros, and indemnity payments to workers.

TACV stopped making inter-island flights last 1 August. That business has been taken on by Binter Cabo Verde, the Cabo Verdean subsidiary of Binter, an airline based in the Canary Islands. (08-08-2017)

## SOUTH AFRICA JOB CRISIS TO WORSEN IN 2017

The construction industry and agriculture were the worst hit by job losses in the second quarter, as mining suffers too.

The unemployment crisis is expected to worsen in the third quarter as more companies have issued section 189 notices to employees, according to labour federation Cosatu.

This comes as the Quarterly Labour Force Survey showed on Monday that the dire unemployment rate remained high at 27.7% in the second quarter.

Employers issue section 189 notices as a formal signal of impending retrenchments.

According to the survey, released by Statistics SA, employment figures fell and the number of jobseekers declined 37,000 to about 6.2-million, resulting in an unchanged unemployment rate.

Commenting on the jobs situation, Cosatu spokesman Sizwe Pamla said on Monday: “Eighteen months ago, it was a crisis, it is still a crisis and it’s worsening.

“When you consider the fact that over the last six months, we’ve seen more section 189 applications, it’s clear the third quarter is going to be worse.”

Last week, Pick n Pay, which has cut 3 500 jobs, said it would embark on a second round of retrenchments, while AngloGold Ashanti said in June it could cut up to 8,500 jobs.

“You are not going to solve unemployment if you leave it to the workers at ground level. The problems are beyond workers at the shop floor level, when they have no participation in the reasons,” Pamla said.

South African Federation of Trade Unions (Saftu) general secretary Zwelinzima Vavi said: “The job loss blood bath is unprecedented. The slaughter has continued unabated.”

Saftu had seen indications there would be thousands of job losses by the third quarter.

“The public sector is not spared. We are going to see job losses in the sector,” Vavi said.

Business Unity SA CEO Tanya Cohen said SA was likely to see more of the same in future. “It seems the statistics are a reflection of the economy being in recession and the poor levels of business confidence.”

Mining has shed 70,000 jobs in the past five years, with more expected in coming months. The construction industry and agriculture were the worst hit by job losses in the second quarter.

Agbiz economist Wandile Sihlobo said this was not unusual for agriculture. “This is in line with the season’s trend due to reduced horticultural activity in the second quarter.”

The industry is expected to pick up at least 2% in the third quarter if the Western Cape receives the rainfall it needs.

“Heightened ... uncertainties have impacted the economy, particularly where substantial capital outlays are needed,” NKC African Economics economist Elize Kruger said.

Investec economist Kamilla Kaplan said: “The declining growth trend since 2011 and stagnation in 2016 have pushed up the unemployment rate.”(BD 07-08-2017)

## INT'L CERTIFICATION BECKONS FOR THREE MOZAMBICAN AIRPORTS

Mozambique's Ministry of Transport and Communications says the country will this year conclude the process of certificating the international airports in Maputo, Beira and Nampula.



This will be in compliance with international rules of the aviation industry a statement from the ministry on Sunday said.

The statement said certificating the international airports in Mozambique represents a guarantee to users and other stakeholders that the facilities have met safety standards established in their internal operations.

It said the certification also meant that the three airports have complied with other recommendations of international civil aviation organizations.( APA 06-08-2017)

## CHINA'S TRADE GROWTH SLOWS UNEXPECTEDLY

Chinese trade growth slowed significantly in July compared with the previous month, official data showed on Tuesday, coming in well below expectations after months of steady momentum.

Analysts said that while export and import rates were still robust year-on-year, the latest data indicated a downward trend.

Exports rose 7.2% year on year to \$193.65bn, the customs administration said, undershooting a Bloomberg News forecast of 11%.

Imports were up 11% year on year — compared with an expected increase of 18% — to \$146.9bn, lifting the trade surplus to \$46.74bn.

"Despite the uptick at the end of (the second quarter), trade growth now appears to be on a downward trend," said Julian Evans-Pritchard, a China economist at Capital Economics.

"In particular, the sharp decline in import growth since the start of the year suggests that domestic demand is softening."

The trade figures come despite positive recent economic data, including better than expected growth in gross domestic product (GDP) in the second quarter, of 6.9%.

China has been trying to curb capital flight and risky bank lending, putting restrictions on property purchases as the country's mounting debt fuels fears of a looming financial crisis that could have global repercussions.

Regulators are now focused on reining in "grey rhinos" — a term broadly referring to risky financial practices that have long been visible but ignored.

The term in China applies to several large quasi-private companies such as Wanda, Anbang and Fosun that have used cheap debt from state-owned banks to fuel aggressive expansion at home and abroad but whose wings are now being clipped by Beijing.



The July import and export data follows the passing on Saturday of a UN Security Council Resolution that significantly strengthened sanctions on North Korea by banning its exports of coal, iron and other key hard-currency earners.

China is North Korea's most important trading partner but has presented an increasingly united front with the US to Pyongyang.

"Although China's monthly trade surplus increased, trade tensions between the US and China have eased following China's co-operation with the US for tougher economic sanctions on North Korea," said Rajiv Biswas, chief economist for IHS Markit.

"US-China bilateral trade relations are currently being driven by US-China co-operation on trying to bring North Korea back to the Six Party Talks." (AFP 08-08-2017)

## **SOUTH KOREA PAYS FOR STUDIES ON WATER SUPPLY IN MOZAMBIQUE**

South Korea will donate US\$700,000 to Mozambique to pay for studies meant to find solutions to improve the water supply for three cities, Xai-Xai, Nampula and Lichinga, respectively the capitals of Gaza, Nampula and Niassa provinces, reports AIM news agency.

The financing agreement was initialled on Monday in Maputo by the director of the Water Supply Assets and Investment Fund (FIPAG), Pedro Paulino, and the head of the South Korean Institute of Environmental Technology and Industry (KEITI), Nam Kwang Hee.

The director of Planning and Cooperation of the Ministry of Public Works, Housing and Water Resources, Umberto Gueuze, said on the occasion that the studies would help identify the interventions needed to improve water supply infrastructures with a view to meeting demand.

Demand for water supply service will be determined based on existing consumption, population growth forecasts, economic development and water resources, as well as service alternatives in a 20-year horizon.

Plans should accordingly be made and resources mobilised to invest in the expansion of water supply systems, promoting infrastructures for catchment, production, transportation, storage and distribution of water.

FIPAG figures indicate that in the case of Xai-Xai, more than 139,000 people benefit from access to potable water out of a total of 235,000, meaning that the supply covers about 60 percent of the population.

The city of Nampula has 50 percent coverage for 627,000 people, while Lichinga has coverage of about 21 percent for 209,000 people. (08-08-2017)

## **SECURITY FORCES CONFIRM POLICE AND SOLDIERS CLASHED ON THE STREETS OF HARARE**

Zimbabwean security forces confirmed on Friday that soldiers and police fought on the streets of Harare earlier this week, as nationwide tension grows under 93-year-old President Robert Mugabe.

Witnesses told local media about 100 uniformed soldiers wielding batons and whips charged into a bus terminus on Tuesday night and beat up police officers, leaving many prostrate on the ground.

The violence, which underscores friction between the police and army, was reportedly triggered by police using spikes to deflate the tyres of a military vehicle after an alleged traffic offence.

"We want to categorically condemn that incident and assure the nation that a joint team has been set up to conduct comprehensive investigations," the police and defence forces said in a joint statement.

"We also want to reaffirm that as security forces we are fully united despite this incident," said the statement read out by police spokeswoman Charity Charamba, who declined to take questions from reporters.

One witness told the privately owned Daily News that they saw soldiers "beating police officers ruthlessly".

The People's Democratic Party, a small opposition party, said the clash was a "sign of how dangerous our society has become". Zimbabwe is set to hold elections in 2018 when authoritarian leader Mugabe, who is increasingly frail, is likely to hold on to power after ruling since independence in 1980.

The military and police have played a key role in suppressing dissent during his reign.

Zimbabweans face a daily struggle to get cash, standing in line for hours outside banks that often limit withdrawals to just \$20.

The economy has halved in size since 2000, with millions emigrating to seek work.

Traffic police in the country frequently clash with civilians over the use of spiked iron bars to stop vehicles at roadblocks that cause long delays.

Drivers post videos on social media showing arguments with police officers, who often seek bribes.

One video that attracted many views in 2016 showed a policeman using abusive language in an altercation at a roadblock with an airforce officer. (AFP 04-08-2017)

## ARMYWORMS LAY WASTE FARMS IN SOUTH SUDANESE COUNTY

Armyworms have destroyed most farms and caused acute hunger in Lobonok County, Jubek State, former Central Equatoria in South Sudan, leaving farmers facing possible famine.



The Commissioner of Lobonok Gwont Kosi raised an alarm on Saturday that the marauding pests were causing havoc for people in the area where food security is threatened.

Mr. Kosi said two people have died from conditions related to hunger in the area.

Armyworm is a pest of maize and several other crops which are capable of destroying them in a matter of weeks.

Researchers believe that the worms tend to occur at very high densities during rainy seasons, especially after periods of prolonged drought.

Commissioner Gworit Kosi said farmers in his county cultivated a variety of crops but they have all been destroyed by the pests.

"Since April, May, and June there was no rainfall, the farmers cultivated maize but the farms have been destroyed by fall armyworms" Kosi said.

"We have been appealing for assistance, since the death of two people in the area but we have received no response" he lamented.

Last month, Agriculture minister, Onyoti Adigo said the threat from the armyworms prompted his office to outline control measures to limit the danger posed by the pests which are also rife in 19 other countries

in Africa, including Kenya, Ghana and Burkina Faso where they destroyed 30, 000 hectares of cropland. (APA 06-08-2017)

## UGANDA, TANZANIA BEGIN \$3.5BN OIL PIPELINE



The drive to capitalise on landlocked Uganda's new-found oil reserves entered a new phase on Saturday (5 August) when the presidents of Uganda and Tanzania ceremonially kicked off construction of a \$3.55bn pipeline to carry the crude to port in Tanzania.

The 1,445-km-long pipe, set for completion by 2020, will stretch from Uganda's western region where crude reserves were discovered in 2006 to Tanzania's Indian Ocean seaport of Tanga.

It will be the longest electrically heated crude oil pipeline in the world, said Guy Maurice, Senior Vice President of Africa at Total Exploration and Production, Reuters [reported](#).

Total is one of the owners of Ugandan oilfields, alongside China's CNOOC and Tullow Oil of the UK.

Tanzanian President John Magufuli and his Ugandan counterpart Yoweri Museveni urged the three joint venture partners to build the pipeline quickly, even before 2020.

"We don't need to delay the completion of the project for almost three years. They can do it even night and day to ensure the project is completed as quickly as possible," Magufuli said, Reuters reported.

"Act with big speed and make sure you finish this project before 2020."

From 2006 a series of oil discoveries put Uganda on the global energy map, and by 2014 its government was estimating that there were between 1.8 billion and 2.2 billion barrels of recoverable crude under Ugandan soil.

The pipeline is critical for turning those reserves into hard currency, even more so after a long-running project to build a refinery in Uganda was hit by the [departure of a Chinese contractor](#) at the end of last month.

The government of Uganda said it picked Tanzania over its other neighbour Kenya as the route for the 24-inch pipe because Tanzania offered concessions, Reuters reports. Tanzania agreed to waive taxes and offered to take up shares in the pipeline project. In return it will charge a tariff of \$12.2 per barrel. (GCR 07-08-2017)

## MOZAMBIQUE CHASES \$2.6M FOR CLEAN DRINKING WATER

Mozambican President Filipe Nyusi has said his government is mobilizing \$2.6 million for the implementation of a new water supply project at the administrative post of Inchope, Gondola district, in the central province of Manica.



According to the Mozambican head of state the project includes, among others, the construction of a 108 kilometre long pipeline from the Chicamba dam to Inchope.

The lack of potable water is one of the problems presented to President Nyusi at a rally held on Sunday, the last of his three-day working visit to Manica.

'On your list of requests you mentioned the problem of lack of potable water which is also in our project's list. We know that it will cost plus or minus \$2.6 million and we are working together with the World Bank to mobilize funds' the president said.

Nyusi expressed his conviction that the government will succeed in resolving the problem, and with the implementation of the project about 16,000 to 19,000 residents of Inchope will have access to potable water.

Currently, the population of Inchope faces serious water problems due to its geographical location which means it is impractical to sink boreholes in the area.

During the rally, the population also asked for the construction of a new referral hospital, due to the huge demand for health services.

(APA 06-08-2017)

## CHINESE CONTRACTOR STARTS \$4.5BN ANGOLAN HYDROPOWER SCHEME



The Kwanza river is the key to powering Angola



Angolan President Jose Eduardo dos Santos has laid the symbolic first stone for the Caculo Cabaca dam, the most important power project in the history of Angola.

The \$4.5bn scheme, which is being financed by the Industrial and Commercial Bank of China, will be constructed by the state-owned China Gezhouba Group (CGGC). When complete it will generate 2.2GW of electricity from the Kwanza river, at a site about 200km southeast of Luanda.

Addressing the opening ceremony on Friday, Baptista Borge, the minister for energy, said the project would “solve the power shortage in Angola and play an active role in increasing employment of the country”, Xinhua [reported](#).



Render of the hydroelectric dam on the Kwanza River

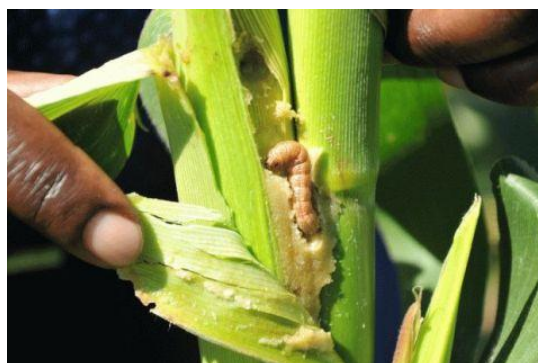
Ren Jianguo, deputy general manager of CGGC, said Caculo Cabaca was the largest hydropower scheme to be constructed by a Chinese company in Africa. Upon completion, he added, it would supply more than half of the country's electricity needs. It will also provide a surplus for export to Namibia and South Africa.

At present only about 30% of Angolans have access to grid electricity.

The dam will be 156m high and 1,200m long, and will create a 24,000ha reservoir. Construction is expected to take 80 months and during the busiest period it is expected to create nearly 10,000 jobs for Angolan workers.

When complete, CGGC will operate and maintain the plant for a period of four years while Angolan technicians and engineers are trained to take over. (GCR 07-08-2017)

## ARMYWORMS DESTROY 30,000 HECTARES OF CROPLAND IN BURKINA



Over 30,000 hectares of agricultural land has been destroyed by armyworms during the current crop year in Burkina Faso, the Ministry of Agriculture revealed.

According to the Director of Plant Protection (DPVC), Moussa Ouattara, the affected agricultural lands are mainly those used for the cultivation of maize, sorghum and rice.

“The damage could be more serious as the government is still inspecting the affected areas” he noted.

According to Ouattara, the government has injected CFA1.3 billion into the distribution of insecticides to combat the scourge and has asked producers to purchase, at their own expense, products for the treatment of insecticides.

The South West region is the most affected with more than 13,339 ha infested.

The fall armyworms or *Spodoptera frugiperda* were reported for the first time on the African continent last year.

They have since invaded a total of 19 countries in sub-Saharan Africa, according to the US Department of Agriculture (USDA). (APA 06-08-2017)

## BECHTEL TO BUILD NAIROBI-MOMBASA EXPRESSWAY



Wrecked vehicle on the road from Mombasa to Nairobi

US giant Bechtel has been signed on to build a major expressway in Kenya linking the port city of Mombasa to the capital Nairobi, cutting the journey from 10 hours to four.

The news comes a day ahead of tomorrow's [tense election](#) in Kenya, with polls predicting a close race between four-time challenger Raila Odinga and incumbent President Uhuru Kenyatta.

Kenyans are praying for no repeat of the post-election ethnic violence that killed more than a thousand people in the country and displaced 650,000 [ten years ago](#).

Construction of the 473-km-long, four-lane expressway is expected to start in 2018 and will allow uninterrupted speeds of 120km/h when finished in six years, according to the Kenya National Highways Authority, Kenyan broadcaster Capital FM [reports today](#).

Kenya wants the expressway to get goods and people moving better. More than 90% of goods landing at Mombasa port are moved inland by road, and trucks now have to travel a [crowded, single-carriageway](#) (pictured) to Nairobi.

Expected to slash logistics costs, the transformative project will be financed with help from the US Export-Import Bank and the Overseas Private Investment Corporation (OPIC).

The award to Bechtel is not a complete surprise. In September last year, the Export-Import Bank, OPIC and Bechtel teamed up to [express an interest](#) in building the expressway, and in June this year Bechtel [opened an office in Nairobi](#) to push for projects in east Africa.



It does, however, mark a change for the US, which has left state-backed infrastructure projects in Africa to China.

In 2013 the US Government Accountability Office warned Congress that China's trade with Africa [had far outstripped](#) America's thanks to China's decades-long strategy of investing in African infrastructure.(GCR 07-08-2017)

### ANGOLA SPENDS US\$114 MILLION ON SOLAR POWER EQUIPMENT

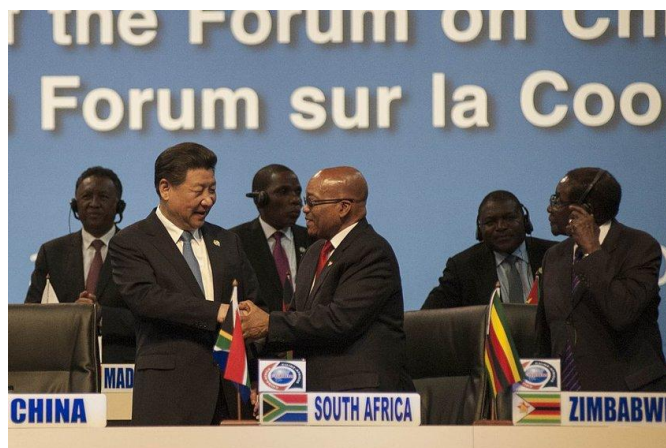
The Angolan company Aenergia, established in 2012 and a partner of the American General Electric group, has been contracted by the Angolan government to supply solar power equipment for use in remote areas of the country, per the terms of a presidential authorisation.

The US\$114.2 million deal covers the supply and installation of industrial generators, home generators and photovoltaic generation kits, as well as technical assistance.

The contract with the Energy and Water Ministry includes the supply of equipment to set up distribution networks involving power systems isolated from national coverage.

Lusa news agency has reported that the May 2014 population census concluded that only 1.7 million dwellings (31.9 percent of the total) had guaranteed access to the electric power network, almost exclusively in urban areas, whereas in rural areas only 48,100 households are served. (08-08-2017)

### IS CHINA BUILDING EVERYTHING IN AFRICA?



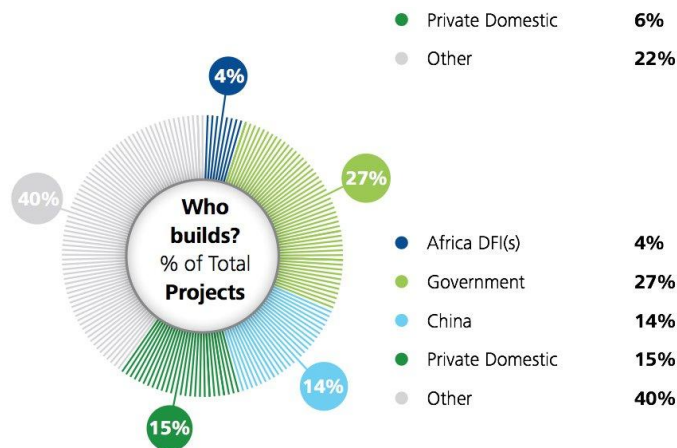
Chinese President Xi Jinping with South African President Jacob Zuma (centre) and President of Zimbabwe Robert Mugabe (right) at the China-Africa cooperation forum in South Africa

Not quite, is the answer. But no other single country is building as much as China is. Scanning the headlines, it can seem as if Chinese companies are building everything. For example:

- A [1,600ha new city](#) in Modderfontein, South Africa;
- A [\\$2.7bn railway](#) linking Mali to the West African coast through Senegal;
- A [\\$3.8bn, 609-km railway](#) in Kenya between Nairobi and the port city of Mombasa;
- [Airports](#) in Nigeria.

But according to the latest edition of the *Deloitte African Construction Trends*, released [last month](#), China was building 14% of all major projects in Africa as of June last year.

China's share of African construction is almost as much as the domestic private sector's share of 15%. Governments are building 27% of projects, while Deloitte puts 40% in an unspecified "other" category.



China is building 14% of all projects in Africa, according to Deloitte (Deloitte)

At 14% of projects, China's share is remarkable, as no other single country shows up in the ranking.

That share is also growing fast, nearly tripling in size from the year before, 2014, when Deloitte recorded China's project share as 5% of the total.

To be counted by Deloitte, projects must be valued at more than \$50m and must have broken ground by 1 June 2015.

The number of projects qualifying for the study in 2015 rose 17%, from 257 in 2014 to 301. The total value of projects under construction increased 15%, climbing from \$325bn to \$375bn.

Continent-wide, China owns only one project, but is present in the funding of 13 projects (4%).

Looking at regions, China is most heavily involved in the poorest part, Central Africa (including Cameroon, Central African Republic, Democratic Republic of the Congo), where it is building 26% of projects and funding 4% of them.

It also beats its continental average in East Africa (Kenya, Tanzania, Djibouti, Ethiopia, Uganda), where it funds 8% of projects and is building 21% of them.

In the short term it is not clear whether China's involvement in African construction will increase or decrease.

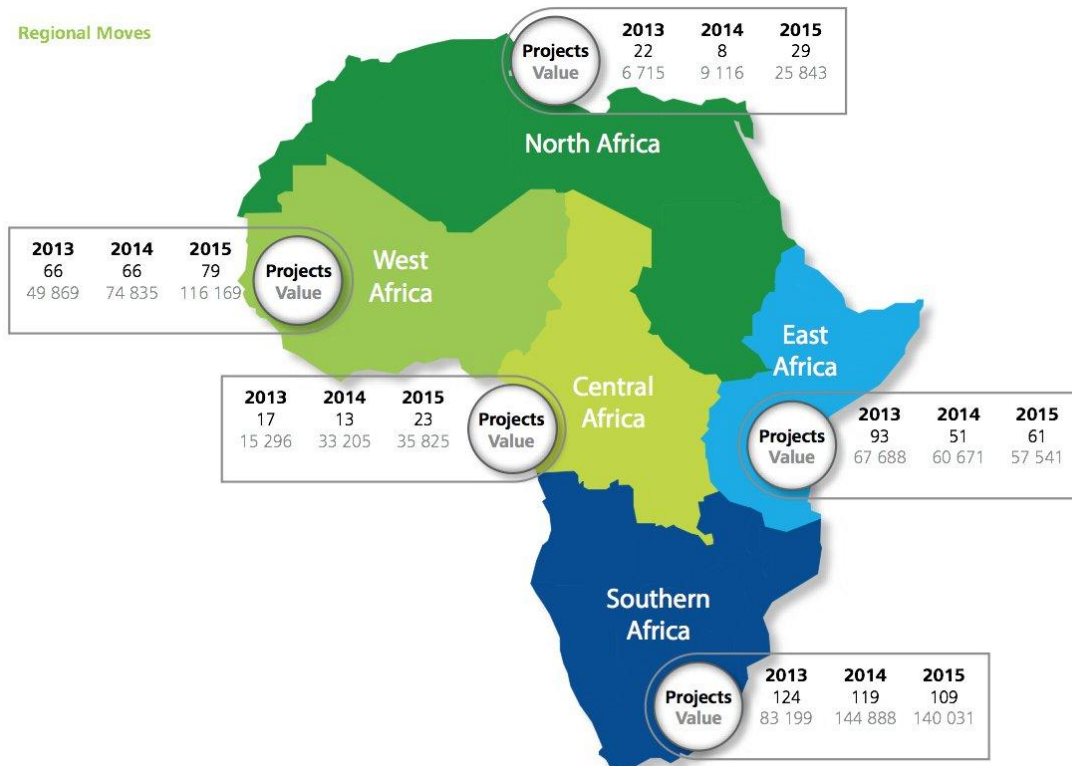
On one hand, it has promised major investments. In December Chinese President Xi Jinping pledged \$60bn worth of assistance and loans for development in Africa at a cooperation forum in South Africa (pictured above).

On the other hand, there are signs that slowing economic growth in China, coupled with plummeting prices of minerals – which hurts the viability of big ventures dependent on mining – may be conspiring to put projects on hold.

This year has seen delays and confusion surrounding a number of planned Chinese projects, including an integrated mine, rail and port scheme in [Cameroon](#), a new airport in [Sierra Leone](#), and Tanzania's new port at [Bagamoyo](#).

Continental statistics		2013	2014	2015
	Number	322	257	301
	Value (USD million)	222 767	325 828	375 410

#### Regional Moves



China's involvement aside, the Deloitte report shows a robust level of development work in Africa, driven by rapid urbanisation and an expanding middle class. Transport leads sectoral activity, with 37% of projects, followed by energy and power (28%). Then comes water (8%), mining (7%), oil and gas (6%), real estate (6%) and "other" (8%). A total of 37% are new, representing "good prospects for the future", Deloitte said.

#### Project Types

	Public	Private	PPP
<b>2013</b>	181	127	14
<b>2014</b>	143	88	26
<b>2015</b>	205	57	39

Only fourteen projects were PPPs in 2013, but last year there were 39, a rise that contrasts with the fall in privately funded projects (Deloitte)

However, investment lags in the education, manufacturing and telecommunication sectors, which collectively account for less than 2% of total projects.

Deloitte also says that social development is being neglected, and anticipated challenges in water security are not reflected in investment volumes.

International DFIs are the biggest funders, with participation in 145 of the 301 projects.

An interesting trend is the rise of public-private partnerships (PPPs) as a procurement model. Only fourteen projects were PPPs in 2013, but last year there were 39, a rise that contrasts with the fall in privately funded projects. (BD 16-03-2017)

## UEMOA: 16 MICROFINANCE HOUSES PUT UNDER INTERIM ADMINISTRATION

No fewer than 16 microfinance houses in the West African Economic and Monetary Union (UEMOA) have been placed under temporary administration at the end of March 2017, the Central Bank of West African States (BCEAO) informed APA Saturday.



Compared to December 31, 2016 when it stood at 14, the number of microfinance institutions under temporary administration increased by three units.

Of these struggling institutions, four were located in Senegal, four in Benin, three in Mali, two in Guinea-Bissau, one in Burkina Faso, one in Cote d'Ivoire, one in Niger and one in Togo.

At the end of March 2017, the number of microfinance institutions listed by BCEAO within UEMOA was 649 as against 702 as of December 31, 2016, signifying a decrease of 53 units. (APA 06-08-2017)

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, Corporate Council on Africa, CIP-Confederation of Portuguese Enterprises, Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABC- Netherlands-African Business Council, SwissCham-Africa 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 - Canadian Council on Africa, CCA - Corporate Council on Africa (USA), CIP, HTTC, NABC (by posting selected news) and SwissCham-Africa to their Members.



[www.acp.int](http://www.acp.int)



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[www.helafrican-chamber.gr](http://www.helafrican-chamber.gr)



[www.htcc.org.hu](http://www.htcc.org.hu)



[www.nabc.nl](http://www.nabc.nl)



[www.swisscham-africa.ch](http://www.swisscham-africa.ch)



## HUB AND SPOKES PROGRAMME FOR ACP COUNTRIES GETS €5M BOOST IN AID-FOR-TRADE



Geneva, 11-07-2017

*ACP ASG in charge of Sustainable Economic Development and Trade Mr. Viwanou Gnassounou addresses participants at the signing ceremony*

African, Caribbean and Pacific countries stand to benefit from an extension of the innovative Hub and Spokes II Programme, which is a joint initiative of the European Union, ACP Group, Commonwealth Secretariat and Organisation Internationale de la Francophonie, aimed at boosting trade and prosperity in ACP countries.

The consolidation phase of the Hub and Spokes Programme was signed in Geneva on Tuesday 11 July by ACP Assistant Secretary General Mr. Viwanou Gnassounou, European Commissioner for International Cooperation and Development Mr. Neven Mimica, Director of Trade at the Commonwealth Secretariat Mr. Paulo Kautoke and OIF Director of Economics Mr. Kako Nubukpo, extending the Hub and Spokes Programme until February 2019 with €5 million in funding.

The Hub and Spokes approach involves placing trade advisers and experts in government ministries and regional organisations, to provide support and build local capacity to develop strong trade policies and negotiating strategies.

Through the initiative, 10 regional trade advisers, or 'hubs', and 32 national trade advisers, or 'spokes', are currently deployed in ACP countries. These include six regional advisers and 16 national advisers managed by the Commonwealth Secretariat. The Organisation Internationale de la Francophonie (OIF) has also deployed 4 hubs and 16 spokes in Africa, resulting in a total of 10 hubs and 32 spokes deployed under the programme.



OIF, EU, ACP, Commonwealth Secretariat representatives after signing consolidation phase

In 2016 alone, the trade advisers are estimated to have aided more than 5,000 national and regional stakeholders and helped to draft a range of trade policies, for example delivering Fiji's first ever national trade policy and helping the country to become a Pacific trading and investment hub.



ASG Gnassounou welcomed the phase of the programme, with the ultimate aim of helping to eradicate poverty and promote sustainable development by enhancing trade, boosting business, and creating jobs. The first stage of the programme, Hub and Spokes I, ran from 2004 to 2012. The second phase, Hub and Spokes II, ended 27 May 2017. The new consolidation phase will extend the Hub and Spokes programme until at least February 2019. To kick-start the next phase, 40 of the programme's main stakeholders including 16 trade advisers, took part in a workshop in Barbados between 22 and 23 May 2017.

Currently, advisers are placed in these countries and regional organisations:

**Caribbean:** Belize, Guyana, Jamaica, St Vincent & the Grenadines, CARICOM Secretariat and OECS Secretariat

**Eastern and Central Africa:** Botswana, Kenya, Lesotho, Malawi, Zambia, AU Commission, COMESA Secretariat, EAC Secretariat and SADC Secretariat

**Western and Central Africa:** Benin, Burkina Faso, Cameroon, Chad, Congo, Democratic Republic of the Congo, Gabon, Guinea, Guinea-Bissau, Islamic Republic of Mauritania, The Ivory Coast, Mali, Republic of Niger, Republic of Sierra Leone, Senegal, Togo, CEEAC/ECCAS, CEMAC, ECOWAS and UEMOA

**Pacific:** Federated States of Micronesia, Fiji, Kiribati, Republic of Marshall Islands, Samoa, Tonga, PIF Secretariat

OIF, EU, ACP, Commonwealth Secretariat representatives after signing consolidation phase

<http://hub-spokes.org>

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