MEMORANDUM

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11 YEARS OF UNINTERRUPTED PUBLICATION
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SUMMARY

EU SUGAR QUOTA SYSTEM COMES TO AN END

The very last agricultural quota system in place, managing sugar production in the European Union, will be scrapped on 30 September 2017, after nearly 50 years.

The decision to end the sugar quotas now was agreed between the European Parliament and Member States in the 2013 reform of the Common Agricultural policy (CAP) after a major reform and restructuring process initiated in 2006.

Between 2006 and 2010, the sugar sector had been thoroughly restructured with the support of €5.4 billion. As a result, the sector has been able to carefully prepare for this moment and productivity has improved substantially over the last years. The end of the quota system gives producers the possibility to adjust their production to real commercial opportunities, notably in exploring new export markets. It also significantly simplifies the current policy management and administrative burden for operators, growers and traders.

Phil **Hogan**, Commissioner for Agriculture and Rural Development, said: *"The end of the quota system represents an important turning point for our European sugar sector and marks another important step in the market orientation of the Common Agricultural Policy. Producers will now have the opportunity to expand their trade on global markets, and with the right policy supports from the European Commission – such as the Sugar Market Observatory which provides timely and relevant market information – they should have every chance of success. I am confident that, since the end date for sugar quotas was decided, the industry has positioned itself well to benefit from the opportunities which the end of sugar quotas presents."*

EU's continuing support for the sugar sector

Various measures from the Common Agricultural Policy can be used to continue supporting the EU sugar sector to face unexpected disturbances on the market. This includes a substantial EU import tariff (outside preferential trade agreements) and the possibility to give support for private storage and crisis measures that would allow the Commission to take action in case of severe market crisis involving a sharp increase or decrease of market prices. Income support for farmers in the form of direct payments is also available, including the possibility for EU member states to provide so-called voluntary coupled support for sectors in difficulty, including sugar beet production.

The possibility to collectively negotiate value sharing terms in the contracts between EU beet producers and sugar processors is maintained after the end of the quotas.

The European Commission has also improved transparency on the sugar market in anticipation of the end of the quota system. A new Sugar Market Observatory provides short-term analysis and statistics about the sugar market, as well as analysis and outlook to help farmers and processors manage their businesses more effectively.

Background

The sugar quota system was introduced with the first CAP rules on sugar in 1968, along with a support price for producers set at a level significantly above the world market price. The decision to end the quota system for sugar was taken by Member States in 2006.

The end of the quota system follows the significant reform of the sector from 2006-2010. The average EU sugar price has recovered since the end of 2016 to around €500/t and has been stable in the last few months.

The EU is the world's leading producer of beet sugar (roughly 50% of the total). However, beet sugar represents only 20% of the world's sugar production; the other 80% is produced from sugar cane. Most of the EU's sugar beet is grown in the northern half of Europe, where the climate is more suited to growing beet. The EU also has an important refining industry that processes imported raw cane sugar.(EC 29-09-2017)

THE END OF THE SUGAR PRODUCTION QUOTAS IN THE EU

Why did the EU have a sugar quota system and why is it ending now?

Sugar is the only agricultural sector in the European Union where production is subject to a quota system. It was introduced with the first rules on the sugar common market organisation (CMO) in 1968, along with a support price for producers at a level significantly above the world market price. At the time, the recently introduced Common Agricultural Policy (CAP) had as one of its main objective the self-sufficiency of the continent for its food production by encouraging agricultural production with remunerative and stable prices for farmers. Quotas, together with a support price, gave a welcome incentive to achieve these goals in the sugar sector.

The CAP is a dynamic policy which has constantly adapted over time to fit with the evolving challenges and realities of food production, farmers' needs, environmental concerns and market demands. Following the shift from product support (through prices) to producer support (through income support via direct payments), initiated in 1992, an additional reform in 2003 consolidated this transition by decoupling the direct payments from the production of any particular product.

In the case of sugar, the way for the transition was paved with a significant reform in 2006. This reform agreed by the Member States included the progressive reduction of support prices for beet and sugar, the phasing out of public intervention until 2008/2009, ceasing paying export refunds as from 2008, including a mechanism to support the restructuring of the whole industry that took place between 2006 and 2010. At that same occasion, Member States agreed on the principle of the end of quotas in 2015. A system of voluntary compensation (worth €5.4 billion) for ceasing the activity resulted in the reduction of the quota production by roughly 6 million tonnes and led to the creation of a more competitive EU sugar sector ready to compete on a deregulated EU market closer to international prices, and to benefit from market opportunities, both in the domestic and the world markets.

Following this important transition, and after initially agreeing the end of the quota system for sugar in 2015, the European Parliament and Member States decided in the 2013 CAP reform to postpone this landmark by two years until the end of the 2016/17 sugar marketing year, i.e. from 30 September 2017.

There is also a long established and wide consensus among European Parliament, Member States and agricultural stakeholders that the CAP needs to be simplified. The price and quota management required complex monitoring and administrative resources both for the operators and the authorities.

How did the quota system work?

The total EU production quota of 13.5 million tonnes of sugar is divided between 20 Member States. Production in excess of the quota is known as "out-of-quota" sugar and strict rules govern its use. It can be exported up to the EU's annual World Trade Organisation (WTO) limit of 1.374 million tonnes, sold for biofuel or other industrial non-food uses, or be stored and counted against the following year's sugar quota. There is also a small quota of 0.72 million tonnes for an alternative sweetener called isoglucose (also known as Glucose Fructose Syrup) and surplus production of isoglucose is subject to similar restrictions.

If there were signs that there would be an excess of sugar on the EU market in the following marketing year – which runs from 1 October to 30 September – a decision could be taken to withdraw some quantities. If, on the other hand, there was the risk of shortage, measures could be taken to increase supplies.

The end of the sugar quotas means that there are no further limits to production or to exports, allowing production to better adjust to market demand, both within and outside the EU.

How is the sugar sector organised in terms of production, consumption, trade, employment?

The EU is the world's leading producer of beet sugar (roughly 50% of the total). However, beet sugar represents only 20% of the world's sugar production; the other 80% is produced from sugar cane. Most of the EU's sugar beet is grown in the northern half of Europe, where the climate is more suited to growing beet. The EU also has an important refining industry that processes imported raw cane sugar.

EU sugar production in the 2016/2017 marketing year corresponds to 16.84 million tonnes (including 250 000 tonnes of sugar from cane grown in the French Overseas Departments). For the upcoming harvest, no longer bound by the limitations of the quota, it is expected an increase in production by roughly 20% (20.1 million tonnes). This increase results from both, an increase in area and higher yields because of good climatic conditions.

In terms of employment, based on industry sources, there are roughly 145 000 sugar beet growers in the EU in 20 different Member States, plus 28 000 direct jobs in the sugar beet processing, and many more upstream (farm machinery, agricultural inputs) and downstream (food processing, wholesale, retail, transport, logistics). In addition to this, there are 8 000 sugar cane growers in the French Overseas Departments, and full time cane refineries in 9 Member states.

In terms of trade, the EU is one of the largest importers of cane sugar - in particular as a result of the "Everything But Arms" agreement and Economic Partnership agreements with the African, Caribbean and Pacific (ACP) countries which grant many developing countries duty-free access to the EU market. But the EU is also a sugar exporter. Under the current quota system, WTO rules restrict EU "out of quota" exports to 1.374 million tonnes a year (see previous question). EU exports almost only out-of-quota sugar and mainly to neighbouring countries in North Africa and Middle East.

The bulk of sugar produced under quota and the sugar imported from third countries is used by the EU food and drink industry for both the domestic market and the export of processed products. Only a minor part of the sugar production is marketed and directly consumed as such. Out-of-quota sugar production is used for exports (until the limit of 1.35 million tonnes), a variable volume goes for bioethanol production (1.35 million tonnes in 2016/2017) and to specified chemical uses (800 000 tonnes estimated for 2016/2017). The remaining volume of out-of-quota sugar (749 000 tonnes in 2016/2017) will be carried forward to the next marketing year and then released on the market as quota sugar.

What are the tools provided by the Common Agricultural Policy to the EU sugar sector after the quotas end?

- Member States have the option of providing **voluntary coupled support** linked to production to address sectors in difficulties, including sugar beet production. This is an option taken up by 11 Member States – Croatia, Czech Republic, Finland, Greece, Hungary, Italy, Lithuania, Poland, Romania, Slovakia and Spain - with overall coupled support for sugar beet amounting in 2017 to roughly €179 million.
- The Commission re-introduced a **far-reaching system of collective bargaining** in the legal provisions applicable post quota that help the position of beet growers when negotiating with the other elements of the food chain. This system improves the negotiating powers of beet growers towards their sugar producers when concluding agreements regarding the delivery of beet. Collective negotiations or written agreements within the chain are compulsory and provide predictable terms for delivering and buying beet. The sugar sector is the only area where such far reaching agreements without competition scrutiny. However these agreements cannot involve the collective negotiation of the selling price as was the case under the quota regime. The scheme applicable after the quota end includes the possibility of voluntary value sharing arrangements.
- The Commission is constantly providing **market information and transparency** to enable the sector to respond to market developments. A Sugar Market Observatory is fully operational, with the aim to provide the sugar sector with more transparency by means of disseminating market data and short-term analysis in a timely manner.
- **Private storage aid** can also be granted if necessary taking into account market prices, reference thresholds, costs and margins.
- Like other agricultural sectors, the sugar sector is covered by several **disturbance clauses** available in the CMO Regulation that would allow the Commission to take action in case of severe market crisis involving a sharp increase or decrease of market prices.

How will the end of quotas reflect on the EU trade, in particular with developing countries?

The EU will export around 8% of the total production in 2016/2017. With the end of the quota system, these exports will no longer be limited by WTO rules, allowing producers to fully explore new markets and possibilities.

As for imports, the EU goes further than any developed economy to cater for the needs of developing countries. The EU will continue to offer trade preferences and remain the world's foremost provider of assistance to developing countries.

Sugar can be and will continue to be imported into the EU duty-free and quota-free under the Everything-But-Arms agreement for the least-developed countries and from countries that have concluded or implemented Economic Partnership Agreements with the EU. Most of that sugar will need to be refined in the EU. These preferential imports have declined in the recent years because of lower EU prices and other markets having become more attractive during the last two years. These imports will most likely further decline after the end of quotas as domestic prices will closer align to world prices.

In agreements with a range of Latin American countries (Central America, Colombia), South Africa, Balkans countries and Moldova the EU has also granted sugar concessions in the form of tariff import quotas with reduced duties. Some additional import tariff quotas in the sugar sector are part of the WTO agreement.

In addition to these import agreements, the EU has been extremely attentive to the situation of cane farmers in developing countries, allocating over €1.2 billion for restructuring or diversification in the 18 countries that traditionally supplied raw sugar to the EU. These funds allowed countries to invest and move up the value chain (as for example Mauritius) or to diversify away from sugar (as for example Trinidad and Tobago).

Are there any new opportunities for the sector following the end of the quotas?

Without regulatory limits on sugar production, sugar producers will optimise the use of their production capacity and reduce the unit costs of producing sugar. This will allow competitive suppliers to sell sugar on the world market which will not be limited anymore when the quotas expire.

Certain starch-based sweeteners, notably isoglucose, were limited until now to 0.7 million tonnes. This sector will be able to expand and generate new employment, notably in rural areas. Isoglucose is typically used for the production of soft drinks.

The quota for inulin syrups is zero, which de facto prohibits production of this sweetener. The end of quotas therefore provides new opportunities if the market is there.

EU sugar consumption is expected to remain stable or slightly decline; however, as much of the increase in output will either compensate for decreasing imports or help to boost export sales.

What is the expected market situation post 2017?

The situation for the coming post quota years is analysed in the Commission's medium term outlook report. This outlook estimates that between 2016 and 2026 sugar production will increase by 6%. Isoglucose production could triple from 700 000 tonnes to 2.3 million tonnes. Imports will continue to drop from 3.0-3.5 million to 1.8 million tonnes and exports are expected to increase from 1.3 million tonnes to 2.5 million tonnes.

For the upcoming harvest, no longer bound by the limitations of the quota, an increase in production of roughly 20% (20.1 million tonnes) is expected. This increase results from both an increase in area and higher yields because of good climatic conditions. This production, however, follows two marketing years with relatively low production levels.

The increase of production is likely to be compensated by a further decrease of imports, an increase in exports which are expected to double to 2.8 million tonnes and a possible rebuild of stocks which have been at the lowest level ever in summer 2017.

Since spring 2017, international prices have fallen as a result of an estimated sugar surplus at world level after two consecutive years of deficit. In September 2017, world market prices were around €311 per tonne. The EU domestic prices have remained stable in previous months (€501 per tonne in July 2017), however prices will likely drop as from the beginning of the new marketing year and become closer to world trends.

Whilst it is most likely that EU sugar prices will provide a premium compared to world market prices, they are expected to be closer to world market level in the future.

Are there any risks of unbalance and oversupply on the markets?

In spite of an increase of sugar production expected for the current harvest in the EU, the market context as well as the economic structure and drivers of the sugar sector allow for a fast and efficient reaction to market developments. Production decisions in the sugar sector are taken by a limited number of sugar producers that contract beet hectares from farmers and production levels can be adjusted annually.

Supported by €5.4 billion from the EU, the 2006-2010 reform of the EU sugar sector has helped the sector to get ready for the end of the quota system and it should be prepared to properly react to market signals. The increase of production in the first year post-quota is expected to be absorbed by a higher level of exports (no more subject to WTO limit), a likely reduction on imports and a recovery of sugar stocks (currently particularly low). It is however unavoidable that the increase in supply will bring the adjustment of EU prices to a level closer to the world market in order to allow exports.

The Commission is confident that, after one or two marketing years, beet and sugar producers will have fully adjusted to the new market environment. It cannot be excluded however, that production will further concentrate in the most productive regions and, while some producers will successfully secure new market outlets (inside and outside the EU), others will further reduce their production.

The Commission will remain vigilant to these possible evolutions and will not hesitate to make use of the safety net measures available to support producers.

Does the end of quotas mean that EU consumers will consume more isoglucose and run higher health risks?

EU sugar consumption is expected to remain stable or slightly decline. The Commission is aware that there is debate on how exactly the sugar and the isoglucose market will react to the end of quotas and of discussions on the health consequences of high intakes of fructose in diet.

Other names are used for isoglucose such as glucose-fructose syrup, fructose-glucose syrup and high fructose corn syrup. As ingredients, isoglucose may be used to replace, for example, sucrose, this is the name for the simple table sugar coming either from sugar beets or sugar cane. Whether free fructose and fructose in sucrose have different metabolic effects is a matter of debate. The Commission will continue to follow this subject in the context of efforts to promote healthy diets and physical activity in general and, in particular, to promote product reformulation by industry and in discussions with Member State representatives in the High Level Group on Nutrition and Physical Activity in the future.

In this context, it is relevant to note that according to the European Food Safety Agency (EFSA), there is some evidence that high intakes of sugars in the form of sugars sweetened beverages might contribute to weight gain and the relationship of patterns of consumption of sugars-containing foods to dental caries, weight gain and micronutrient intake should be considered when establishing nutrient goals for populations and recommendations for individuals and when developing food-based dietary guidelines. In the EU, too many people, including children, do not comply with the World Health Organisation (WHO) recommendation of reducing free sugars intake to less than 10% of total energy; a number of EU Member States have established national recommendations for added sugars at this level.

What is the Commission doing to promote healthy eating habits?

The Commission is supporting the Member States' work on reformulating the food products' recipe to lower their increase in certain nutrients. By contributing to removing excess sugars, salt and fat from products that are bought every day in European supermarkets, we are providing real value to citizens. A project to provide a snapshot of the nutritional quality of the food in EU supermarkets and to support the monitoring national reformulation initiatives will be launched in 2017.

The Commission takes a multifaceted approach to reducing sugar intake and healthy diets in general. Since 2007, the Commission has a Strategy on Nutrition, Overweight, and Obesity-related Health Issues which aims at contributing to reduce the risks associated with poor nutrition and limited physical activity in the EU. The strategy encompasses a range of initiatives covering many policy areas. For example, the school fruit and vegetables and milk scheme, which provides school children with fruit and vegetables on a voluntary basis, encourages school children to replace sugary snacks with healthier options.

In 2014, the High Level Group on Nutrition and Physical Activity adopted an Action Plan on Childhood Obesity that aims to halt the rise of childhood obesity by 2020. Improving diet quality, including eating less sugar is a major part of this plan, which includes promoting healthier diets in school and pre-school, and making the healthy option the easy option, amongst its objectives.

In 2011, the High Level Group agreed on an EU Framework for National Initiatives on Selected Nutrients (a 2008 reformulation framework had been agreed to reduce salt in food by 16% in 4 years). Work then started on reducing saturated fat by 5% until 2016 and by an additional 5% by 2020.

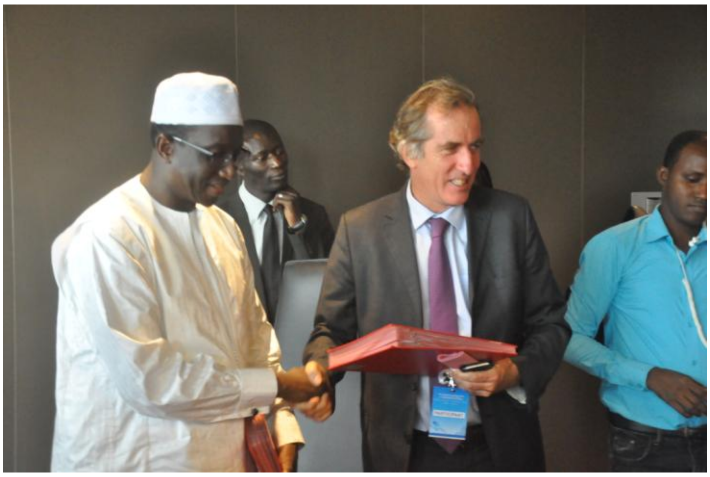
In 2015, work started on Added Sugars Annex, promoting a voluntary reduction of 10% in added sugars in processed food by 2020. This Annex was validated in December 2015 by the High Level Group.(EC 29-09-2017)

SENEGAL: FRENCH AFD DONATES FCAF21B FOR FARMING PROGRAMME

The French Development Agency (AFD) has donated 32 million euros (CFAf 21 billion) to Senegal under a financing agreement signed by the Minister of Economy, Finance and Planning, Amadou Bâ, and AFD director Rémy Rioux.

Signed Tuesday evening, on the sidelines of the 3rd "Investing in Africa" forum held in Diamniadio situated at about 40 kilometers from Dakar, this assistance will enable Senegal to finance the development of family farms in the Matam region.

The project, called APEFAM II, aims to improve food security, said Mr. Bâ, who added that it will also



enable the implementation of efficient rural infrastructure through the rehabilitation and extension of village irrigated areas.

The construction of roads, creation and rehabilitation of hydro-agricultural facilities, and storage infrastructure are also scheduled within the framework of the project, which according to the minister goes hand-in-hand with the programme for the Acceleration of Senegalese Agriculture (PRACAS).

AFD director Rémy Rioux in response said the APEFAM II project would halve the trade deficit on cereal crops and rapidly allow Senegal's self-sufficiency in rice, by 2018.

Since the presentation of the Senegal Emerging Plan (PSE) to donors in Paris in February 2014, AFD has granted Senegal more than CFAf 500 billion through 30 financing agreements. (APA 27-09-2017)

DIAFRIKINVEST TO SUPPORT PROJECTS IN MOROCCO AND TUNISIA

The EU-funded DiafrikInvest project has announced that it will support business start-up projects in Morocco and Tunisia by pairing them with Moroccan and Tunisian diaspora entrepreneurs living in Europe.

Fifty entrepreneurs will be selected to benefit from a specific and tailor-made coaching support at each stage of the programme, from the country of residence to the country of origin (pre-support in Europe and support in Africa).

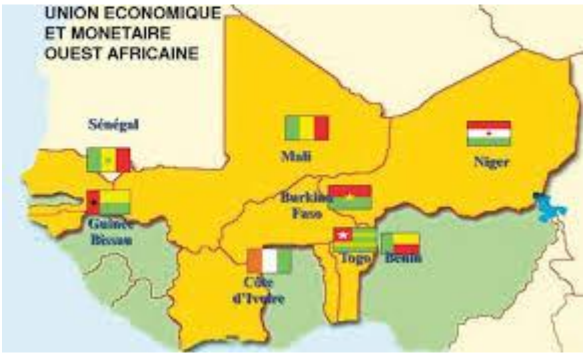
Projects with a strong technological dimension could benefit from a complementary support (advice, standards, patents, prototyping, financing, etc.).

Funded by the EU, **DiafrikInvest** aims to accelerate and support the mobilisation of high potentials, entrepreneurs and investors from the diaspora to boost business relations between Europe, Morocco, Senegal and Tunisia and thus contribute to economic development. (DiafrikInvest 21-09-2017)

DiafrikInvest

UEMOA INDUSTRIAL OUTPUT MAINTAINS UPWARD TRAJECTORY

The upward trend in industrial production within the West African Economic and Monetary Union (UEMOA), which started last June, continued the following month, APA learned on Wednesday from the Central Bank of West African States (BCEAO).



The industrial production index grew by 2.6 percent during the period under review, on a year-on-year basis, following a surge of 1.2 percent in June 2017, representing an increase of 1.4 percentage points.

The retail turnover index rose by 10.8 percent, on an annual basis, following a 7.3 percent rise the previous month. (APA 27-09-2017)

FRANCE'S FINANCE MINISTER WELCOMES ALSTOM-SIEMENS RAIL TIE-UP

The Siemens-Alstom agreement to merge their rail operations is a Franco-German industrial breakthrough for French President Emmanuel Macron but has riled opposition politicians.

Finance Minister Bruno Le Maire, who said on Tuesday that the French government welcomed the planned tie-up which would protect French jobs, reiterated his support on Wednesday.

Speaking ahead of a French-Italian summit in Lyon later on Wednesday, he said he hoped Europe could create a leading naval company similar to the one formed by the railway transaction.

France and Italy could reach a deal over the STX France shipyards at the meeting of the two countries' leaders, an official in French President Emmanuel Macron's office said on Monday.

Le Maire said he would visit Alstom's emblematic Belfort site to reassure workers over their jobs following the Siemens deal.

The new entity would create a European leader able to take on Chinese and world rivals, he said.

But the opposition worries that France will lose control of its TGV high-speed train — a symbol of national pride that has highlighted French engineering skill — and concerned about possible job losses.

German industrial group Siemens and its French rival agreed to merge their rail operations, creating a European champion to better withstand the international advance of China's state-owned CRRC Corporation.

Siemens will own 50% plus a few shares of the joint venture, to be called Siemens Alstom, while Alstom will supply Henri Poupart-Lafarge as CEO, helping to counter criticism that France is giving up control of another national industrial icon.

The nonexecutive chairman will come from Siemens.

The framework deal still has to be approved by Alstom shareholders as well as regulators.

The French state said it would not exercise an option to buy a 20% stake in Alstom from industrial group Bouygues.

The Siemens and Alstom transport businesses span the iconic French TGV and German ICE high-speed trains as well as signalling and rail technology.

They have combined sales of €15.3bn and earnings before interest and tax of €1.2bn.

"This Franco-German merger of equals sends a strong signal in many ways. We put the European idea to work and together with our friends at Alstom, we are creating a new European champion in the rail industry for the long term," said Siemens CEO Joe Kaeser.

Alstom's Poupart-Lafarge said: "Today is a key moment in Alstom's history, confirming its position as the platform for the rail sector consolidation."

Analysts at Deutsche Bank kept a "hold" rating on Alstom shares, saying extracting cost savings from the deal could be tricky.

"Politicians will also likely try to ensure some form of jobs protection in France (28% of Alstom's workforce) and Germany (39% of Siemens's workforce), making cost synergies difficult to extract," they wrote in a note.

The deal leaves out in the cold Canadian transportation group Bombardier, which also held talks with Siemens, sources have said, and which faces a separate battle this week to protect jobs in Quebec and Northern Ireland.

China's CRRC, with annual revenue of about $35bn, is bigger than Siemens Mobility, the rail and infrastructure division of the German conglomerate, Alstom and Bombardier Transportation combined.

Previously focused on China, it has won projects in Britain and the Czech Republic in the past year, and is eyeing the UK's High Speed 2 project, which will connect London with cities in the north of England.

Special dividends

Siemens will receive newly issued shares in the combined company representing 50% of Alstom's share capital and warrants allowing it eventually to acquire another 2% of Alstom shares.

However, the deal prevents Siemens from owning more than 50.5% of Alstom for four years after closing, and includes "certain governance and organisational and employment protections", Siemens and Alstom said in their statement.

The deal was unanimously supported by Alstom's board, Siemens's supervisory board and Alstom shareholder Bouygues, the companies said.

The French government acquired its option on the Bouygues stake in Alstom in 2014 as part of a deal that helped Alstom snub Siemens as a buyer for its energy business in favour of General Electric.

Macron was economy minister at the time.

The global headquarters, rolling stock business and stock-market listing of the new entity will be in Paris and the signalling and technology business in Berlin.

The new company, with 62,300 employees, targets synergies of €470m four years at the latest after the closing of the deal, which is expected at the end of 2018.

The companies said their operations were largely complementary, with Alstom present in growth markets in the Middle East and Africa, India, and Central and South America, while Siemens was strong in China, the US and Russia.

Siemens CEO Kaeser said ahead of the signing of the memorandum of understanding he believed the scale of China's CRRC left little room for regulators to oppose a deal.

"It always depends, but the facts are that there is a dominant player," he said in an interview in New York.

Siemens stands to gain control of Alstom's main business, since all of Alstom's divisions deal with the railways and transportation industries.

Existing Alstom shareholders will be paid two special dividends: a control premium of €4 per share to be paid shortly after closing of the transaction and an extraordinary dividend of up to €4 per share to be paid out of the proceeds of Alstom's put options for its General Electric joint venture, "subject to the cash position of Alstom". (Reuters 27-09-2017)

REGIONAL COASTAL PROJECT UNDER REVIEW IN MAURITANIAN CAPITAL

The first evaluation meeting of the West African Coastal Regional Management Project, funded by the World Bank, began in the Mauritanian capital Nouakchott on Wednesday.

The five-day meeting will seek to outline measures for the protection and sustainable and rational management of coastal areas in six countries namely Mauritania, Senegal, Benin, Togo, Cote d'Ivoire and Sao Tome and Principe.

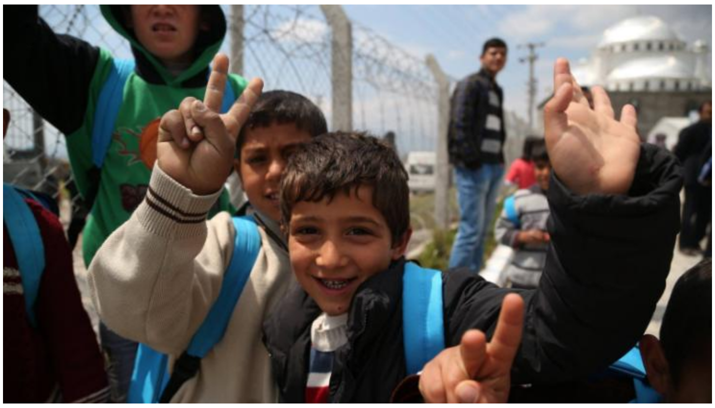
Participants will attempt to tackle climate change and the deterioration of the coastline, which represents the greatest challenge for the planet and especially for Africa, Mauritania's Minister of the Environment and Sustainable Development Amedi Camara told the opening of the meeting.

According to Mr. Camara, his country was working on the creation of sectoral projects for the sustainable management of natural resources along coastal areas.
Mauritania has more than 800 kms of Atlantic coastline.

The idea of a Regional Coastal Management Project in West Africa was launched in Lome, Togo on 19 October 2016.

Planned activities during the extended lifespan of the project to 2023 include stabilizing sand dunes on the coastline, reinforcing breaches, developing income-generating activities, supporting technical capacities of relevant departments and launching awareness and information activities.
(APA 27-09-2017)

EU TO COMMIT 8% OF HUMANITARIAN BUDGET TO EDUCATION IN EMERGENCIES IN 2018



The European Commission announced today it would further increase the part of humanitarian funding dedicated to getting children into education in crisis zones around the world. In 2018, 8% of the EU's humanitarian budget will go to education in emergencies, which is far above the global average of less than 3%.

"The EU is a global leader in supporting education in emergencies," said Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides** during a High Level Education Event, organised in the margins of the UN General Assembly 2017 in New York. *"Concretely this means giving children in some of the most difficult situations in the world an opportunity for the future. As I have travelled to many crises zones, from refugee camps to areas devastated by natural disasters, it is always clear that education is much more than a human right or a basic need. It is safety, dignity and a shield against radicalisation. By supporting education we are making the biggest investment we can in the future of the most vulnerable. We are investing in peace*

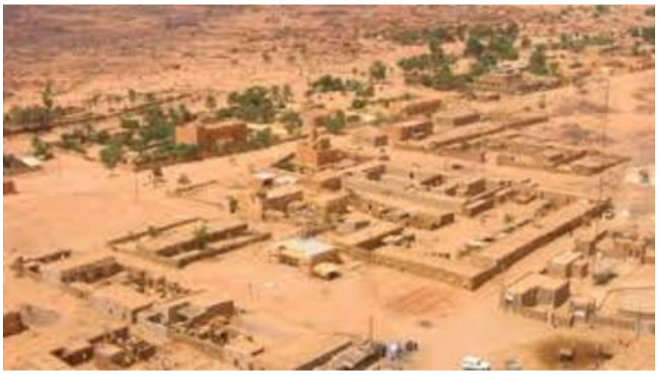
The EU's contribution in 2018 of over €86 million will support access to formal and non-formal education, including life skills and vocational training, recreational activities and psychosocial support for girls and boys in crisis areas around the world. Several EU projects will be focussed on girls; giving them access to education and helping them learn life and vocational skills. Children will also benefit from the provision of school materials and the creation of new learning spaces. Teachers and parents will also be supported and benefit from training.

To date, more than €132 million in EU humanitarian aid have been allocated for education in emergencies projects. By the end of 2016, nearly 4 million boys and girls in 50 countries around the world have benefitted from these, including in Egypt, Jordan, Lebanon, Libya, Palestine and Syria, as well as Armenia, Georgia and Ukraine. (EEAS 21-09-2017)

European Civil Protection and Humanitarian Aid Operations

FRANCE DOES NOT SEEK TO DIVIDE MALI, GERMAN AMBASSADOR SAYS

The German ambassador to Mali Dietrich Becker reaffirmed on Wednesday in Bamako that Kidal is an integral part of Mali, stressing that there has never been any initiative by France seeking the division of the territory.



"I've often heard about the conspiracy theory, according to which France was seeking the separation of the Malian territory. This is absolutely false! There isn't any such theory from France against the territorial integrity of Mali," the diplomat told a press conference.

"France has fought for the unity of Mali. It was France that saved Mali in 2013," Dietrich Becker pointed out, adding that like France, his country Germany and the international community are still working for Kidal to remain part and parcel of Mali.

"Kidal is Malian; will remain Malian. However, we must gradually return to Kidal with the Malian authorities. There is no need to rush," he added.

Since May 2014, the Malian government has had difficulties in restoring its authority in Kidal, a stronghold of the former rebels of the Azawad Movement Coordination (CMA).

Last August, youth movements demonstrated in front of the French embassy in Bamako to denounce what they called "the bias of France towards the ex-rebels of the CMA and a policy aimed at splitting Mali." (APA 27-09-2017)

ETHIOPIA'S RICH RENEWABLE ENERGY POTENTIAL STILL UNTAPPED

Ethiopia has plenty of trans-boundary and boundary rivers that could generate up to 45,000 MW of energy. It has also ample wind, solar and geothermal energy sources which could add significantly into the national green energy mix.

The Nile River, the longest river in the world, originates from the Ethiopian highlands. The Danakil Depression which is found in northern part of the Afar Triangle is one of the hottest areas in the planet. Both presents to the country and beyond huge energy potentials. So, all source of energy would have huge contribution to Ethiopia's green energy development. The renewable energy that could be utilized from these sources will have positive impact on the Climate Resilient Green Economic endeavors of the county.

The country's renewable energy potential is still untapped. Taking this into consideration, the Ethiopian government has devised feasible policy that can help the country harness renewable energy sources. The nation has started generating 2,321 MW energy from Ashegoda wind farm, Adama I and II wind farm, Gibe III and Fincha Amertinshe energy sources.

Amid efforts of realizing the green economic policy, the country is tirelessly working to lower the current 1.8 tones of greenhouse gas emission to zero by 2025.

The Ethiopian government's green economic policy also promotes emission reduction and green energy use. The policy targets improving crop and livestock production practices. It also envisions to protect and re-establish forests for their economic and ecosystem contributions. The green economic policy aims at sustaining food security and increasing farmer's income. Moreover, expanding electricity generation from renewable energy sources for domestic and regional markets and leapfrogging to modern and energy-efficient technologies in transport and industrial sectors can support the nation's ambition in ensuring the green economy. Hence, rural electrification across the country is the government's major focus in the coming years.

Fastest growing Economy

Ethiopia has become one of the fastest growing economies in the world aligning its growth with the green economic policy. This would pave the way for the realization of the ambition of joining the middle income economies by 2025.

The country is working to upgrade the current 85 k/h/y individual electric consumption to 1,269 k/h/y. This will be by the end of the Second Growth and Transformation Plan (GTPII).

Furthermore, the nation is diligently working to generate 254 MW from Genale Dawa III, 50 MW from Repi landfill power, and 70 MW from Aleto Langano. Upon completion of the Grand Ethiopian Renaissance Dam, the existing generation capacity will increase to 10,000 MW. By the conclusion of the GTP II, the country would be generating 17,000 MW renewable energy.

Currently, some 5,554 towns have electricity connection in the country. During the completion of GTP II (2015-2020), using local, private investment and international cooperation, the plan is to connect a total of 10,205 towns to the national grid, raising the current 54 percent rural access to electricity to 90 percent by 2025. In addition to this, more Ethiopian villages will be provided with renewable energy

To sum up, Ethiopia has been endeavoring to achieve green economy based industrialization. When the renewable energy projects under construction come to completion, Ethiopia would be the powerhouse of Africa. Most East African countries would benefit from the enormous renewable energy pool of the nation. Countries such as Kenya, Tanzania, Djibouti, South Sudan and Sudan have opportunity to be provided with clean, renewable and affordable energy. In return, Ethiopia will have ample opportunity to maximize its foreign currency earnings. This will support to finance other mega projects. (CRO 26-09-2017)

ETHIOPIA'S ECONOMY SHOWS STRONG RESILIENCE AMID WEAK GLOBAL PRICES - IMF

The International Monetary Fund (IMF) has said Ethiopia's economy showed strong resilience in

2016/17, amid continued weak global prices for the country's key exports and re-emergence of drought conditions in parts of the east African nation.

According to IMF's preliminary findings and recommendations following the 2017 Article IV visit to Ethiopia released on Wednesday, real gross domestic product (GDP) is estimated to have increased by 9 percent in 2016/17.

It added that government interventions to mitigate the social impact of the drought, in collaboration with development partners, were timely and effective, thus limiting its human cost.

The staff led by Julio Escolano, advisor of the International Monetary Fund (IMF) for African Department, revealed the findings after visiting the country from September 13 to 26, 2017.

Prudent budget execution led to a lower-than-planned fiscal deficit, estimated at 2.5 percent of GDP. Determined actions by the authorities to contain external imbalances led to a narrowing of the current account deficit, and restrained debt accumulation. Nevertheless, exports continued to stagnate due to weak global commodity markets and delays in completion of key related projects, the report said.

The report further indicated that medium-term growth prospects have been favourable; as they were supported by strong private investment and completion of key supporting infrastructure projects, as well as rising productivity as export-oriented industries take root.

In the short term, however, the current account deficit remains high, and indebtedness and associated risks have increased. Thus, until past investments in infrastructure and logistics pay off and exports take off, macroeconomic and financial policies should aim at reducing external imbalances and liabilities, it noted.

To achieve this re-balancing, the appropriately tight budgetary stance announced by the government should be combined with additional restraint in undertaking public investment projects, particularly those with a high borrowing component.

Meanwhile, social needs remain large, and the staff team supports the authorities' intention to protect pro-poor spending programs, the report said.

The ongoing efforts to strengthen domestic revenue collection and governance of public enterprises need to be stepped-up to mobilize domestic resources and encourage their effective use, the report recommended.

According to the report, more extensive use of public-private partnerships, private concessions, and privatization proceeds, in line with the authorities' policies, will safeguard public resources while helping private sector development. To complement the restrictive fiscal stance, monetary policy should also be tightened.

The staff team welcomed the progress in financial development and inclusion, as evidenced by the significant increase in the number of bank branches and deposits.

The current positive investor sentiment towards Ethiopia could be enhanced by reforms to improve the business climate. A more flexible exchange rate would help competitiveness. Improving economic statistics would support policymaking and investor confidence, the report said.

During it visit, the team held substantive technical and policy discussions with the Governor of the National Bank of Ethiopia (NBE) Teklewold Atnafu and Minister of Finance and Economic Cooperation, Dr Abraham Tekeste.

The staff also had the opportunity to meet and discuss with ministries and government agencies, representatives of public enterprises, the private sector and development partners.

The team also presented its key findings and recommendations to Hailemariam Desalegn, Prime Minister of Ethiopia.

The Executive Board of the IMF is expected to discuss the staff report for Ethiopia in November 2017. (APA 27-09-2017)

TCN, WAPP TO BUILD ADDITIONAL 330KV POWER LINE IN BENIN REPUBLIC

Plans to build a second 330 kilovolt (kV) transmission line are ongoing in Benin. The Transmission Company of Nigeria (TCN) and the West African Power Pool (WAPP) have initiated this plan. The aim is to boost electricity supply to the Republic of Benin by 2021.

Mr. Usman Gur Mohammed is the Interim Managing Director of TCN and Chairman. He revealed this plans at a meeting to kick-off the projects's Environmental and Social Impact Assessment (ESIA).

According to him the transmission section of Nigeria's power sector was also targeting 20000 megawatts(MW) transmission capacity within the next three years.

The transmission Company of Nigeria

He also explained that transmission was no longer the weakest link in the country's electricity sector's value chain. This because TCN now has a robust rehabilitation and expansion plan. The ministries of power and finance and development partners did the endorsing of these plans.

He added that the transmission rehabilitation and expansion programme seeks to expand the grid to about 20,000Mw in the next three years. The expansion programme in Benin intends to support the current institutional reform that will make TCN a 21st century compliant transmission firm.

TCN has also embarked on a nationwide installation of transmission transformers. Three transmission transformers were installed in Lagos last week. There are also two waiting for installation in the north and another three in the Port Harcourt region.

The New Partnership for Africa's Development (NEPAD) and African Development Bank(AfDB) will support the WAPP project. The ESIA study will take place in six months after which the construction would take another 24 months and then ready by 2021.

Louis Edozien is the Permanent Secretary at the Ministry of Power, Works and Housing (Power). According to him ,The ministry's primary responsibility is to satisfy the electricity needs of Nigerians. He said they were committed to integrating the international electricity market. But their primary responsibility is to satisfy Nigerians.(CRO 26-09-2017)

EGYPT TO PAY $5.2BN TO AFREXIMBANK BY THE END OF DECEMBER

Egypt will pay $5.2 billion to the African Export–Import Bank (Afreximbank) before the end of December, the Governor of the Central Bank of Egypt (CBE) Tarek Amer said on Monday.

Amer added that repaying the bank's dues will highly contribute to decreasing foreign liabilities.

The Afreximbank is cooperating with the CBE, National Bank of Egypt and Banque Misr to provide $500 million in facilities to small and medium enterprises (SMEs) and their supply chains.

The total portfolio of Afreximbank for Egypt is $5.2 billion.

Egypt’s foreign debt leveled up 38.4 percent to $73.9 billion by the end of March 2017 from $53.47 billion in the year-ago period.
Foreign reserves also increased to $36.143 billion by the end of August, up from $36.036 billion by the end of July. (APA 26-09-2017)

BRITAIN LAUNCHES ANTISLAVERY CAMPAIGN

People who look unkempt, scared or work without proper clothing might be the victim of slavery, Britain’s antislavery body says, urging the public to report any suspicions.
Slavery predominantly affects immigrants and vulnerable people, often working at car washes, nail bars and farms, said the Gangmasters and Labour Abuse Authority (GLAA) on Wednesday, as it launched a campaign to help the public identify trafficking.
"The public needs to understand and be aware that modern slavery is happening right now, in and around the communities they live," said GLAA’s chief Paul Broadbent in a statement.
At least 13,000 people are estimated to be victims of slavery in Britain, but police say that figure is the tip of an iceberg.
Signs of potential slavery include poor hygiene, injury and malnourishment, living in cramped or dirty accommodation, a suspicious manner and seeming to be under the control of others, said the GLAA.
The campaign is part of wider efforts to bring a largely hidden crime into the open
The awareness campaign, run in partnership with the Crimestoppers charity, will spread messages on social media, display posters and distribute leaflets across Britain.
"We want to reassure victims that [slavery] is an issue that is taken extremely seriously, and make it clear to perpetrators that they will be found and prose-cuted," said Emily Van der Lely, head of Crimestoppers’ slavery department.
The campaign is part of wider efforts to bring a largely hidden crime into the open.
Crimestoppers said it had received more than 350 tip-offs in the past six months, up 126% on the previous six months. Slavery is estimated to generate global annual profit of $150bn.
Earlier this month, Prime Minister Theresa May pledged to double Britain’s aid on global projects tackling slavery and human trafficking to £150m and to boost training for police. (Thomson Reuters Foundation 28-09-2017)

PORTUGUESE SHIPPING COMPANY INCREASES CARGO TRANSPORT TO CABO VERDE

Traninsular, a shipping company owned by Portuguese group ETE, has added to its “Africa Express” service with the sale, from 1 October, of a more competitive solution to transport cargo between Portugal and Cabo Verde (Cape Verde), the group said in a statement issued on Wednesday.
The “Africa Express” service is the only one that runs every 10 days from Portugal (Leixões and Lisbon) to Mindelo, Praia, Sal and Boavista, with Transinsular the only operator to offer regular direct connections between Portugal, Sal and Boavista and having its own agencies on those four islands.
Miguel Gomes, chief executive of the shipping company, said in the statement that the new configuration of the service, with more new ships and equipment, responds better to customers’ needs for transporting both dry and refrigerated containerised cargo.
The ETE group was founded in 1936 and at the time specialised in goods transport along rivers. In 1950 it was a pioneer in introducing the concept of loading and unloading offshore using floating cranes, barges and tugboats.
Last June, the Cape Verdean government cancelled the international tender for the sub-concession of shipyard company Cabnave – Estaleiros Navais de Cabo Verde, a company based on São Vicente, which had been awarded to the ETE group.

The proposal presented by the Portuguese group had been selected by the previous government for the next phase of the Cabnave privatisation process, which had not started yet, according to an official announcement at the time. (28-09-2017)

UGANDA BLACKS OUT FISTICUFFS IN PARLIAMENT FOR A SECOND DAY

Fist fights in parliament have led Uganda to ban live broadcasts of events "inciting the public", according to a notice from its communications regulator.

The fights broke out in parliament on Tuesday between legislators opposing plans to change laws and extend President Yoweri Museveni's rule, and those in favour of the plans. The legislators threw punches, hurled chairs and shoved and banged on benches. At least 25 MPs opposed to the legislative move were ordered by the speaker to vacate the chambers after being suspended for involvement in fighting on Tuesday.

Uganda's two major privately owned TV stations including a local unit of Kenya's Nation Media Group, and some radio stations broadcast the episode.

Uganda's Communications Commission said on Wednesday that radios and television stations should stop live broadcasts of events that "are inciting the public, discriminating, stirring up hatred, promoting a culture of violence ... and are likely to create public insecurity".

Critics say the action underscores a crackdown in the East African country against anyone questioning a planned constitutional amendment. (Reuters 27-09-2017)

CABO VERDE WANTS TO RECEIVE 3 MILLION TOURISTS BY 2030

Cabo Verde (Cape Verde) intends to receive more than 3 million tourists by 2030, said the Director-General of Tourism on Wednesday, adding that it is necessary to remove some obstacles related to transport prices, quality of infrastructure, security and diversification of supply and issuing markets.

The target is set out in the Big Options of the Strategic Plan for Sustainable Tourism Development by 2030, a document prepared by the government after it gathered suggestions at several round tables held on almost every island in the country.

Tourism Director-General Carlos Jorge Anjos said the plan outlined several scenarios for the sector in the coming years, but added that the government had opted for the measures included in the moderately optimistic scenario, as this was considered the most likely.

This scenario predicts that the country will receive 3.15 million tourists by 2030, an influx that would require the creation of more than 30,000 jobs and collect tourist tax revenue of 4.4 billion escudos (about US$47 million).

The plan, presented at the World Tourism Day celebrations, projects that by 2030 the islands of Sal and Boavista will receive 2 million tourists and the other islands the remaining 1.15 million.

Cabo Verde received around 640,000 tourists in 2016, a year-on-year increase of 15%, and the Director General of Tourism said that in the first half of 2017 almost 400,000 tourists visited the archipelago.

The Minister of Economy and Employment, José Gonçalves, gave assurances that the country will exceed the threshold of 1 million tourists in the coming years, given that the investments being made guarantee sustainability for the sector, with a consequent increase in the number of tourists who travel to Cape Verde every year. (28-09-2017)

US$2.9BN SIX-LANE EXPRESSWAY TO BE CONSTRUCTED IN KENYA

Kenya is eyeing to construct a brand new road between Mombasa and Nairobi instead of expanding the existing highway. Instead of turning the current road into an expressway, the government has decided to construct a completely new six-lane expressway to run side by side with the existing one.

Traveling options

In another three years, a Kenyan traveling from Mombasa to Nairobi will have at least four major options. One may choose the Standard Gauge Railway (SGR) passenger train. The train takes about five hours or take a flight and land in the coastal town in an hour. If traveling by road, one will have two roads to pick from.
Moreover, the six-lane expressway project is under the execution of Bechtel Corporation, the largest construction and civil engineering company in America.
The contractor building the controversial expressway can sell it to another private contractor. The new contractor can charge users toll fees to recoup the billions investment in the project.
“Under the Exim Bank financing model, the government has the opportunity to privatize or securitize the individual sections of the expressway. This can reduce the total borrowing requirements,” said the Director General of the Kenya National Highways Authority (Kenha) Engineer Peter Mundinia.
However, according to a source familiar with the project, “Private investors will buy the road and charge toll fees. The fee is in line with the initial Public Private Partnership (PPP) model once the construction is complete.”
The project is the first multi-billion ‘private road’ in the region. Kenha is contradicting the Ministry of Transport which has turn down claims concerning the contract signing.

The project cost

Kenha, handed the project to the American firm without a competitive process, says the development is under its mandate. Available estimates show that the project cost is US$2.9bn, excluding the cost of buying the land.
Kenha also says that its economic projections show that there is an infrastructural symbiotic relationship between the SGR and the new road as it offers connectivity for people, business and communities along the road.
“Once completed, the expressway will play a critical role in improving Kenya’s transportation logistics and trade competitiveness while supporting the spatial and industrial development along the corridor,” Mundinia said.
Kenha is defending the decision to opt for the construction of a new road on grounds that it is distinct from the PPP alternative. Furthermore, it offers a new alignment design as a high speed six-lane expressway of higher capacity and safety standards.
Furthermore, the expressway project includes the highway capacity through construction of the greater Nairobi-Southern Bypass which has been planned for several years, thereby contributing to decongestion of the fast-growing Nairobi Metropolitan Area.(CRO 27-09-2017)

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.

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