

# MEMORANDUM

N° 25/2017 | 10/02/2017

More than 1,811 Daily Memoranda issued from 2006 to end of 2016, with 21,732 pages of Business Clips issued covering all African, European Institutions and African Union, as well as the Breton Woods Institutions. The subscription is free of charge, and sponsored by various Development Organisations and Corporations.

The Memorandum is issued daily, with the sole purpose to provide updated basic business and economic information on Africa, to more than 4,000 European Companies, as well as their business parties in Africa.

Should a reader require a copy of the Memoranda, please address the request to [fernando.matos.rosa@sapo](mailto:fernando.matos.rosa@sapo) or [fernando.matos.rosa@skynet.be](mailto:fernando.matos.rosa@skynet.be).

## 11 YEARS OF UNINTERRUPTED PUBLICATION

### SUMMARY

Mozambique, Indonesia strengthen economic cooperation	Page 2
South Sudan boosts security at oil operations	Page 2
Nigeria to reduce fuel importation in 2018	Page 3
Zimbabwe's top court throws out case against Mugabe	Page 4
S/Africa: Plan in motion to fight fall army worm	Page 5
Are Ethiopian Shoemakers Competing With China To Manufacture For US Markets?	Page 5
Sudan inaugurates Upper Atbara and Setait Dam power project	Page 7
US\$2b set aside to power public amenities in Kenya	Page 7
Zambian government receives U.S\$4 billion housing Investment pledges	Page 8
Tanzania mortgage schemes gains ground	Page 8
Trade between China and Portuguese-speaking countries falls for the second consecutive year	Page 9
EU opening a new chapter of relations with The Gambia	Page 10
Angola's Endiama negotiates financing for another diamond project	Page 11
Local authorities in Zimbabwe accused of poor water service delivery	Page 11
Brazilian group plans to build factory in Angola	Page 12
UK foreign aid fraud investigations 'quadruple in last five years'	Page 12
ENI Group increases oil production in Angola	Page 12
Mozambique prepares for maiden Indian Ocean Summit	Page 13

## MOZAMBIQUE, INDONESIA STRENGTHEN ECONOMIC COOPERATION



Indonesian Foreign Minister Retno Marsudi has expressed his country's willingness to become Mozambique's "true business partner", according to state radio on Wednesday.

Radio Mozambique said the minister told a one-day Mozambique-Indonesia Business Forum held in Maputo that it was time for the two countries to build a robust economic partnership to stimulate their development.

"Now it's the time to build economic partnership between Asia and Africa, and between Indonesia and Mozambique, because these continents and countries have very close historical ties.

"We want to renew these ties and turn them into something concrete. It is time for us to march together and cooperate together," Marsudi said.

She revealed that Indonesia was interested in investing in Mozambique's petroleum and gas sector and that two companies from the Asian country are already working in the sector.

"Mozambique has many natural resources and Indonesia can offer manufacturing and the training of workers to generate skills," she said.

Targeted sectors included agriculture, fisheries and manufacturing.

Representatives of the Exim Bank of Indonesia attended the forum and Marsudi said their presence was crucial since it would be impossible to talk about cooperation between the two countries without mentioning the financial component. (APA 08-02-2017)

## SOUTH SUDAN BOOSTS SECURITY AT OIL OPERATIONS



South Sudanese policemen and soldiers stand guard

South Sudan said it boosted security at oil installations and will source electricity from neighbouring Sudan to resume output at two fields in efforts to restore production to levels achieved before the country descended into civil war.

The government was also in talks with oil companies, including Total of France and Oriental Energy Resources of Nigeria, to begin exploration in Block B, the country's largest untapped deposit, Petroleum minister Ezekiel Lul Gatkuoth said in an interview on Monday in the capital, Juba. Other companies, including London-based Tullow Oil and Exxon Mobil, were "seriously interested" in investing in the country, he said.

Oil production in South Sudan plunged by at least a third to about 130,000 barrels a day since conflict erupted in the East African nation in December 2013. The decline, combined with a drop in prices, has devastated the economy, with annual inflation accelerating to almost 500% and GDP forecast by the IMF to contract 6.1% this year after shrinking 13.1% last year.

President Salva Kiir deployed security forces to oil installations even after the country stabilised following a flare-up of violence last year, Gatkuoth said. The conflict since 2013 has claimed tens of thousands of lives and forced 3-million people from their homes.

"The president instructed us that even though security is 100%, we have to deploy," he said. "He has instructed the army, the national security and the police to deploy."

### **Returning workers**

Increased stability and the security deployment encouraged employees of companies, including China National Petroleum, Malaysia's Petroliaam National and Oil and Natural Gas of India to return to the country, after they fled the fighting last year, the minister said. The three companies are the main producers of oil in South Sudan.

"During the July crisis last year they left, but came back," Gatkuoth said "They are ready to resume the production and increase output."

South Sudan's government announced plans in 2013 to divide Block B, in which Total held the principal rights since 1984 and in which Kuwait Foreign Petroleum Exploration held a 25% stake, into three portions — B1, B2 and B3. The government was discussing plans for Total to explore the first two, and Oriental the third, Gatkuoth said.

Total and Exxon did not immediately respond to e-mailed requests for comment, while Tullow declined to comment. Calls to numbers listed on Oriental Energy's website did not connect and e-mails to addresses provided in previous company statements were not delivered. Total said in its annual report last year that it was "negotiating with the authorities with the view to resume exploration activities". Exxon ended its plans to explore South Sudan with Total in 2014.

### **Power supplies**

South Sudan reached an agreement with Sudan to provide electricity needed to restart oil production at the North field in the northern Ruweng state and the Unity field in Northern Liech state, Gatkuoth said. At operations in Paloch, a "de-bottlenecking" project had begun to increase output, he said, without elaborating.

The government has also revised an agreement with Sudan on the amount it pays to transport its crude exports. South Sudan uses two pipelines that transit Sudan to ship its oil to Port Sudan on the Red Sea. The facilities predate South Sudan's secession from Sudan in 2011, when the two governments negotiated the fees to be paid for the continued use of the conduits.

Under the old arrangement, which Gatkuoth termed a "bad agreement", the government paid a fixed \$15 a barrel to Sudan, regardless of the oil price. The rate would now be flexible, to allow for fluctuations in the cost of crude, he said.

"If the price of the oil is like \$30, we pay zero, if it is \$40, we pay like \$9 or \$6, and so on and so forth and if it is above \$61, we pay \$15, so we have a cushion," Gatkuoth said.

The minister said that while the government did not have a fixed target for what it wanted to boost oil output to, it was targeting the 300,000 that was being produced before conflict erupted three years ago. (Bloomberg 08-02-2017)

## **NIGERIA TO REDUCE FUEL IMPORTATION IN 2018**



Nigeria's Minister of State for Petroleum Resources Ibe Kachikwu has said that Nigeria will reduce petroleum importation by 60 percent in 2018.

Speaking at a public hearing on the review of petroleum pricing template for Premium Motor Spirit organised by the House of Representatives on Tuesday in Abuja, Kachikwu said: "By 2019, we should

be able to exist completely on the importation of petroleum products in this country. Cognisant of the fact that Dangote is building one refinery, we expect to have an excess situation.”

He noted that within two years, the Federal Government revived refineries that were non-functional to contribute about eight million out of over 20 million litres of petrol consumed in the country daily.

Kachikwu explained that the government initiated a model which attracted foreign investors to partner with the Nigeria National Petroleum Corporation (NNPC) to repair the country’s refineries within the two years period.

He noted that Nigeria should have the capacity to stop exporting crude oil and that the world is leaving that, every member of OPEC is leaving that because of the prizing, volume and market challenges is now shifting from selling crude to selling refined petroleum products.

The minister also said that the country must have a template that would create an enabling environment that would promote local refining of crude oil. (APA 08-02-2017)

## ZIMBABWE’S TOP COURT THROWS OUT CASE AGAINST MUGABE



Campaigners say they will pursue the case against President Robert Mugabe — the world’s oldest leader — while a Harare court releases activist pastor Evan Mawarire on bail

Zimbabwe’s Constitutional Court dismissed a case against President Robert Mugabe on Wednesday lodged by an activist who accused the ageing leader of violating the southern African country’s supreme law during protests last year.

The case was the first time a private citizen has asked the court to decide whether actions by 92-year-old Mugabe, the world’s oldest leader, violated the constitution.

Mugabe, who has ruled since independence in 1980, was last year confronted by the biggest anti-government protests in a decade. Security forces responded with tear gas and water cannon.

Activist pastor Evan Mawarire, who was at the heart of those protests, was on Wednesday freed on bail by the Harare High Court after he was arrested last week and charged with organising demonstrations and inciting violence.

Political activist Promise Mkwanzani, whose #Tajamuka group helped organise the demonstrations, said in his application that Mugabe’s response and speeches in the protests’ aftermath "undermined national security and threatened citizens".

At a meeting with war veterans after one of the protests, Mugabe said his ruling Zanu (PF) punished defectors during the liberation war by keeping them "underground like rats, in bunkers" — something he threatened to do to protest leaders.

Mkwanzani said Mugabe also claimed partisan control of the police and army, which is against the constitution.

But the nine-member Constitutional Court bench dismissed the case, saying Mkwanzani did not follow proper procedure in making his application. His lawyer consented to the decision.

"We are going to re-apply within 30 days in terms of the constitution, correcting those technicalities. We are not giving up," Mkwanzani said after the 20-minute hearing.

Attorney general Prince Machaya, said in court the case should be dismissed.

Under Zimbabwe’s laws, if the top court finds that a sitting president has violated the constitution, it can order parliament to start an investigation that could lead to impeachment.

Mugabe has been endorsed as Zanu (PF)'s candidate for a presidential vote due in 2018 and political analysts say the leader, who is weakening in his 90s, could face a divided opposition field.

Former vice-president Joice Mujuru on Wednesday fired seven senior officials from her Zimbabwe People First party, dividing a movement that has struggled to gain political traction since its formation last year in March.

Mujuru said she wanted to cleanse the party because it had been infiltrated by government agents, but her decision was immediately rejected by some of the dismissed officials, who said they remained party members. (Reuters 08-02-2017)

## S/AFRICA: PLAN IN MOTION TO FIGHT FALL ARMY WORM



A South African emergency plant pest response plan, which deals with new pest detections, has been activated to fight the fall army worm (FAW), APA learnt on Wednesday.

Agriculture, Forestry and Fisheries Minister Senzeni Zokwana said this when he briefed the media following the detection of *spodoptera frugiperda* (fall army worm) for the first time in South Africa.

The ministry recently received a diagnostic report from the country's Agricultural Research Council - Plant Protection Research Institute (ARC PPRI) which confirmed that the FAW was positively identified from samples collected in the northern Limpopo Province which borders Zimbabwe.

The samples were jointly collected by the ARC Grain Institute and the North West University. Moths were also collected on 3 February 2017 from the northern parts of Gauteng Province and were positively identified as FAW.

He said since FAW is a new pest to South Africa, no pesticide was previously registered to be used against it.

"A process of emergency registration of agricultural chemicals is ongoing with two active ingredients already registered to be applied against this pest. As with all agricultural remedy applications, the label instructions must be followed in accordance to the supplier's recommendations," the minister said.

The FAW is a strong flyer and could be distributed by prevailing winds over large distances, according to the research.

The first detection of the pests in Africa was reported in Nigeria in January 2016. It then spread to other West African countries and to Central Africa in April 2016. Zambia, Zimbabwe and Malawi indicated an outbreak of FAW in December 2016.

In South Africa, the pests have been attacking sweet corn and other maize planted for seeds. However, the extent of the spread has not yet been identified or quantified, according to the minister.

Now that there was a positive identification, his ministry would continue with the assessment of spread and damage, awareness actions to provide farmers with accurate technical information and control options, Zokwana said. (APA 08-02-2016)

## ARE ETHIOPIAN SHOEMAKERS COMPETING WITH CHINA TO MANUFACTURE FOR US MARKETS?



Bethlehem Tilahun Alemu, founder and CEO of Sole Rebels

Bethlehem Tilahun, founder and owner of Ethiopian shoe brand SoleRebels, is coordinating efforts by local leather and footwear manufacturers to launch a massive marketing campaign promoting the industry in the global market.

Having received positive feedback from major global brands in the footwear industry, local shoemakers are strengthening business relationships with the goal of manufacturing in Ethiopia.

Made by Ethiopia, a local group of 10 leather and footwear manufacturers, have joined forces to supply footwear products mainly destined for the U.S.

It's part of a pioneering effort to persuade global buyers that Ethiopia is an alternative sourcing market compared to Bangladesh and Vietnam—markets many international brands rely on to source products, according to Ethiopian Reporter.

Made by Ethiopia, a local firm formed by a group of leather and footwear manufacturers, is launching a massive marketing campaign with government support to promote the industry in the global market, according to Wondu Legesse, director general of the Leather Industry Development Institute.

About 10 manufacturers have joined hands to supply footwear products mainly destined for the US. To that effect, memos of understanding were signed recently with U.S. brands.

Bethlehem Tilahun, founder and owner of SoleRebels, is pioneering the effort to leverage and convince global buyers that Ethiopia is the best alternative sourcing market compared to Bangladesh and Vietnam.

Made by Ethiopia is ushering the Ethiopia footwear industry into the global market by focusing on promotional activities to help the country become one of the major sourcing nations in the footwear and leather market, Tilahun told The Reporter.

So far, Aldo, Wolverine, Caleres, Under Armor, Li&Fung, Sears, RLF, RG Barry, Zara, and Global Brands Group have shown an interest to source from Ethiopia, Tilahun said.

Most of these brands are represented by the American Apparel and Footwear Association, which has 1,000 members, Bethlehem said. Member companies collectively created 4 million jobs in the U.S. and contribute \$361 billion in annual retail sales, according to the AAFA website.

Following the first visit to Ethiopia by 10 major brands a few weeks ago, Tilahun and her colleagues have sent samples of the products they plan to manufacture. Some orders have been already placed, Tilahun said. The Ethiopian team is set to visit Aldo Group headquarters in Montreal, Canada, in the first week of February.

The momentum of Ethiopia's shoe-making industry is noticeable in the U.S., where end users have shown an interest in wearing shoes made in Ethiopia, according to a recent CNN report — 87 percent of footwear products imported to the U.S. are from China.

To sustain the demand for Ethiopian footwear, apparel and leather goods, Tilahun and her colleagues are in a hurry to finalize an industrial park project in Addis Ababa. Already a dozen local manufacturers

have shown interest to lease space in the park. Sources of financing could include World Bank's machinery leasing scheme.

Ethiopian leather and footwear export figures in the first half of this fiscal year were way below target. The target for the half year was set at \$113 million US but came in at \$54.8 million — 47 percent of the target. Finished leather fetched \$31.7 million, footwear \$19.2 million, gloves \$2.4 million and leather apparel and accessories earned \$1.6 million.

Wondu said he's confident that in two years' time the hurdles in the leather and footwear sub sector will be resolved. One of the biggest challenges is the lack of capacity, Tilahun said. Local demand for footwear and leather products is estimated to be some 15 million pairs per year. Capacity is half of that amount. (AFKI 29-01-2016)

### **SUDAN INAUGURATES UPPER ATBARA AND SETAIT DAM POWER PROJECT**

Sudan President Omar Hassan Al Bashir has inaugurated the US\$1.9b twin-dam 320-MW Upper Atbara and Setit Dam [power](#) project in eastern Sudan.

The project is under the supervision of the Sudan Ministry of Water Resources, Irrigation and Electricity and the inauguration marked the beginning of operation of the unit 1 of four 80-MW turbines.

However, according to the ministry, the remaining units, are scheduled to begin operation within the following timeframe: Unit 2 in April, Unit 3 in June and Unit 4 in August this year.

The facility is located about 20-km upstream from the junction of the Atbara and Setit rivers and about 80-km south of the 10-MW Khashm el-Girba hydropower project.

Published reports estimate US\$838m of the project's cost is for the construction of the dams, which were built by China International Water & Electric Corp., a wholly-owned subsidiary of China Three Gorges Corp.

The project's two interconnected dams in Rumela and Burdana have a combined total water storage capacity of about 2.7 billion cubic meters and each location has a powerhouse.

The project also includes a reservoir at the confluence of Upper Atbara and Setit rivers, a canal connecting the two dams, two spillways for surplus water and a 220 kV, 28-km-long high voltage electricity transmission line that connects the power station to the Sudanese national grid. On completion the plant will provide needed energy to the country.

According to the Chinese organization, electricity from 1,250-MW Merowe hydropower facility, Sudan's largest capacity hydroelectric project, cannot fully-power Khartoum even if it is operating at its maximum capacity. Khartoum is the capital and second-largest city of Sudan, located in Khartoum state.

Of the country's 39 million inhabitants, only 35% have access to electricity. This means, according to estimates from the United Nations Development Program, more than 25 million people in Sudan are not connected to its national electricity grid.

The contract for building the dams was signed in April 2010, the ground breaking ceremony for the main works took place in November 2010 and construction began in 2011. (CRO 07-02-2017)

### **US\$2B SET ASIDE TO POWER PUBLIC AMENITIES IN KENYA**

Rural Electrification Authority (REA) is planning to use US \$ 2,005,785,920 (Ksh208 billion) in the next five years to power public amenities in Kenya.

Launching the agency 2016/17 to 2020/2021 strategic plan, REA Chairman Simon Gicharu said the funds will be spent to power public amenities in Kenya such as churches, health centers, trading centers, mosques as well as public primary schools.

Other amenities consist of tea buying centers, coffee, and industrial units as well as processing plants, police stations, water project and boreholes, secondary schools, institutions of higher learning, and professional training centers.

“The plan centers more importance on the exploitation of renewable energy for the provision of electricity to regions that are far-off from the national grid. This is anticipated to improve industrialization and materialization of cottage trades,” said Gicharu.

Ever since 2006, REA he said has linked to the national grid more public facilities mostly public primary schools mounting electricity uptake from 30 percent in 2006 to 70 percent in 2016. Whilst number of trading centers with electricity in off grid areas amplified to 108 in 2016 from in 2006.

Gicharu said REA has been under the New Energy Bill and was given the responsibility of developing renewable energy by the government.

Additionally, REA identity will be altered to Rural Electrification and Renewable Energy Corporation to execute the rural electrification programme as well as the expansion and promotion of renewable energy.

REA chief executive officer Ng’ang’a Munyu corroborated that amongst key renewable project will be the installation of 55 megawatts of solar energy in Garissa County by February next year.

The project already ongoing Ng’ang’a said is being financed by a US\$ 133 billion( Sh13.8 billion )soft loan extended to Kenya government by the [China Exim Bank](#).(CRO 06-02-2017)

## **ZAMBIAN GOVERNMENT RECEIVES U.S\$4 BILLION HOUSING INVESTMENT PLEDGES**

The government of Zambia has received more than US\$4 billion in pledges from prospective investors seeking partnership in the housing infrastructure development sector. Housing and Infrastructure Development Minister Ronald Chitotela said a Chinese company, Amer International Group, had pledged to invest US\$3billion, while Magcor Zambia Holdings Limited, run by people from the United States (US), had pledged \$1 billion to help the Government alleviate the national housing deficit.

Mr. Chitotela said in an interview yesterday that the Government had embarked on a programme to address the national housing deficit, which currently stands at 1.5 million, through the Public Private Partnership (PPP) mode.

In this vein, the National Housing Authority (NHA) has been selected as the vehicle to drive the ‘urban renewal policy’ to be rolled out countrywide beginning this year.

“In the quest to address the national housing deficit, we have devised the urban renewal policy where we will work with the private sector to build houses for our people.

“We have received numerous offers from the private sector, among them, Amer International of China, which has offered a capital investment of US\$3 billion, while Magcor of the Americans is putting \$1 billion on the table,” Mr. Chitotela said.

He said citizens would be afforded an opportunity to buy the houses at an affordable cost, and that it was the desire of the Government to see both public and private sector employees owning a house by the time of retirement.(CRO 06-02-2017)

## **TANZANIA MORTGAGE SCHEMES GAINS GROUND**

National Mortgage facility for civil servants has offered loans to 391 workers from different ministries and local government authorities worth 4.5bn during the 2016/17 financial year.

This was stated in Dar es Salaam by the Director for Housing Section in the [Ministry of Lands](#), Housing and Human settlement Development, Mr. Michael Mwalukasa, while speaking to reporters on the advancement made by the facility.



He said since the facility was founded 2,040 civil servants were helped among the 3,900 applications they have received.

Explaining further, he said when the facility was launched; their objective was to offer loans to 500 public servants annually on average of 3mil/- in each mortgage.

“The total cost of funds provided is 12bn/-,” he stated. Mr. Mwalukasa said the facility has made it possible for government officials to get houses in legally accepted regions.

“The facility to a larger degree has encouraged housing development in different districts and cities, the maximum sum of loans provided is 20mil/- given in two stages with regard to the aim of attaining it,” he said

The [National Housing Corporation](#) of Tanzania a leading real estate development and management firm authorized under the Ministry of Lands, Housing and Settlements Development has also launched a new system which lets its patrons to pay for the houses purchased while living in their own homes.

Known as the “Tenant Purchase Scheme”. It allows Tenants to purchase NHC houses directly through a long-standing payment plan, where the tenant pays a monthly payment for a period of ten years. With the house given over to client after completing all requirements. The patron is given their housing unit title deed after the final payment.

The main purpose of the Tenant Purchase Scheme is to offer a simple and lasting access to home ownership for institutions and households that are not otherwise capable of either raising sufficient funds for complete purchase of housing or who might not meet the criteria for traditional mortgage finance.

This tenant purchase scheme has been operational since November 1st 2016 (CRO 09-02-2017)

## TRADE BETWEEN CHINA AND PORTUGUESE-SPEAKING COUNTRIES FALLS FOR THE SECOND CONSECUTIVE YEAR



The value of trade between China and Portuguese-speaking countries fell in 2016 for the second consecutive year, reaching US\$90.874 billion, with an annual contraction of 7.72%, according to official figures released by Forum Macau.

In 2015, the value of trade between China and the eight Portuguese-speaking countries was US\$98.474 billion, which was a decrease of 25.73% compared to the US\$132.581 billion recorded in 2014.

Trade in 2016 between China and Brazil amounted to US\$67.567 billion (-5.91% year on year), with China exporting goods to Brazil worth US\$22.162 billion (-19.20%) and imported goods worth US\$45.404 billion (+2.31%).

With Angola, which comes second in terms of value, bilateral trade with China reached US\$15.579 billion (-20.94%), with Angolan companies exporting goods, mainly oil, worth bUS\$13.818 million (-13.54%) and importing goods worth US\$1.761 million (-52.69%).

Trade with Angola and Brazil, amounting to US\$83.146 billion, accounted for 91.5% of China's total trade with Portuguese-speaking countries, with China recording a trade deficit with these two countries of US\$35.299 billion.

Portugal traded goods with China worth US\$5.617 billion ((+28.54%), with Portuguese imports of Chinese goods worth US\$4.037 billion (+39.30%) and exports worth US\$1.580 billion (+7.36%).

Two-way trade between China and Mozambique amounted to US\$1.859 billion (-22.29%), with China exporting goods worth US\$1.379 billion (-28.19%) and importing goods in the amount of US\$479 million (+6.17%).

Trade between China and the other Portuguese-speaking countries – Cabo Verde (Cape Verde), Guinea-Bissau, Timore-Leste (East Timor) and Sao Tome and Principe – totalled US\$249 million. (07-02-2017)

## EU OPENING A NEW CHAPTER OF RELATIONS WITH THE GAMBIA

Neven Mimica, Commissioner for International Cooperation and Development, is in The Gambia today meeting the newly elected President Adama Barrow and his new Government.

Commissioner **Mimica** made the following statement: *"The peaceful democratic change in The Gambia is the result of the determination of the Gambian people, as well as the regional and international coordinated efforts of the Economic Community of West African States. Gambians have shown commendable resolve, patience and courage during a period of high tension. The EU is fully committed to engage with President Barrow and his Government. We want to be a privileged partner of The New Gambia. In addition to the €75 million package of immediate support signed today, we are already preparing a medium term package of €150 million, which will focus on building the capacities of the State and on job creation."*

This visit is a clear signal of the EU's readiness to provide immediate financial and technical support to the democratic process in The Gambia and its dividends for the population in terms of good governance, respect for human rights and the rule of law. The EU will also step up its support to sustainable and inclusive development of the country in close consultation with the new authorities. The EU is committed to support progress regarding democracy, human rights, good governance and sustainable and inclusive development.

The package of measures, amounting to €75 million, was signed by Commissioner Mimica today. It comprises a project of €10.5 million to reinforce access of the most vulnerable populations, including female-headed households, to markets and socio-economic facilities. This will be done through a feeder road rehabilitation programme. Further, a project of €20.5 million will aim to create growth and employment opportunities, in particular for youth, as well as better access to food. A project of €11.5 million will seek to improve food security, e.g. through supporting the provision of food, cash, treatment of acute malnutrition as well as prevention of all forms of undernutrition. Under the [EU Emergency Trust Fund for Africa](#), The Gambia will benefit from a contribution of €11 million aimed at increasing job opportunities for youth. Finally, interventions amounting to €21.5 million in the areas of climate change, food security, support to civil society organisations, democracy and human rights, among others are also part of this first package.

Commissioner Mimica has also announced today the preparation of a second package of €150 million, which will be made available for medium and longer-term actions in favour of the Gambian population. An EU technical mission is visiting Banjul to identify and discuss areas of mutual interest.

### Background

The [EU-Gambia partnership](#) has helped deliver important development goals for The Gambia, including for example the paving of nearly 50% of the Gambian road network through projects funded by the European Development Fund. Relations have also flourished in other areas such as trade, fisheries and tourism.

The European Union's total allocation for the Gambia under the [11th European Development Fund](#) (EDF) for the period 2014-2020 was set at EUR 150 million. It was decided to start with an initial envelope (EUR 33 million for 2015-2016) to support the development priorities of The Gambia, as defined in the ["Programme for Accelerated Growth and Employment"](#) (PAGE 2012-2016). The main sectors of the first phase are Agriculture for economic growth and food security/nutrition and Exit strategy to the transport sector. With the new government in place, the key priorities of the EU in terms of development cooperation include rapidly supporting stability and reconstruction of the Gambian

State.

The Gambia also stands to benefit from the regional agenda of [ECOWAS](#), whose priorities are focussed on five areas of intervention, notably, peace and security, infrastructure development, agriculture and resilience, common market and regional competitiveness and capacity building.

The Gambia also benefitted from the Environment budget line. A Global Climate Change Action project is being implemented in the area of integrated coastal zone management and climate change.

Interventions in the areas of food security, agriculture and rural development, job creation, in particular for youth and women, as well as actions to support civil society organisations, democracy and human rights, are currently ongoing.

The Gambia is eligible for the [EU Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa](#). Since the Valletta Summit, two new actions have been adopted in favour of Gambia for a total of EUR [14,9 million](#) aiming, among others, to offering economic opportunities and jobs to reinforce the capacity of youth. (EC 09-02-2017)

### **ANGOLA'S ENDIAMA NEGOTIATES FINANCING FOR ANOTHER DIAMOND PROJECT**

Angolan state diamond company Endiama is negotiating the financing of the Luaxe project with its partners and does not require additional investors, said the company's chairman on Wednesday in Cape Town.

Antonio Carlos Sumbula said at the end of the "Angola Business" forum held at this year's Mining Indaba international mining conference that the Luaxe project was a discovery made by Endiama in partnership with Russian company Alrosa, and "does not need investors."

The chairman also said that until this project starts operating, Endiama will choose to slightly reduce production to improve revenue, according to Angolan news agency Angop.

"When the company was producing 8 million carats revenue was US\$1.2 billion, but in 2016, with production of 9 million carats, revenue fell to US\$1.07 billion," said Sumbula.

The chairman of the Angolan state company said Endiama will negotiate with major world producers, such as De Beers, Alrosa and Rio Tinto, a slight reduction in production in order to allow the price of diamonds to rise.

"Our intention is to work towards more revenue, based on a drop in production," he said.

The 2017 edition of Mining Indaba began on Monday in Cape Town. It is attended by investors, lenders, banks, companies related to the mining sector, consultants and insurance companies, and seeks to attract investment to the sector and contribute to the growth and development of the African continent. (09-02-2017)

### **LOCAL AUTHORITIES IN ZIMBABWE ACCUSED OF POOR WATER SERVICE DELIVERY**

An estimated number of 500 people in Zimbabwe are said to have died last year due to the local authorities' failure to provide proper sanitation facilities and safe water.

The Local Government Minister for Public [Works and National Housing](#) Mr. Saviour Kasukuwere blamed the Movement of Democratic Tsvangirai (MDC-T) for running councils that are engaged in corrupt activities rather than focusing on service delivery.

The local authorities' council is supposed to provide clean water for the residents as well as make necessary repairs of burst sewage pipes and waste collection.

The claims come amid allegations of MDC-T leader Edwin who is currently under investigation by the Zimbabwe Anti-Corruption Commission following an involvement in a tender supply of water chemicals to Harare which cost millions of dollars.

They have also been getting themselves pieces of land at the expense of service delivery.

Water-borne diseases such as typhoid, cholera and dysentery are brought about by drinking contaminated water. From the statistics obtained from the Ministry of Health and Child Care's weekly report, water-borne diseases are a major cause for concern as a total of 529 people died in 2016. The figures are a cause for worry according to the health observers hence are calling on the Government to take action on the respective authorities. In late December, a total of 6,183 diarrhoea cases and ten deaths were reported.

These cases were in Kweke district in Midlands province, Mpilo Central Hospital, Harare Central Hospital and Chipinge district in Manicaland province. These are a majority cases in the urban areas where the MDC-T council is failing in the provision of basic services.

The situation is however expected to improve once the investigations are done and reallocation of resources for proper service delivery has been disbursed. (CRO 18-01-2017)

### **BRAZILIAN GROUP PLANS TO BUILD FACTORY IN ANGOLA**

A business group from Brazil plans to install a food processing factory in Angola, said on Wednesday in Luanda the Brazilian ambassador to Angola, Paulino Franco de Carvalho Neto, quoted by Angolan news agency Angop.

The ambassador said at the end of a courtesy visit to the President of the National Assembly, Fernando da Piedade Dias dos Santos, that this is a large company that already exports to Angola "but now intends to install a supply hub in the country and in the future, a plant for processing food."

Paulino Neto said that Brazil has, in the last two years experienced an economic recession, but added that the economy was already showing signs of growth and reduction of inflation, allowing Brazilian companies to take part in direct investment processes in other countries, and pointed Angola as one of the priorities.

The ambassador also said that Brazil intends to intensify economic relations with Angola, particularly through direct investment, a factor which may contribute to Angola's economic diversification.

The meeting also discussed the issue of facilities for granting visas to citizens of both countries, both for tourism and for medical treatment or education. (09-02-2017)

### **UK FOREIGN AID FRAUD INVESTIGATIONS 'QUADRUPLE IN LAST FIVE YEARS'**

National Audit Office says rise has occurred as more public money is delivered to 'fragile' countries where bribery can be seen as 'cultural norm'

David Cameron introduced series of reforms to increase foreign aid to unstable nations.

Fraud investigations involving foreign aid have quadrupled over five years as more public money is given to "fragile" countries, Whitehall's spending watchdog has found.

Reforms introduced by David Cameron to increase funding and assign it to unstable nations have increased the risk of wrongdoing, according to the National Audit Office.

In a report released on Thursday, the NAO said it was "particularly challenging" to detect fraud in more than half of the spending of the [Department for International Development \(DfID\)](#) spend because the money was routed through other international organisations, such as the United Nations or World Bank. (The Guardian 09-02-2017)

### **ENI GROUP INCREASES OIL PRODUCTION IN ANGOLA**

Italian group ENI has started drilling for oil in a new field of block 15/06 in the Angolan sea, called Cabaça Sudeste, five months ahead of schedule and only three years after the start of proceedings, the group said in a statement issued on Wednesday in Milan.

With the entry into operation of this new field, the Italian group will be able to extract 150,000 barrels of oil per day from block 15/06.

Production in this field makes use of the Armada Olombendo Floating Production, Storage and Offloading Unit (FPSO), which can store 80,000 barrels of oil per day and compress up to 3.4 million cubic metres of gas per day.

The FPSO Armada Olomendo was built in Singapore, where it was named on 14 October 2016.

Angolan oil company Sonangol and ENI in February announced the start of production in the Mpungi field in deep waters 350 kilometres northeast of Luanda, raising block 15/06's output at the time to 100,000 barrels per day.

The Italian group is the block 15/06 operator, with a share of 36.84%, and its partners are Sonangol Pesquisa e Produção (36.84%) and SSI Fifteen Limited (26.32%). (09-02-2017)

## MOZAMBIQUE PREPARES FOR MAIDEN INDIAN OCEAN SUMMIT



Mozambican President Filipe Nyusi has been invited to represent his country in the first ever Indian Ocean Rim Association (IORA) summit.

The summit of countries straddling the Indian Ocean will be held in March this year in Indonesia.

The invitation was extended by his Indonesian counterpart, Joko Widodo, in a letter delivered on Wednesday in Maputo by the Foreign Minister of Indonesia, Retno Marsudi, at a meeting with the Mozambican leader.

Marsudi said that Indonesia was interested in investing in agriculture, fisheries, trade and industrialization in Mozambique as well as strengthening maritime cooperation

“The Indian Ocean Rim Association will be celebrating its 20th anniversary in March 2017. Indonesia, as the current Chair of IORA, will host the first ever IORA Leaders’ Summit on 7 March 2017 in Jakarta under the theme “Strengthening Maritime Cooperation for a Peaceful, Stable, and Prosperous Indian Ocean”.

The summit will bring together the leaders of the 21 IORA member states and its 7 Dialogue Partners as well as other special invitees and guests, a statement emailed to APA from the Indonesian embassy in Maputo said.

It adds that the summit will be preceded by a Committee of Senior Officials’ meeting on 5 March 2017 and a Council of Ministers’ meeting on 6 March 2017.

Along with these official meetings, IORA will also engage the private sector through a “Business Summit” to be held on 6 March 2017 with the aim of deepening business cooperation in the region. Other related events, including a photo exhibition on the IORA’s journey through the 20 years of its existence, will also be organized at the margins of the summit.

The summit is expected to be a game-changer for regional cooperation in the Indian Ocean, the IORA statement said.

It is being held to look into challenges that the region faces and forge a revitalized and sustainable architecture in multi-dimensional engagement.

The summit proposes to adopt strategic outcome documents entitled the “IORA Concord” and the “IORA Action Plan” as well as the “IORA Declaration on Countering Violent Extremism leading to Terrorism”. These strategic documents reflect IORA’s vision for the future.

The Indian Ocean Rim Association (IORA) is an international organization with 21 member states namely Australia, Bangladesh, Comoros, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Seychelles, Singapore, Somalia, South Africa, Sri Lanka, Tanzania, Thailand, UAE and Yemen. (APA 09-02-2017)

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, AHEAD-GLOBAL, Business Council for Africa, Corporate Council on Africa, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, HTCC - Hungarian Trade & Cultural Centre, NABA - Norwegian-African Business Association, NABC- Netherlands Africa 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), ELO,HTCC ,NABA,NABC (by posting selected news) and SwissCham-Africa to their Members.



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



[www.aheadglobal.hu](http://www.aheadglobal.hu)



[www.bcafrica.co.uk](http://www.bcafrica.co.uk)



[www.camaratenerife.com](http://www.camaratenerife.com)



[www.ccafrica.ca](http://www.ccafrica.ca)



[www.corporatecouncilonafrika.com](http://www.corporatecouncilonafrika.com)



[www.elo-online.org](http://www.elo-online.org)



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



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



[www.norwegianafrican.no](http://www.norwegianafrican.no)



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



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

Fernando Matos Rosa

[fernando.matos.rosa@sapo.pt](mailto:fernando.matos.rosa@sapo.pt)  
[fernando.matos.rosa@skynet.be](mailto:fernando.matos.rosa@skynet.be)

