MEMORANDUM

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SUMMARY

UNEASE AS ZIMBABWE ROLLS OUT 'SURROGATE' DOLLARS

Illegal money changers pose while exchanging a new Zimbabwe bond note, left, and US dollar notes in the capital Harare.

The country's economic decline has recently worsened with banks running short of cash and depositors sleeping outside branches to be sure of accessing their money

Zimbabwe on Monday started issuing "bond notes", its own currency equivalent to the US dollar, in a bid to ease critical cash shortages, but the move sparked fears of a return to hyperinflation.

The crisis-hit southern African country has used multiple foreign currencies, including the greenback, since 2009, after a rate of inflation that peaked at 500-billion percent rendered the Zimbabwe dollar unusable.

The introduction of $2 and $5 bond notes into circulation follows the issuing of bond coins over a year ago to ease shortages of change in smaller denominations.

The country has experienced a severe shortage of US dollar banknotes in recent months which prompted President Robert Mugabe's government to print what locals have dubbed "surrogate money".

"The government is only treating the symptoms without attending to the problems and it's not going to solve anything," Antony Hawkins, an economist at the University of Zimbabwe's Business School, told AFP.

"The problem is we are not earning enough foreign currency and bond notes are not going to solve that. It will make the situation worse. "There is a saying in economics that says 'bad money drives away good money', and that is what's going to happen."

The central bank has launched a media advertising blitz trying to allay people's fears, saying retailers and businesses have agreed to accept the bond notes.

But the illiquid Zimbabweans say they have no choice but to accept the pseudo currency.

"We had no solution. We were caught between a rock and a hard place. This is a good stop-gap measure. Let's embrace it," Timothy Salimu, a former bank manager told AFP outside the banking hall in the capital.

Yet "for people needing money to do business outside this will present challenges," he added, "but it's too early to cry."

But even as Lovemore Chitongo, 40, a curbside shoe salesman, accepted payments in bond notes and coins on Monday morning, he remained skeptical.

"We are expecting little change," he told AFP. "There is no way the bond note will be equal to the US dollar. The market will determine the exchange rate." Chitongo himself was charging $20 per pair of shoes — but $25 in bond notes. He would use the difference to buy cash on the black market, he said.

The introduction of bond notes stoked fears of petrol shortages in the past week and queues surfaced at some fuel stations.

The government sought to calm panicking drivers, saying the country has enough fuel stocks. "We wish to assure the nation that there is no basis for alleging that the country will go dry in terms of fuel supply," it said in a statement at the weekend.

Depositors would be limited to a maximum withdrawal of $150 a week.

The 2009 switch to foreign currencies saw relative economic stability before the economy began to falter again as government policies deterred investors.

The economic decline has worsened in recent months with banks running short of cash and desperate depositors sleeping overnight outside branches to be sure of accessing their money.

Those businesses that have weathered Zimbabwe's successive economic storms are grinding to a halt as the government repeatedly fails to pay soldiers and civil servants on time.

The introduction of bond notes has also stirred anger that has erupted into street protests.

In the past fortnight several activists were beaten up and arrested ahead of a planned street protest to oppose the introduction of the notes.

The government said the new notes will be backed by a $200m support facility provided by the Cairo-based Afreximbank (Africa Export-Import Bank). (AFP 28-11-2016)

THOMAS COOK GROUP BUILDS TWO HOTELS ON SAL ISLAND, CABO VERDE

British group Thomas Cook, which plans to open its own brand of hotels in many popular sun and sea destinations, is building two units in Cabo Verde (Cape Verde), specifically on the island of Sal, which will receive their first guests in winter 2017/2018, reported trade publication Turisver.

The New Horizons Hotel Resorts complex, expected to cost 80 million euros, will have two hotels managed by Thomas Cook Hotel brands – Sunprime Hotels, a hotel whose segment is reserved for over 16s and Sunwing – Family Resorts, designed for family holidays.

In all the two units will offer another 600 rooms, 250 at the Sunwing and 350 at the Sunprime including apartments with private pools, as well as a variety of services and specific services geared to the two segments.

The vice president of Thomas Cook, who was visiting Cabo Verde to launch the project, said the group already had plans for "more investments" on the island of Boavista, in the short term.

The aim of the British group (https://www.thomascook.com/), established in 2007 through the merger of Thomas Cook AG, the successor of Thomas Cook & Son and the MyTravel Group, is to take over 75,000 tourists per year to the Cabo Verde archipelago. (23-11-2016)

AFRO-ARAB SUMMIT: EQUATOGUINEAN LEADER STRESSES SOUTH-SOUTH COOPERATION

The President of Equatorial Guinea, Teodoro Obiang Nguema Mbasogo, on Wednesday stressed the need to "implement the 2013 Kuwait roadmap on good governance, promote South-South, win-win cooperation, as well as reject Western interference in African problems.

In his opening address to the 4th Afro-Arab Summit in Malabo on the theme "Together for Sustainable Development and Economic Cooperation," the Equatoguinean leader criticised the manipulation of African youth by the west, calling on African and Arab countries to "find mechanisms to curb the rural exodus of Africans to the countries of the north."

He also insisted on the need to promote partnership between the two parties in areas of common interest, for "a development of the nationalist spirit of African youth," which he believes should push back exogenous cultures to Africa.

"It is time to redirect African youth towards Arab countries," he suggested.

In his opinion, solidarity between Africa and the Arab world is "the only possibility for these two partners to impose their voices on the international scene, dominated by Western countries."

For his part, the Emir of Kuwait, Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah reiterated his country's commitment to supporting the Afro-Arab partnership through funding in strategic areas including health and food security.

He also called for an enabling environment for investment.

Mauritanian President, Mohamed Ould Abdel Aziz said in his speech that terrorism was one of the major challenges facing Africa and the Arab world.

“Stability and peace are the factors of sustainable development” he added, calling on both sides to support the Palestinian cause.

Idriss Deby Itno, the current President of the African Union noted the inadequacy of results in the implementation of the Afro-Arab partnership, insisting on the need to act “by getting out of the beaten tracks of promises and good intentions for concrete actions.”

The Secretary General of the Arab League, Ahmed Aboul Gheit of Egypt, stressed the need to coordinate the partnership at the level of Economy and Finance Ministers.

The Chairperson of the African Union Commission, Nkosazana Dlamini Zuma, who closed the speeches before the closed door meeting of heads of state and delegation, focused her speech on the place of youth in the development of Africa, considering that it is necessary “to center development on the person, reinforcing the place of citizens.”

The promotion of the private sector, renewable energy and the blue economy in Africa, and advancing cultural exchanges between the two geographical regions also attracted the interest of heads of state and delegations at the Malabo summit. (APA 23-11-2016)

ELIMINATION OF VIOLENCE AGAINST WOMEN: EU SUPPORTS AWARENESS CAMPAIGN IN TUNISIA

On the occasion of the International Day for the elimination of violence against women (25 November), the Tunisian Ministry of Women, Family and Children has launched an awareness campaign under the title “Yezzi, matoskotch tkellem” (“Enough, don’t keep quiet, speak”, funded by the EU through the programme “Promoting gender equality”.

This campaign, which will last 16 days, will feature workshops and training courses aimed at raising awareness about violence against women to help fighting it. (EEAS 28-11-2016)

[Q&A: Supporting Tunisia’s transition: a strategic priority for the EU]

ANGOLA EXPECTED TO ACHIEVE SELF-SUFFICIENCY IN EGG PRODUCTION IN 2017

The investments companies are making in egg production using the Angola Investe programme are expected to lead the country to achieve self-sufficiency in the first quarter of 2017, the Angolan Economy minister said on Tuesday in the city of Cuíto, Bié province.

Minister said Abrahão Gourgel said Angola currently produces about 1.5 million eggs per day in aviaries whose companies benefit from state support under that investment programme.
Quoted by Angolan news agency Angop, the minister acknowledged that some poultry producers were dealing with constraints in terms of equipment and funding.
“The government will seek to remedy this situation in a short time,” said Gourgel, who added the government also aimed to reach self-sufficiency in chicken meat production.
The government chose the chicken and egg sector as the flagship of the Angola Investe programme, taking into account its potential and rapid economic impact that serves as a successful example for other sectors of the economy.
Statistics show that national egg production in 2012 was 400,000 eggs per day, covering only 23% of Angola’s needs, and in mid 2016 production reached 1.2 million eggs per day, meeting 53% of the market’s needs. (23-11-2016)

E/AFRICA TO EMBARK ON REGIONAL IMMUNIZATION DRIVE

The East African Community (EAC) has secured €40 million from Germany to support a regional health immunization programme and establish operations for the Regional Laboratory Network for Communicable Diseases.
The funding was extended to EAC through the KfW Development Bank.

According to a statement from the EAC secretariat the financing agreement was signed on Wednesday afternoon by the officials of the two parties.

€30 million in financial assistance will be invested in immunization programmes in the EAC in collaboration with Global Vaccine Alliance, (GAVI).

So far about 50 million of Rota Virus Vaccines, Pneumococcal Vaccines and Pentavalent Vaccines have been financed in the EAC states.

An equal number of children have been vaccinated against diarrhea and pneumonia, the biggest threat to children's health in the region.

Another €10 million will be used in the operation of the Regional Laboratory Network for Communicable Diseases consisting of mobile laboratory units located at national reference laboratories.

This new commitment will bring Germany's contribution to fight child mortality through immunization programmes to €90 million since 2013. (APA 23-11-2016)

TUNISIE : LA CAPITALE RETIENT SON SOUFFLE A LA VEILLE DE LA CONFERENCE « TUNISIA 2020 »

La place de la Victoire, à Tunis.

À la veille de la conférence internationale sur l'investissement - qui compte lever plus de 67 milliards de dinars (près de 27,5 milliards d'euros) pour financer 64 projets publics, 34 projets en partenariat public privé (PPP) et 44 projets privés pour remettre la Tunisie sur orbite économique -, Tunis met la dernière touche aux préparatifs d'un événement qui mobilisera toute la ville les 29 et 30 novembre.

Les usagers des transports ne sont pas contents. Plusieurs artères interdites de circulation vont compliquer le trafic dans une capitale qui souffre d'engorgements mais qui a fait peau neuve avec des rues propres, des trottoirs repeints et la mise en place discrète d'agents de sécurité.

Entre espoirs et inquiétudes

« Au moins ça de gagné. Il paraît que 1700 personnes seront au Palais des Congrès, à coup sûr cela donnera à la Tunisie une certaine visibilité et les commerces pourraient aussi en profiter » remarque un chauffeur de taxi qui espère que la manifestation lui apportera un surplus de clientèle. Mais comme lui, beaucoup ignorent la teneur et la finalité de cette rencontre.

« On a compris qu'il s'agit de finances, que cela concerne l'État qui a besoin de soutien mais on ignore tout des mécanismes et des conséquences sur notre pouvoir d'achat », s'inquiète Sarra, une préposée de banque, tandis que l'une de ses amies espère que les engagements des investisseurs internationaux seront réels. « Autrement nous courrons à la catastrophe ».

Pourtant certains s'opposent à la tenue de cette conférence ; Hizb Ettahrir, parti islamiste radical, l'a fait savoir en placardant des pamphlets dans le quartier Lafayette, dans lesquels il fustige le capital et le gouvernement. De toute évidence, ses chefs ne sont pas conviés comme les principaux leaders politiques au démarrage de « Tunisia 2020 », où le Cheikh Tamim ben Hamad Al Thani, émir du Qatar, Abdelmalek Sellal, Premier ministre algérien, et Manuel Valls, Premier Ministre français, accompagnés d'un aréopage d'hommes d'affaires, affirmeront aux côtés du président tunisien, Béji Caïd Essebsi, le soutien de leurs pays à la Tunisie.

Plus que des paroles…

Rien n'a filtré quant aux engagements pris, mais des annonces importantes seront faites. Il est question de la création d'une zone de libre-échange avec l'Algérie et d'importants contrats avec la France. Un peu désabusé, un buraliste préfère attendre de voir. « Cela me rappelle le 14 janvier 2012 ; ils étaient tous là pour aider la Tunisie mais au final ce n'était que des paroles. Mais aujourd'hui on est tous d'accord et conscients que la Tunisie a besoin d'investissements ; il n'y a plus de politique qui joue ; l'économie a pris le pas. »

Il risque d'être surpris ; la donne politique a changé, les équilibres régionaux aussi et la Tunisie a quand même mis en place sa transition et initié ses réformes ; suffisamment pour pouvoir au moins négocier les satisfecit que lui octroie volontiers la scène internationale.

Le pays, qui ne cache pas se trouver confronté à une crise de confiance, est témoin d'un sursaut, et non des moindres. Le 25 novembre, une vingtaine de capitaines d'industrie tunisiens ont présenté à Béji Caïd Essebsi les projets qu'ils vont réaliser dans les régions, avec 50 000 emplois à la clé. Un effort louable et nécessaire qui, seul, reste insuffisant. « Il faut revoir notre administration et assouplir les procédures » précise l'un des dirigeants de Hélios, une société d'innovation industrielle (SII) tunisienne qui opère en Afrique. Il participe justement à la Conférence pour nouer de nouveaux contacts et sensibiliser sur la question.(JA 28-11-2016)

NEW LAW STRENGTHENS CAPACITY TO ATTRACT PRIVATE INVESTMENT IN ANGOLA

With the new private investment law Angola has improved conditions to stimulate investment, which are necessary to diversify the economy, but should deepen reform and make better use of infrastructure such as the Lobito Corridor, said researcher Áurea Mouzinho.

In the recent study "Understanding the regulatory landscape of FDI in Angola" for the South African Institute of International Affairs (SAIIA), Mouzinho said reforms introduced by the new law "substantially simplified investment procedures related to the repatriation of capital and the system of tax breaks."

"These improvements are of great importance, since they increase the impartiality of the private investment regime. However, it remains to be seen how the new regulations will work in practice and, specifically, whether these measures will lead to a significant reduction of bureaucracy and delays in the investment approval process," she said.

According to Mouzinho, better regulation should come alongside "major institutional reform, particularly in terms of transparency, fiscal management and rule of law."

The latest edition of the World Bank's "Doing Business" report notes that Angola facilitated the minimum capital required to set up a company and reduced taxes, in addition to taxes on income and on profits, but overall kept the country in the lower end of the rankings (182nd out of 190 countries).

The new version of the private investment law, and other relevant reforms, considers a company "Angolan" if it has its headquarters are in Angola and 51% or more of its capital is held by Angolan citizens, in addition to establishing mandatory partnership requirements with Angolan citizens, public companies or private companies for investments in the sectors of energy and water, transport and logistics, construction, among others.

The Angolan partners must hold at least 35% of the capital and take effective part in the management of the company, as outlined in the shareholders' agreement.

Responsibility for promoting private investment was assigned to the newly founded Angolan Agency for Investment and Export Promotion and, after the adoption of the new law, the government has taken steps to create special ministerial departments and units of the provincial government to support and monitor the investment process.

"Whether the special ministerial departments actually help reduce bureaucracy and delays in the investment process will depend in the long run, on the government's ability to coordinate activities and monitor the performance of various bodies," said Mouzinho.

According to the researcher, another factor working for the government to improve the attractiveness of the Angolan economy as a point of access to regional markets is the use of infrastructure such as the Lobito Transport Corridor, reopened in 2013 after reconstruction funded by China, "a route that is particularly important to achieve this, as it is already installed."

"The Lobito Corridor is of great strategic importance for the Angolan economy. (…) The reconstruction of the railway, in itself, supported the emergence of intermediary shopping centers that attract small businesses and informal transport operators. There are also ample opportunities to use the local workforce. The Lobito Corridor crosses between 12 million and 20 million hectares of arable land with grazing potential and accessible water sources," that remains unexplored.

According to the study, between 2013 and May 2015 coal, oil and natural gas projects were by far the biggest recipients of foreign investment – US$65.576 billion, or 87.27% of the total.

After that came real estate, with US$4.138 billion, or 5.51% of the total, financial services, with US$1.242 billion and construction materials, with US$1.197 billion. (21-11-2016)

MOZAMBIQUE'S ENH APPROVES NATURAL GAS PROJECT INVESTMENT PLAN

The Mozambican government's oil and gas company ENH will have to pay US$800 million for its share of 10% in the natural gas exploration project in area 4 of the Rovuma Basin, the company said in a statement issued in Maputo.

The statement said that the board of directors approved the investment plan for the Coral Sul project, which will require an investment by all partners of US$8 billion for natural gas extraction and liquefaction using a floating platform at sea.

"The approval of the investment plan by the company is a key step in the process that will culminate in the adoption of Final Investment Decision (FID) and subsequently with the implementation of the project," said the President of ENL, Omar Mitha, cited in the statement.
This project involves construction of six wells connected to the underwater production system and the floating production facility, which will have a liquefaction capacity of over 3.3 million tonnes of natural gas per year.
The Final Investment Decision will be made following approval of the investment plan by remaining partners and after financing is secured.
During the research phase, Area 4 concession holders made an investment of about US$2.8 billion.
Italian group ENI is the operator of Area 4, with an indirect stake of 50%, through its subsidiary ENI East Africa, which holds a direct stake of 70%.
The remaining partners are Galp Energia of Portugal, South Korea's Kogas and Mozambique's ENH, which have 10% each, and the China National Petroleum Corporation, which has a 20% indirect stake through ENI East Africa. (23-11-2016)

CHEAP STEEL DRIVING EAST AFRICA INFRASTRUCTURE BOOM

East Africa is in the midst of an infrastructure projects surge due to low steel prices, regional economic strength and Chinese support for projects. The cost of steel, engineering and design services have all been low this year, as a result of weak international demand.
In addition, contractors have more spare capacity than usual, so projects can be developed more quickly. A quarter of Chinese steel production capacity has been shut-in during the year to date and so Beijing has been keen to find outlets for Chinese output.
This has helped drive the current boom in pipeline and railway projects in East Africa, including the new Mombasa-Nairobi standard gauge railway line and Uganda's planned oil export pipeline and railway to the northern Tanzanian port of Tanga, to name a few.
Despite the rise in steel consumption in East Africa, other parts of the continent are unlikely to benefit from the same type of projects because of the economic downturn affecting many other countries.

Weak Continental Demand

The investment seen in East Africa is unlikely to be replicated in economies that rely on commodities, such as Zambia, Nigeria and Angola. Those African countries are facing extensive spending cuts, particularly where support from the IMF and other multilaterals is expected.
With more emphasis on poverty reduction, the international lenders may not demand such deep spending cuts in return for loans as during previous downturns. Nevertheless, they are unlikely to countenance borrowing for big tickets infrastructural projects. Apart from anything else, the Mozambican loan scandal emphasises the need for due diligence.
However, despite the low cost of steel, investment into some African infrastructure projects continues to be hampered by legislation and corruption, according to Chris McKeon, Africa Analyst at risk analysis company Verisk Maplecroft.
"Low prices may reduce the risk of investing in African infrastructure very slightly, but it is probably a mistake to consider the costs of such projects solely through the prism of the global price of materials," he said. "Land acquisition is still a long, expensive and often controversial procedure in most African countries and high levels of corruption continue to leach resources that could go to repaying debts."

The price of commercial loans and bond yields have both increased but many projects are being financed on easy terms by interested foreign governments. This generally means China and indeed Beijing in the form of Exim Bank agreed in July to finance the entire $7.6bn Tanzania-Rwanda railway project, just as it has funded the construction of the Mombasa-Nairobi line.

“Investors need to be extremely wary of getting involved in infrastructure projects in debt-laden African countries,” McKeon added. “Much of the continent’s current economic crisis has been born of a hyper-optimism about returns on investment and governments’ ability to repay their debts – optimism that in many cases now looks severely misplaced.”

Outlook

The low steel prices will not last much longer. The prices of iron ore and coking coal, which are the two main steel inputs, have increased by 54% and 243%, respectively, during the course of this year so far. ArcelorMittal South Africa has announced that it will increase its steel prices from 1st December and other producers are likely to follow suit, although there is still plenty of spare capacity. (African Business Magazine 24-11-2016)

SOUTH AFRICA, CHINA INK MORE PACTS TO CEMENT COOPERATION

South Africa and China have agreed to enhance cooperation in five key areas -- including politics, the economy and trade as well as people-to-people exchanges, the Presidency has said.

The accord comes after various agreements were reached at the sixth plenary session of the China-South Africa Bi-National Commission (BNC) that Deputy President Cyril Ramaphosa and Chinese Vice President Li Yuanchao chaired in Cape Town on Tuesday.

During the session, the commission received and deliberated on reports of the sectoral committees on foreign relations, trade and investment, science and technology, mining, energy and education.

“They also reviewed the progress made with regard to South Africa-China relations over the past three years and identified the way forward for the continuously expanding bilateral relations,” the two countries said in a joint communique issued on Tuesday. Since its establishment in 2000, the China-South Africa Bi-National Commission has played an active role in facilitating bilateral cooperation in important areas.

The BNC provided the opportunity to assess where there is a need to further expand the areas of cooperation with regard to the sectoral committees such as ocean's economy and agriculture.

“The two countries will maintain close communication on major issues including global economic and financial governance, climate change, cyber security, counter-terrorism and counter-transnational organized crimes as well as human rights,” the document said. (APA 23-11-2016)

CHINA NATIONAL PETROLEUM CORPORATION CONSIDERS INVESTMENTS IN MOZAMBIQUE

The China National Petroleum Corporation (CNPC) may invest in building facilities for natural gas exploration and processing in Mozambique, said the director of the group's international department, Wang Hongtao.

The investment, which will bring to fruition a memorandum between CNPC and the Mozambican government's ENH in May, is dependent on completion of the research in an area of the Rovuma basin.

A mission from the CNPC, led by President Wang Yilin, is currently in Mozambique to study the terms of cooperation between the two companies in the natural resources sector, including the construction of gas pipelines and a power production plan.

"We are partners with ENI and have a cooperation agreement with ENH, with the president of CNPC in Mozambique for discussions on this partnership and to assess the steps that come after the signing of the memorandum," said the director, quoted by Mozambican daily newspaper Noticias.

"We cannot move forward without research being completed and we are working with our partner, ENI, to develop the block," he added.

The CNPC is currently involved in 17 projects in the oil and natural gas sector, including, as well as Mozambique, Chad, Sudan, South Sudan, Niger, Nigeria, Tunisia and Algeria with production of over 16.71 billion tonnes in 2015. (23-11-2016)

EU COMMUNICATION: "A RENEWED PARTNERSHIP WITH THE COUNTRIES OF AFRICA, THE CARIBBEAN AND THE PACIFIC" ECDPM PRELIMINARY ANALYSIS

Last week, the European Commission published a Communication titled "A renewed partnership with the countries of Africa, the Caribbean and the Pacific". ECDPM deputy director Geert Laporte, together with Jean Bossuyt, Marc De Tollenaere and Niels Keijzer of the German Development Institute, present a preliminary analysis of the Communication that will be discussed at the 28 November Foreign Affairs Council. The authors of the paper have analysed the Communication at 'face value', with a particular focus on the findings of the in-depth **ECDPM political economy of ACP-EU relations**, as well as the ECDPM paper presenting different **scenarios for the future of ACP-EU cooperation**. (ECDPM)

HIGHWAY LINKING KENYA AND ETHIOPIA AWAITS COMMISSIONING

The highway linking Ethiopia and Kenya is now completed and awaiting official commissioning by the Ethiopian Prime Minister Hailemariam and Kenyan President Uhuru Kenyatta, APA learns here on Wednesday.

The last mile at Marsabit in Kenya was completed on November 18.

The 500 kilometre Kenyan segment of the road was built in four sections, Isiolo to Merille, Merille to Marsabit, Marsabit to Turbi and finally, Turbi to Moyale. The entire corridor runs from Mombasa to Addis Ababa. The final element is to connect the Kenyan and the already completed Ethiopian sections.

A One-Stop Border Post on the border between the two countries at Moyale will allow for passport and customs controls at the border crossing, replacing the two previous separate customs points. (APA 23-11-2016)

INVESTORS FROM CHINA BUILD SHOPPING CENTRE IN SAO TOME AND PRINCIPE

The largest shopping centre in Sao Tome and Principe, an investment by a private group from the People's Republic of China, was opened Wednesday in Sao Tome, in a ceremony that was attended by the Sao Tome Minister of Defence and Internal Affairs.

Minister Arlindo Ramos highlighted the importance of foreign direct investment "in relaunching the economy of Sao Tome and Principe," of which this shopping center is an example and Chen Xio Xian, the Chinese group's chief executive, said the project cost more than US$5 million.

Arlindo Ramos also said that the opening of this shopping centre "symbolises the government's focus on the private sector," highlighting their role in combating unemployment and the positive influence on market supply and demand for goods and services.

Located in the centre of the capital of Sao Tome and Principe, the new five-floor shopping centre, with almost 100 shops, offers wholesale and retail trade of various goods, including food, clothing, household appliances, computer equipment, materials construction, furniture and vehicles along with services.

This shopping centre is the largest project by investors from mainland China in Sao Tome and Principe since diplomatic relations were cut after relations with Taiwan were established in May 1997. (24-11-2016)

SOUTHERN AFRICA: EU SEEKS TO ELIMINATE AID TO ANGOLA, NAMIBIA, BOTSWANA AND SOUTH AFRICA AFTER 2020

At the time of decolonisation in the 1960's and 1970's, the then EEC brought together a strange collection of former European colonies in Africa, the Caribbean and the Pacific islands (called the ACP group).

It was just at the time that the UK was joining the EEC, and so the group included all the former British, French, Dutch, Belgian and eventually Portuguese ex-colonies. Oddly, it did not include any of the former Spanish colonies. The ACP group was formed in 1975, and since then, the EU has paid substantial amounts of aid through the European development fund, which is replenished by its members every seven years.

For Europeans, the payments of aid were essentially 'guilt money' for centuries of slavery and then colonialism, and while they had some real innovations at first, they degenerated, and by the turn of this century, the EU signalled its desire to bring this to an end. But there was always a deeper objective. The Lome Convention and the subsequent Cotonou Agreement were focused on assuring continual access to African raw materials, and trade preferences were offered unilaterally to assure that the sugar and beef and metals kept coming.

On 22 November, the European Commission was scheduled to issue a communication which, according to normally well- informed sources in both Berlin and Brussels, would bring to an end half a century of aid for the richest 21 ACP countries by 2020, when the current Cotonou Agreement comes to an end.

All of Namibia's neighbours, with the exception of Zambia, will have their aid terminated from 2020 under the 12th European Development Fund. This elimination of aid applies to Angola, Botswana, Namibia and

South Africa. The official reason for the cut in aid is that the EU wishes to focus its efforts on the poorest of the ACP states.

In the rest of Africa, the countries which will no longer receive national allocations are said to include Equatorial Guinea, Gabon, Mauritius, and the richest country in Africa, Seychelles. Other low-income countries like Zimbabwe will continue to receive EU aid.

For Namibia, the loss of aid is very important because of late, EU assistance has been principally focused on education and skills development. Under the 10th EDF (2008-2013), a total of 104,9 million euro was budgeted for Namibia, which dropped to 68 million euro under the 11th EDF (2014-2020).

If the proposal goes ahead as planned, then after 2020 the figure will be zero, and while Namibia and Botswana will lose important funding for the education sector, which has been central to still have access regional funds. These are programmed with SADC secretariat and may somewhat compensate in part for the loss of national aid, but Namibia has less of a direct say over these regional funds. Much of the regional funds are used for funding of SADC activities and this too has been questioned by both SADC and EU members alike. There are real questions being asked as to whether funding of the SADC secretariat in Gaborone really constitutes value for money.

What is certainly positive from an African perspective is that there is every indication that the EU is very likely to propose a legally binding agreement with the ACP in the post-2020 era, which means that they will continue the relationship with the ACP group. Whereas the creation of the ACP was done for strategic purposes in light of the widening of the then EEC, the dismantling of this relationship that appears to have either an economic, trade or clear developmental objective is proving far more difficult to achieve.

In the last few weeks the European commission has also proposed the development of a new 3,5 billion euro investment fund. This is meant to help foster investment in large part in those countries which are Europe's 'near abroad' i.e. in North and West Africa from where many of the illegal migrants come. Europe aid policy appears once again to be responding to its own immediate need but its effectiveness and usefulness will depend very largely upon how well it works with its own private sector to actually create employment in Africa. Unfortunately for the countries of southern Africa, like Botswana and Namibia who are going to lose their national programmes, they do not send large number of refugees and illegal migrants to Europe and so they are unlikely to benefit substantially from the new investment fund even though they can in principle have access to the investment facility.

In its early days the European Commission behaved very much the way China does today. It used its considerable aid in ways that directly helped African countries develop their commercial and export sectors through European investment. The European Commission also worked closely with the commercial arms of EU member states like the UK's Commonwealth Development Corporation, which undertook so many important commercial investments throughout sub-Saharan Africa.

Since the 1970's and 1980's the EU's development policy has focused less and less on commercial matters and helping European firms invest profitably in Africa and more on whatever happens to be important to European politicians that year, whether it is human rights, conservancies, global warming or gay rights.

This complete lack of consistency and focus of EU development policy has meant that China, which is far more single-minded in its approach with aid there to help Chinese exports and promote Chinese investment and its economic development, has played an ever more important role in the economic transformation of Africa while Europe has become progressively less relevant. (The Namibian 22-11-2016)

NIGERIA MAKES PLANS TO VERIFY PENSIONERS IN THE DIASPORA

Nigeria's Pension Transitional Arrangement Directorate (PTAD) on Wednesday says that plans are underway for the directorate to begin diaspora verification for Nigerian pensioners overseas.

The Executive Secretary, Sharon Ikeazor said in Abuja on Wednesday that PTAD was thinking towards having diaspora verification for Nigerians outside the country but that one pension department cannot do this verification alone.

“So customs, immigration and prisons pensioners have put forward a memo to PTAD for diaspora verification for their people but my advice is that they should marry it with the police.

“This is because there are also police pensioners who are outside the country and other parastatals like the civil servants that are outside Nigeria.

“So PTAD tends to verify these pensioners in the diaspora although it cannot do it in isolation but in collaboration with our missions outside of Nigeria to save cost,” Ikeazor said.

The PTAD boss said that the directorate would next week start verification for the pensioners in the Northeast and thereafter, it would be that of the South-South

Ikeazor said no pensioner would be on its payroll unless the person was verified and thereafter his/her name would be on its payroll.

According to her, there are several innovations being carried out now by the organisation to ensure that pensioners receive their pensions on time and as at when due.

She listed establishment of call centres and website for pensioners to reach the directorate as its new innovations. She added that the organisation would soon establish 36 zonal offices for pensioners to make their complaints to PTAD easily as another innovation for the organization.

Ikeazor urged the Federal Government to release funds on time for the directorate to pay the pensioners their pensions quickly as many of them were suffering.

She also called on the Federal Government to provide funds for the organisation to build its permanent headquarters as it was still in a rented apartment and money to build its data office and website.

Ikeazor explained that with a correct data office, information technology and more staff, the organisation would pay pensioners correctly and work effectively.

She said that the new PTAD now treats everybody with dignity and empathy, adding that any pensioner that had an unresolved issue should meet her personally to resolve the problem. (APA 24-11-2016)

COMMUNICATIONS FROM THE INTERNATIONAL MONETARY FUND

Cabo Verde - http://www.imf.org/external/pubs/cat/longres.aspx?sk=44431.0

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