MEMORANDUM

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SUMMARY

RWANDA TO MAXIMIZE WATER AND SANITATION INVESTMENTS

The government of Rwanda has received US $2.1 million in grant from the African Water Facility to support the development of a 25 year national water and sanitation to guide the achievement of water supply and sanitation.

The plan is supposed to guide through the identification of effective water supply and sanitation projects.

The grant is also expected to go into building various stakeholders' capacities in the planning, designing, financing and implementation in the management of water and sanitation projects and infrastructure.

The project is expected to benefit the people of Rwanda by providing improved water supply and sanitation services.

The 25 year master plan has set 2030 as the targeted time frame to achieve the universal and equitable access to safe and affordable drinking water as well as adequate and equitable sanitation and hygiene.

Although Rwanda has made significant moves in the past towards increasing access to improved water and sanitation services, the rate of increase is still not sufficient enough to achieve the country's 2020 targets.

The development project plans to guide 100% achievement to the access of water supply and identification of effective and efficient water supply and sanitation projects.

This in turn will help Rwanda in maximizing its effectiveness and efficiency for future investments in water supply and sanitation so as to attract additional funding for these types of investments.

The projects is expected to take a 24 month duration whose main outputs are; a 10-year investment plan, Integrated National Water Supply and Sanitation Master Plans agreed by all stakeholders, an approved list of prioritised integrated WatSan projects and improved capacities among stakeholders.

This news comes as a breath of relief for Rwanda being among the African countries currently faced with the water crisis. The implementation of this plan will ensure that the republic of Rwanda has a secure and safe water system for coming generations(CRO 08-02-2017)

CHINESE COOPERATION STARTS ARRIVING IN SAO TOME AND PRINCIPE

Just over a month after the restoration of diplomatic relations between Sao Tome and Principe and the People's Republic of China, Chinese cooperation is beginning to reach the archipelago in a process seen as strategically important by analysts of the Sino-African relationship.

Since last week, under the bilateral agreement in the health sector signed immediately after the restoration of diplomatic relations, in December 2016, a Chinese medical team is working in the archipelago's hospital centres.

The head of the Chinese mission, Wang Jun Quiang, told that the team of several specialists will have a six-month mission, supporting the largest hospital in Sao Tome, Ayres de Menezes, and other health centres in the archipelago.

The health sector, along with agriculture, energy and infrastructure are the priorities in the process of defining areas for the framework cooperation programme, which is expected to be signed soon along with embassies being opened in Beijing and Sao Tome.

The Director General of the West Asia and Africa Department of the PRC's Trade ministry, Zhou Zhaoming, was recently in the archipelago heading up a Chinese multi-ministerial delegation and met with Prime Minister Patrice Trovoada.

This mission comes four days after the China Road & Bridge Corporation (CRBC) expressed interest in participating in projects aimed to build a deep water port at an estimated cost of US$800 million and the modernisation of the São Tomé international airport, which is expected to cost US$15 million.

With an estimated cost of about US$800 million, the first deep water port in the country is planned to be built in the Fernao Dias area, of the Lobata district 12 kilometres from the capital.

São Tomé and Príncipe and the Republic of China re-established diplomatic relations on 26 December last year at the expense of Taiwanese diplomatic relations, which cooperated with the archipelago in the same areas with monetary support estimated at US$16 million dollars annually.

The restoration of diplomatic relations will, according to the new Deputy Secretary-General of Forum Macau, Ding Tian, allow for all the Portuguese-speaking countries to be part of the forum.

The future integration of Sao Tome and Principe will make "the whole Portuguese-speaking family will be together," Ding told the Tribuna de Macau newspaper.

After the reestablishment of relations between the two countries, the Chinese foreign minister, Wang Yi, proclaimed that his country is "willing to provide support for the economic and social development of Sao Tome and Principe, within its capabilities."

The Harvard Politics Review, in a recent article, considers Sao Tome's new link an example of the dynamism of the relationship promoted by China with the continent, which gains "economic benefits" as do the Chinese public and private sectors, to ensure contracts and raw materials.

Other non-quantifiable benefits of these approaches, a professor at the US Naval Academy at Annapolis Yong Deng said in the same article, include the rise of China to "great power status", for which Africa "brings a tremendous amount of diplomatic weight in the change of political and diplomatic influence of a global order dominated by the United States and the West." (13-02-2017)

SOUTH AFRICA TO ISSUE NATIONAL DIGITAL CURRENCY?

The South African Reserve Bank has revealed they are open to the idea of adopting a national digital currency

The South African Reserve Bank (Sarb) is open to the idea of issuing a national digital currency based on Blockchain or Distributed Ledger Technology (DLT), th according to a report by MoneyWeb.

Head of National Payments System at Sarb, Tim Masela said that "If we go the route of issuing a digital currency, the objective would be to take advantage of emerging technologies so that we reap the benefits."

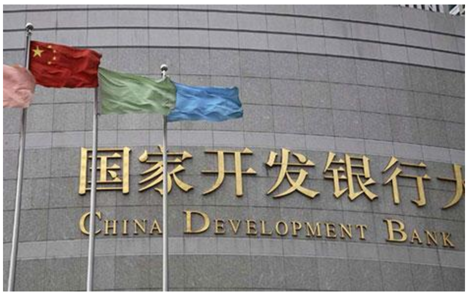
According to BusinessTech, Africa is leading the way in rolling out successful national digital currencies, as Tunisia and soon Senegal will both have their own versions of digital national currencies. This has highlighted the benefits of using cryptocurrencies.

The success has not gone unnoticed in South Africa. These digital currencies work, they provide a convenient real time solution that will allow for greater inclusion due its reach, all while at a reduced cost, said Masela.

There are however clear risks and threats that are involved in adopting such a system. These threats such as cyber-attacks and the unregulated nature of the currencies has raised concerns for the central bank. "The proponents of the technology say 'you don't need to regulate it; it will self-regulate'. We don't have an idea of how that will happen, we still need to reflect on this and need a good case [to show] that it can self-regulate. Otherwise, we believe that if it is not regulated and things go wrong, it could have a spillover effect into the financial systems," Masela said.

Although the SARB is yet to determine a firm stance on cryptocurrencies they are open to further investigating the issue, Masela concluded.(IT News Africa 08-02-2017)

DELEGATION OF THE CHINA DEVELOPMENT BANK IS IN ANGOLA FOR TALKS



A delegation from the China Development Bank's (CDB) is due on Tuesday to conclude a working visit to Angola to consolidate financial and economic relations between the two countries, Angolan state news agency Angop reported.

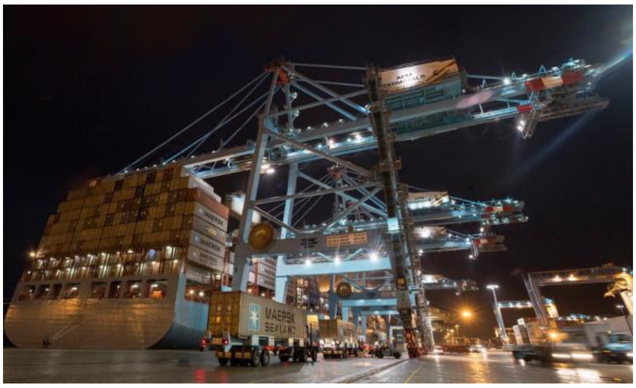
The delegation, headed by the chairman of the bank, Zheng Zhijie, who arrived in Luanda on Sunday, will meet with the Minister of Finance, Archer Mangueira, and visit projects that are being funded by the bank.

Founded in 1994, the CDB has been one of the main vehicles of financial cooperation between Angola and China, according to a statement from the Angolan Ministry of Finance.

The official statement added that this bank has funded construction and/or reconstruction of various infrastructures, notably the Moçâmedes railway and construction of the infrastructure in Sambizanga (formerly Roque Santeiro).

The list of works financed by the CDB include the construction of the Boavista-Miramar-São Paulo road, electrification and household connections in Luanda, as well as the construction of access roads to the new Luanda Airport. (13-02-2017)

AFRICA'S PORTS REVOLUTION: SETTING THE SCENE FOR ECONOMIC TAKE-OFF

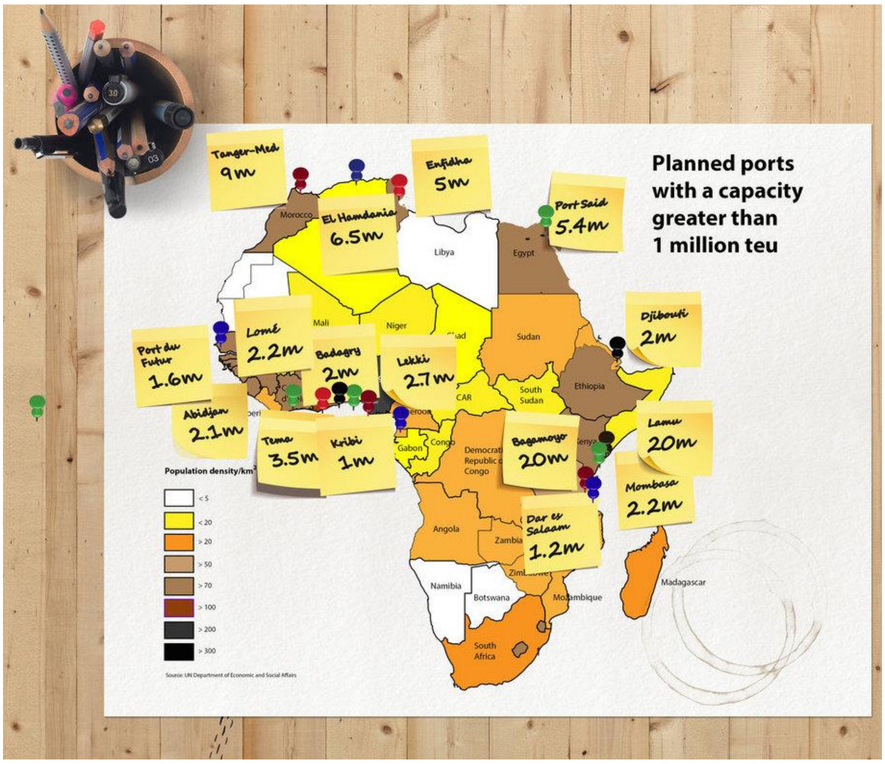


Tanger-Med soon to be Africa's biggest port

With its crippling deficiency in ports and overland transport infrastructure, Africa has been cut off from modern world trade.

But over the next five years, thanks to international investment, much of the continent will be fitted with state-of-the-art deepwater container terminals able to handle supersized box carriers, plus modern transport networks to distribute them.

In this special *GCR* report, we chart how Africa, through the concerted push for the "million-teu port", is steering toward the path of economic take-off, similar to east Asia's post-war development.



The story that dominated the African construction sector at the end of 2016 was the commissioning of a standard-gauge electric rail line between Addis Ababa and Djibouti. This 750km line, built at a cost of $4bn, has given landlocked Ethiopia a much-needed outlet to the Indian Ocean. The previous link, a railway completed by the French in 1917, fell into dereliction in the 2000s. Its replacement is capable of moving freight at 120km/h (passengers travel at 160km/h), all the way to the microstate of Djibouti. The project “glows with the radiance of a prospectively multi-beneficial enterprise”, as a journalist writing for the *African Exponent* website described it.

On the other hand, Ethiopia had not really suffered from being cut off from global markets, because it has had almost nothing to take to them: in 2007, its largest trading partner was Germany, to which it exported $51m of goods, principally coffee beans. Most of the internal economy was taken up with subsistence farming.

By 2015 that picture had been utterly transformed. The country’s total exports increased eightfold in value, to just under $6bn, and China was its dominant partner, buying $275m of them and supplying $4.7bn of its imports. So, the lion’s share of the freight that the new line will carry will be boxes filled with Chinese manufactured goods, arriving at the Chinese-built container terminal of Doraleh and travelling east to west. It was not surprising, then, that the actors who financed and built the railroad were three Chinese banks and two Chinese contractors, all of them controlled and co-ordinated by the Chinese government.

The chances are good that, in another eight years, this picture will change again. Despite severe political difficulties with sections of its own population, Ethiopia has become the demonstration project for African economic take-off: as well as the railway, some of the continent’s most ambitious power schemes are being constructed, of which the best known is the Grand Ethiopian Renaissance Dam, which was paid for largely with indigenous capital. Once that is complete, other electrified railways will follow, and the basis will be laid for the growth of manufactured goods to replace coffee, oil seeds, gold and cut flowers as the country’s main foreign currency earners.

And this shift is the real point of the Djibouti railway: at the moment 100% of containers arrive in African ports full and 80% leave empty. If Ethiopia is to achieve middle-income status by mid-century, as the World Bank optimistically predicts, then the contribution of manufacturing will have to rise from the 10% level, where it is now, to the 30% that China has achieved, and those manufactured goods will have to find markets around the world. The same applies to all African countries who have set their sights on economic development. For that to happen, something will have to be done about Africa’s ports.

The inactive continent

Africa's port sector is grossly deficient in both quantity and quality of harbours, quays, cranage, storage systems and hinterland transport. How deficient? Although China and Africa have similar populations (respectively, 1.4 billion and 1.2 billion), in 2015 the five largest Chinese ports moved more than 118 million twenty-foot-equivalent units (teu), whereas Africa's top five moved less than 10 million. According to *Lloyd's List*, the entire continent accounts for just 3% of world container traffic.

This partly reflects the fact that much of the continent's exports consist of primary commodities such as oil, gas, mineral ores and tropical agricultural produce that are moved on breakbulk cargo ships or tankers, but it also indicates just how little Africa participates in global trade. Throughout its history, as a supplier of involuntary manpower to the Americas from the 16th to 19th centuries, and as site for colonial plantations in the 19th and 20th centuries, Africa has always shown a net loss in its dealings with the rest of the world.

It is a remarkable fact that 90% of Africa's total trade, including its internal variety, moves by sea. This is partly because it can't move any other way: road networks within countries are often inadequate and, outside South Africa and the Maghreb, rail systems are "a losing game", to quote a recent study by the African Development Bank. For example, Mombasa in Kenya is the largest port in east Africa, and last year succeeded for the first time in handling a million containers. However, the country's main railway, completed by the British in 1901 (dubbed the "Lunatic Express") has only enough capacity to move one in 20 of those boxes, so there is a continuous traffic jam of trucks trying to enter and leave the city.

Another factor is the inability of most of the continent's ports to deal with container ships built after the 1970s. Any vessel that carries more than 3,000 containers – that is, a Panamax or greater – requires a draft of more than 12m, meaning they'd get stuck some distance from the wharf in most African ports.

Then there is the question of whether ships are "geared", meaning whether they carry their own cranes to load and unload their boxes. Pretty much all modern container ships are gearless – cranes take up too much space and require too much maintenance. However, most African ports require ships to do their own lifting. The result is that, with the exception of the modern terminals such as those at Durban, Tanger Med, Doraleh and Port Said, Africa's manufactured goods are moved by slow, old "feeders" hauling around 1,200 boxes – the containerised equivalent of a tramp steamer.

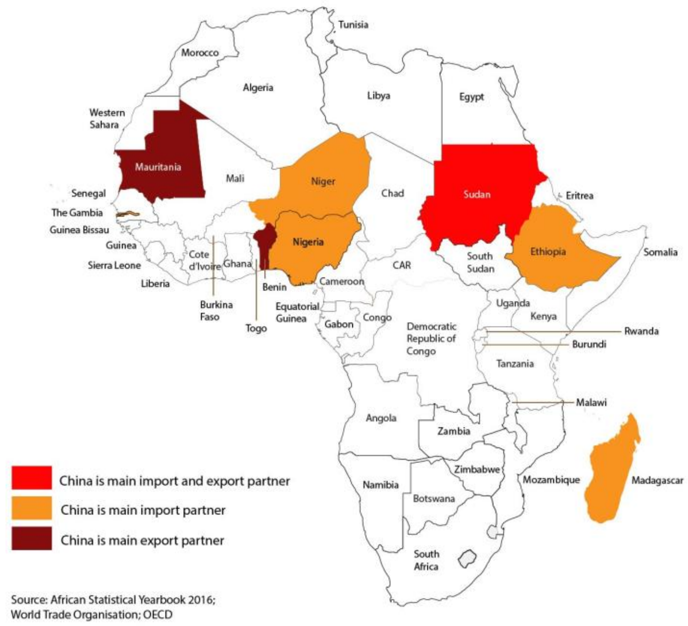
As well as the difficulty of physically moving containers into and out of ports, there is the additional problem of getting them through customs and agreeing what import duty is to be paid – a process of unpredictable length, in which time is always on the port authorities' side.

This means that the average length of time between bringing a container to a port by ship and dispatching it into the hinterland by road or rail is much longer in African ports than elsewhere. A World Bank paper from 2012 noted that, that, with the exception of Durban, dwell times average about 20 days in African ports, compared with three to four days in most other international ports. This average conceals the extreme variability of the statistics. For example, figures for the Cameroonian port of Douala in 2009 show that 19% of containers were dealt with in fewer than six days, but more than 12% took between 20 and 30 days, and a further 12% took between one and three months to be processed. This is a serious matter under any circumstances, but when those containers are filled with goods required for, say, a construction project, the consequential costs are painful to contemplate.

Enter the dragon

The good news for Africa is that this crippling deficiency is beginning to be tackled. China's demand for oil and minerals, as well as its superabundance of capital for external investment, had led to a surge in economic activity in the east and west of the continent, particularly Nigeria, the Great Lake states and the Ethiopian highlands. To see how pervasive the influence of China has been over the past 10 years, consider the growth in the number of African countries who have China as their primary economic partner. Alongside trade, there has been a large number of other construction and civil engineering projects, as well as a transfer of Chinese managerial skill, capital, commercial networks, and often sizeable – and controversial – immigration flows.

African countries whose main trading partner was China, 2007



African countries whose main trading partner was China, 2015

This has led to an equivalent surge in port construction projects. Over the next five years, much of sub-Saharan Africa is going to be fitted with state-of-the-art deepwater container terminals that are able to handle supersized box carriers, as well as modern transport networks to distribute them. Alongside the ports, there will be tax-free special economic zones to stimulate foreign investment in manufacturing, and the chance to follow the post-war path of east Asia towards economic take-off.

In the coming weeks, this *GCR* special report analyses the rise of the “million-teu port” on all Africa’s coasts, and looks at the chances of an infrastructure-led transformation in Africa’s prospects. (GCR 07-02-2017)

West Coast to welcome the world

ETHIOPIA EARNS OVER $1.6BN IN REVENUE FROM TOURISM

Ethiopia has generated more than $1.6 billion in revenue from tourism in half budget year though the number of foreign tourists visiting the country in the reported period has fallen by 9 percent, an official told APA here on Monday.

The number of visitors in the half budget year decreased by 39, 531 tourists as the revenue declined by 145 million US dollars compared to same period last fiscal year due to the unrest occurred in some parts of the country, Gezahegn Abate, Public and International Relations Director at Ministry of Culture and Tourism.

A total of 439, 359 foreign tourists visited the country in the reported period.

The ministry had set to generate over $3 billion through attracting 1.2 million foreign visitors in the whole year that extends from July 2016 to June 2017. The plan will be achievable, Gezahegn claimed.

The east African nation targeted to raise the number of foreign tourists to more than two million and generate six billion US dollars in revenue at the end of its second Growth and Transformation Plan in 2020. (APA 10-02-2017)

LA FRAUDE TOUCHE DE PLEIN FOUET L'AIDE AU DEVELOPPEMENT BRITANNIQUE

Une agence du gouvernement britannique révèle que le nombre d'enquêtes ouvertes pour fraude augmente parallèlement aux sommes versées aux pays « fragiles », où la corruption est considérée comme une « norme culturelle ».

Le nombre d'enquêtes pour fraudes impliquant l'aide aux pays en développement a été multiplié par quatre ces cinq dernières années, à mesure que l'aide versée à des pays « fragiles » augmente, selon le bureau du vérificateur national britannique (NAO).

Les réformes mises en place par David Cameron pour augmenter l'aide publique au développement et l'octroyer à des nations instables ont fait grimper le risque d'escroqueries, selon le NAO.

Dans un rapport publié le 8 février, l'agence explique qu'il est « particulièrement difficile » de détecter les cas de fraude dans plus de la moitié des dépenses du ministère du Développement international (DfID), parce que l'argent passe par d'autres organisations internationales, comme l'ONU, ou la Banque mondiale.

Problème « majeur et endémique »

Dans les organisations dépendant des Nations unies, la criminalité financière est probablement sous-estimée, et le problème pourrait être « majeur et endémique », selon l'agence britannique. Les spécialistes ont également souligné les difficultés auxquelles sont confrontés des représentants internationaux opérant dans des pays où les pots-de-vin sont considérés comme une « norme culturelle ».

Sous le gouvernement de David Cameron, le Royaume-Uni s'est engagé à dépenser 0,7 % de son RNB à l'aide internationale. L'an dernier, cette somme s'élevait à 12 milliards de livres (14 milliards d'euros). Dans le cadre de son évaluation de sécurité et défense stratégique de 2015, le DfID a reçu l'ordre de dépenser au moins la moitié de son budget dans les « régions et États fragiles » jusqu'en 2020.

Une décision considérée comme un changement majeur dans la communauté de l'aide au développement, qui s'est inquiétée que le budget de l'aide soit utilisé à des fins de sécurité et de défense.

Dans leurs conclusions, les auditeurs de la NAO ne mâchent pas leurs mots, et estiment notamment que les réformes pourraient être à l'origine du risque accru de fraude lié au budget de 9,7 milliards de livres (11,4 milliards d'euros) du DfID. Entre 2010-2011 et 2015-2016, le nombre de cas répertoriés a ainsi quadruplé, passant à 429.

La plupart des nouveaux dossiers ouverts sont des allégations de « basse priorité ». Le nombre de cas graves est quant à lui stable, entre 20 et 25 incidents par an. La plupart des dossiers prioritaires concernent des faits en Afghanistan, en Somalie, en Syrie et en République démocratique du Congo.

Il y a en outre eu une intensification du nombre de cas enregistrés entre avril et décembre 2016. Pour la période 2015-2016, la fraude détectée a coûté 3,2 millions de livres (3,6 millions d'euros), soit 0,03 % du budget total.

Le NAO a cependant fait remarquer que l'augmentation du nombre d'enquêtes du DfID était également liée à une meilleure prise de conscience à ce sujet. Le département a cependant considérablement minimisé la manière dont ces fraudes sont exposées dans son rapport annuel et ses comptes publics.

Priti Patel, la secrétaire d'État au développement international, a par ailleurs déclaré que la hausse du nombre d'enquêtes coïncidait avec une approche plus rigoureuse vis-à-vis de la fraude ces trois dernières années.

« Le Royaume-Uni opère dans les pays les plus fragiles parce que ce sont les endroits où les citoyens les plus pauvres meurent de faim, des suites des sécheresses, ou de maladie. Ce sont les endroits où les conflits et les échecs économiques poussent à l'exode, et ce sont ces pays-là qui doivent se stabiliser et se sécuriser, dans l'intérêt national britannique », a-t-elle expliqué. « Nous nous attendons à ce que toutes les agences internationales aient la même approche 'zéro tolérance' à l'égard des pratiques frauduleuses que nous si elles reçoivent de l'argent public. »

Les auteurs du rapport du NAO reconnaissent cependant que l'attribution de l'aide dans les pays en développement impliquait une confrontation à des sociétés où les pratiques frauduleuses sont la norme. « Le Royaume-Uni verse de l'aide à des pays qui fonctionnent selon des systèmes culturels et de valeurs économiques différents des nôtres », indiquent-ils.

Le ministère des Affaires étrangères a également connu une « augmentation considérable » du nombre de cas de fraude, avec 50 enquêtes l'an passé, soit deux fois plus qu'en 2011, par exemple. Les trois quarts de ces cas sont liés à des demandes de remboursement de frais excessifs.

« Dans certaines sociétés, il est considéré comme normal que des pots-de-vin soient payés aux fonctionnaires pour avoir accès à certains services, notamment la justice, où des relations familiales sont préférées à d'autres candidats à l'embauche et où les fonctionnaires gradés prélèvent une partie du salaire de leurs subalternes (The Guardian)

S/AFRICAN LEADER ANNOUNCES RADICAL ECONOMIC TRANSFORMATION MEASURES IN ADDRESS

South Africa's radical economic transformation will be at the centre of government's development priorities for 2017, President Jacob Zuma has declared.

"Today we are beginning a new chapter of radical transformation. The state will play a role in the economy to drive that transformation," the president said in the State of the Nation Address (SONA) given to a joint seating of parliament in Cape Town on Thursday night.

The SONA comes at a time when the economy is not growing fast enough to create much needed jobs in the country, with the government anticipating an economic growth rate of 1.3 percent in 2017, he said.

In addition, unemployment in the country remained a huge challenge, hence the government's nine-point plan to reignite growth so the economy could create jobs, he said.

He said the time had come for the state to move a step further to ensure an overhaul of the economic structure of the country for the benefit of all citizens - not just a few whites who control 90 percent of the country's economy.

"The gap between the annual average household incomes of African-headed households and their white counterparts remains shockingly huge. White households earn at least five times more than black households, according to Statistics SA.

"The situation with regards to the ownership of the economy also mirrors that of household incomes. Only ten percent of the top one hundred companies on the Johannesburg Stock Exchange are owned by black South Africans, directly-achieved principally, through the black empowerment codes, according to the National Empowerment Fund," Zuma said. (APA 10-02-2017)

LE DEFI DES GROUPES MINIERS CHINOIS EN AFRIQUE

Un employé chinois contrôle une station de pompage sous-terraine dans la mine de cuivre de Chambishi (Zambie), exploitée par le groupe CNMC

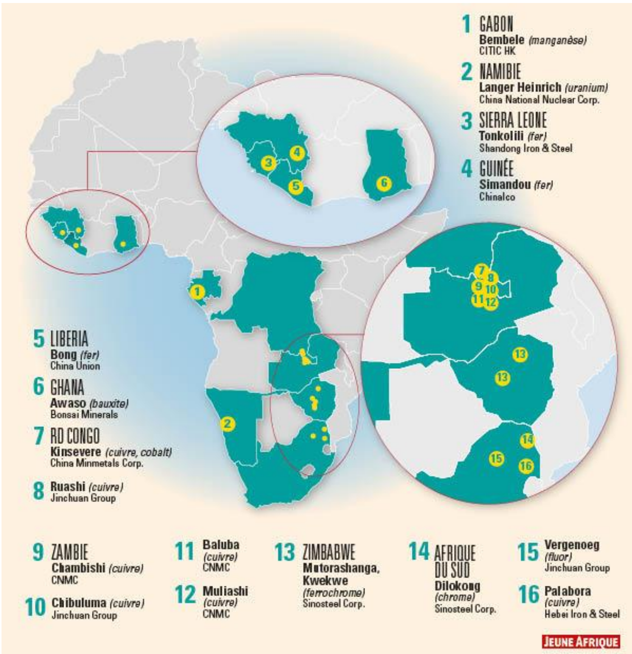
Fusions-acquisitions, rachats et participations massives dans des projets d'exploitation… Pékin exhorte les groupes miniers à renforcer leurs positions en Afrique pour assurer son approvisionnement en métaux. Alors que l'empire du Milieu représente à lui tout seul 43 % de la demande en métaux de base – fer, cuivre, bauxite-aluminium et manganèse –, les acteurs chinois sont encore méconnus et de taille moyenne dans le secteur minier. « Pas un n'apparaît parmi les 25 plus grandes entreprises mondiales », note Magnus Ericsson, analyste et professeur d'économie minière à l'université technologique de Lulea, en Suède, qui leur consacre ses dernières recherches en Afrique.

Encore des progrès à réaliser

Pourtant, peu à peu, certains groupes gagnent en compétence et se frayent un chemin dans un univers concurrentiel dominé jusqu'alors par les occidentaux. Notamment sur le continent où, contrairement à ces derniers, ils bénéficient d'un soutien diplomatique et financier efficace de la part de leur gouvernement. De simples acheteurs ou traders de minerais, ces sociétés chinoises deviennent actionnaires minoritaires dans des projets extractifs, avant – pour quelques-unes d'entre elles –, de reprendre directement leur exploitation.

Les groupes miniers chinois majeurs en Afrique sont quasiment tous publics – ou semi-publics quand ils disposent d'une filiale cotée à Hong-Kong pour y lever des fonds sur les marchés financiers. À leur tête, des technocrates ou des ingénieurs qui ont grandi dans le giron de l'État et sont à l'avant-poste d'une économie dirigée en pleine mutation.

Inexpérimentées, lourdement endettées, beaucoup d'entre elles affichent une rentabilité médiocre, et leur réputation pèche sur le plan technique, social, et environnemental. Ainsi, pour bâtir des champions miniers, Pékin entend faire le ménage parmi ses entreprises à l'étranger.



L'État favorise donc désormais les rapprochements afin de restructurer leur passif et de faire des économies d'échelle. L'opération de fusion-acquisition qui a permis à l'aciériste BaoSteel d'acquérir en septembre 2016 le minier Wuhan Iron and Steel Corp., actif au Mozambique, affichant de lourdes pertes, en est l'illustration.

Se diversifier

Pékin pousse également ses groupes miniers à diversifier leur portefeuille alors que la plupart d'entre eux étaient spécialisés dans un seul minerai. Chinalco, le géant de la filière bauxite-aluminium, s'intéresse désormais au fer guinéen, et China Molybdenum – producteur de molybdène –, veut acheter la mine de cuivre de Tenke Fungurume en RD Congo.

Par ailleurs, afin de gagner en performance, il n'est plus question pour ces groupes de faire du « tout-chinois », en s'appuyant uniquement sur des cadres venus de l'empire du Milieu. Un mode de management qui les a longtemps coupés des réalités locales. Pour exemple, les grèves à répétition menées par les salariés zambiens de China Nonferrous Metal Mining Co. (CNMC) en 2011 et en 2012, dénonçant les mauvaises conditions de travail et l'importation de travailleurs chinois.

Certaines sociétés minières chinoises n'hésitent donc plus à intégrer des cadres étrangers pour gagner en compétences. C'est le cas de China Minmetals Corporation qui, après avoir racheté Anvil Mining, une société canadienne active dans le cuivre en RD Congo, en a maintenu la structure opérationnelle.

Travailler avec l'étranger

D'autres, comme Aluminum corporation of China limited (Chinalco), ont choisi d'apprendre aux côtés de partenaires occidentaux reconnus, avant de reprendre des exploitations à leur compte. Ainsi Chinalco décide, après cinq ans de partenariat avec le géant anglo-australien Rio Tinto sur le projet minier de fer du Mont Simandou, de lui racheter ses parts pour 1,3 milliard de dollars (soit 1,2 milliard d'euros) en septembre dernier.

« Les Chinois sont loin de pouvoir concurrencer les géants anglo-saxons tels que Rio Tinto, BHP Billiton et Anglo American, mais ils seront les grands miniers de demain », prédit Magnus Ericsson, qui voit, d'année en année, ces groupes prendre des positions en Afrique. Notamment ces derniers mois, profitant d'opportunités pour acquérir des gisements à prix cassés, du fait de la chute des cours.

Des investissements qu'ils réalisent essentiellement dans des projets déjà en exploitation – presque jamais en exploration et très rarement en phase de développement. Jeune Afrique dresse le portrait des trois premiers groupes miniers chinois avec lesquels il faut désormais compter.(08-02-2017)

KENYA: LARGE-SCALE OIL PRODUCTION MOVES A STEP CLOSER

A consortium led by Tullow Oil has announced the drilling of another successful oil exploration well in the South Lokichar Basin, increasing the likelihood of large-scale oil production in Kenya.The Erut 1 well lies in northwest Kenya on Block 13T, which is operated by Tullow, with a 50% stake, alongside partners Africa Oil Corporation (25%) and Maersk Oil (25%).Tullow's exploration director, Angus McCoss, commented: "This is an exciting discovery from a bold exploration well that proves that oil has migrated to the northern limit of the South Lokichar basin. This extends the known hydrocarbon limits of the basin beyond the successful Etom discovery into the underexplored northern part of the basin." Two further appraisal wells, which will test the size of the discovery, are now being planned.As in neighbouring Uganda, Anglo-Irish firm Tullow has been heavily involved in Kenyan oil exploration. It acquired 50% stakes in blocks 10BA, 10BB, 10A, 12A and 13T in 2010; and the first big discovery was made two years later, on the Ngamia 1 well on Block 10BB.After the discovery of oil on the Etom 2 well in December 2015, Tullow said that there was likely to be 1bn barrels of oil in the South Lokichar Basin. The Basin is located in the Turkana area of the Great Rift Valley.Plans for a Kenyan pipeline became simplified but also more expensive because of a decision made by the Ugandan government. It had been expected that Uganda would opt to build its oil export pipeline through Kenya to the Kenyan coast, probably to a new oil export terminal at Lamu.This would have allowed Kenya to construct a pipeline from its oil fields to join the Ugandan line. However, in April 2016 Kampala decided to build its pipeline to the Tanzanian port of Tanga instead, partly because of the threat of militant attacks in parts of Kenya. According to current estimates, the 855km pipeline will cost $2.1bn to build, equating to $12.94 a barrel in transport costs. Whether it will be developed depends partly on the size of the reserves in question but also on oil prices.International accountancy firm KPMG estimates the breakeven price of oil in South Lokichar at $45-49 a barrel. Last August, the government approved a plan for small scale production to be transported to the coast by road. Just 2-4,000 b/d will be taken by tanker via a new road to Mombasa, hopefully by the end of this year.Ugandan farm-downTullow has already sold part of its equity in its Ugandan assets. On 9 January, it announced that it had sold 21.57% of its 33.33% stake in exploration areas 1, 1A, 2 and 3A to Total for $900m. Its remaining 11.76% stake in the areas and the planned pipeline will fall to 10% once the Ugandan government takes up its option in the Lake Albert Development Project. Development has been held up for several years because of changes of ownership in the venture, low oil prices and the failure of the consortium and Kampala to reach agreement on how to develop the reserves.Shareholders Total, Tullow and China National Offshore Oil Corporation, plus the Ugandan government, now hope to take the final investment decision by the end of this year, with first oil three years after that. Output is expected to reach 230,000 b/d. Tullow CEO Aidan Heavey, said: "The deal will secure future cash flow for the group from one of the industry's few truly low cost development projects without any additional cash requirements expected." The $900m deal with Total involves some money upfront but most will be used to fund Tullow's share of future project costs. Developing the first 1.2bn barrels of production is expected to cost $5.2bn. (African business magazine 08-02-2017

AFRICA'S PORTS REVOLUTION: WEST COAST TO WELCOME THE WORLD

A number of factors are coming together to propel the container port market along the west coast of Africa between the two desert states of Mauritania in the north and Namibia in the south.
Firstly, as with East Africa, those former European colonies with oil and strategic minerals to sell have become coupled to the Chinese locomotive. Although this has been something of an exchange of masters, the switch has begun to free some countries from their neo-colonial roles in the global economy, and introduced the kind of investment capital that Africa has historically been unable to accumulate or obtain from world financial markets. Much of this money has gone into providing essential infrastructure, including container terminals in new deepwater ports, and their hinterland road and rail systems.

Secondly, the change has sparked economic growth throughout the region, albeit from a very low base. According to World Bank statistics, the GDP of Nigeria, the regional superpower, declined from $62bn in 1980 to $46bn in 2000, before rising to an astonishing $568bn in 2014 (current US dollars, not adjusted for inflation). One measure of the western region's dynamism is the growth in demand for construction services. Between 2013 and 2015 the total value of projects more than doubled in West Africa, from $49bn to $116bn, according to Deloitte, an accounting firm, while in East Africa total project value fell from $68bn to $58bn. (With oil and commodity prices beginning their precipitous slide in mid-2014, it remains to be seen whether this high-growth trend continues.)

Thirdly, governments in the region have moved to the landlord model of port operation. Instead of building and running ports themselves, they've taken to selling long-term concessions to big international port operators who, eager to stake a claim in the region, undertake to build and operate the ports for a few decades – thus recouping construction costs – before transferring ownership back to the host government. Hence, build, operate, transfer (BOT) is the most common form of procurement now. This has made the latest equipment and automation systems widely available for the first time. When they are built, West Africa's new ports will be as good as any in the world.

Finally, the shipping lines are taking advantage of the appearance modern deepwater terminals to assign larger and larger ships to their West African runs, a process known as "cascading". As Ultra Large and New Panamax vessels are added to European, Asian and North American routes, they displace the smaller vessels to lower volume markets. *Lloyd's List Intelligence* (paywall) data shows that in just the one year between January 2013 and January 2014, the average size of container ship plying the Asia to West Africa run increased 38% to reach 4,178 teu. They continue to grow: in 2015, the giant Mediterranean Shipping Company (MSC) made news in shipping circles by adding Post Panamax vessels as large as 6,500 teu to its Africa Express service. One analyst was quoted by Lloyd's as saying it would have been "unthinkable" a few years ago.

This means that any country that doesn't expand its port will be forced out of the game – hence the rush to dredge access channels, deepen and extend berths and fill the quays with gantry cranes.

So, what new ports will this cascade of Post-Panamaxes be calling at? In order of advertised capacity, they are:

Tema, Ghana: Comparable to England's Felixstowe

- *Projected capacity: 3.5 million teu*
- *Draft: 19m*
- *To be completed: 2019*

The ships calling now at Tema are half the size of the ones that serve Europe and Asia

Tema Port handles 69% of Ghana's trade, but only with difficulty. The harbour is too shallow, the port equipment dates to the 1960s, there is insufficient gate capacity, too little warehouse space, too few cranes, and a lack of high-capacity roads out of the port area. Understandably, the Ghanaian government worried that the port would lose traffic to the Lomé Container Terminal in Togo, the first of the new generation of terminals to open (see below), as well as its most direct competitor, Abidjan in Côte d'Ivoire.

In June 2015, a deal was finally closed between the Ghana Ports and Harbours Authority (GPHA) and a joint venture between Bolloré of France and Dutch operator APM Terminals (APMT), called Meridian Port Services. This will secure $1.5bn to fund an expansion and modernisation project that will deliver the largest port in the region, by container capacity.

The work, which will be carried out by China Harbour Engineering and supervised by Aecom, will involve dredging a 19m-deep access channel and adding four container berths. The quay will be extended to 1.4km and a 4km breakwater will be constructed. In the hinterland, a six-lane highway will be built between the port and Accra, and rail infrastructure will be upgraded.

The planned port has a large capacity, comparable to England's Felixstowe, the port that handles 42% of the UK's containers.

This means that if the region's economies continue to grow at their present rate, it will be the last to require further expansion.

Lekki, Nigeria: Breaking out of Lagos

- *Projected capacity: 2.7 million teu*
- *Draft: 16.5m*
- *To be completed: 2019*


The Nigerian Port Authority looks at a scale model of the port, designed to escape the city

The largest container terminal in Nigeria now is at Apapa in the Port of Lagos Complex, which is expected to have a throughput of 1.5 million containers in 2016. The problem with this facility is that it is in the wrong place – the suburb of a sprawling megacity with a metropolitan population in the region of 21 million. It is a classic problem: cities develop around a port, but then the port grows, leading to a crunch of interfaces and snarled traffic. APM Terminals, the Dutch port operator, has predicted that Nigerian box volumes would outstrip ports capacity by 2017, so Lagos could become a bottleneck for the entire region if nothing is done.

Lekki is the solution. This $1.5bn port will be located at a deepwater harbour 65km to the east of Lagos, and will be able to berth Post Panamax vessels of around 10,000 teu. When completed in 2019, it is expected to have a capacity of 2.7 million, about the same as Yokohama in Japan.

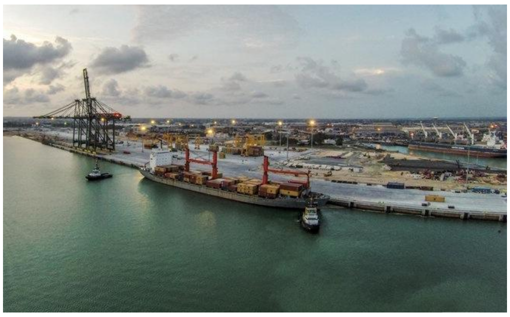
The concessionaire for the 90ha project is Lekki Port LFTZ Enterprise, a special purpose vehicle owned by Singaporean conglomerate Tolaram Group (62%), the Nigerian Port Authority (20%) and the Lagos State Government (18%). Lekki Port is developing the scheme on a build-operate-transfer (BOT) basis. It will have three terminals, one for liquids, one for dry bulk and one for containers, which will be sublet to Filipino operator ICTSI and France's CMA CGM.

Haresh Aswani, the managing director of Lekki Port, has made expansive claims about the effect the project will have on the wider economy. He puts the direct and indirect economic benefit of the port and its surrounding free-trade zone at a whopping $361bn over the 45-year term of concession. It is forecast to contribute more than $200bn to the government exchequer and create close to 163,000 jobs by stimulating industrialisation.

This is probably a best-case scenario, particularly when it comes to government revenues – firms who set up in the free trade zone will not be paying any federal, state or local taxes and will be free to repatriate all their profits. Nevertheless, even less spectacular results look like value for money given the low cost of the infrastructure in comparison with long-term benefits for the national economy.

Lomé, Togo: Big port, little country

- *Projected capacity: 2.2 million teu*
- *Draft: 16m*
- *To be completed: Unloaded first customer on 30 December 2014*



Work under way on the Lomé terminal (Hill International)

This $380m deepwater container port in the Togolese capital of Lomé is the biggest infrastructure scheme in that country's history, and represents a bold attempt to become the transhipment hub for all the ports in the region too small to take the Post Panamaxes. The stakes could hardly be higher: Togo's nominal GDP is 2015 was only $4bn, and the economy is dominated by subsistence agriculture. The port therefore represents an immense investment, and looks set to be the most modern and dynamic element in the entire economy – if all goes to plan.

The signs so far are encouraging: Geneva-based MSC, the second largest shipping company in the world, decided in late 2014 to consolidate all its Asia-to-West Africa volumes at Lomé, for the simple reason that it was the only port able to handle vessels of up to 14,000 teu. The company's African Express line now runs from Tianjin to Shanghai, Hong Kong, Singapore, Durban, Cape Town and Lomé, before heading back to Tianjin.

The work was carried out by Grupo Cyes of Spain and Somague of Portugal, and the expanded port is run by Lomé Container Terminal, which was set up as special purpose vehicle by Terminal Investments, a port operator owned by Dutch company Global Container. In September 2012, the Hong Kong's China Merchant Holdings took a 50% stake in the venture, and a number of its staff joined the operational team.

The key to getting the project going was a $270m debt package from the International Finance Corporation, which is the part of World Bank Group that promotes private sector investment in developing countries. It arranged and led a consortium of financiers that included the African Development Bank, as well as German, Dutch and French institutions and Opec's Fund for International Development.

Abidjan II, Côte d'Ivoire: The "lung" of the economy

- *Projected capacity: 2.1 million teu*
- *Draft: 18m*
- *To be completed: Early 2018*

The port handles 91% of Côte d'Ivoire's trade

The government of Côte d'Ivoire really had no choice but to borrow the money to pay for its share of the work expanding the port at Abidjan because 91% of Côte d'Ivoire's trade passes through it, generating 85% of the country's customs revenues, prompting Chinese media to call it the "lung" of this poor country's economy.

So the government secured a loan from China's Export Import Bank (Exim Bank) to cover 85% of the project's $1.2bn cost, and the work will be carried out, once again, by China Harbour Engineering.

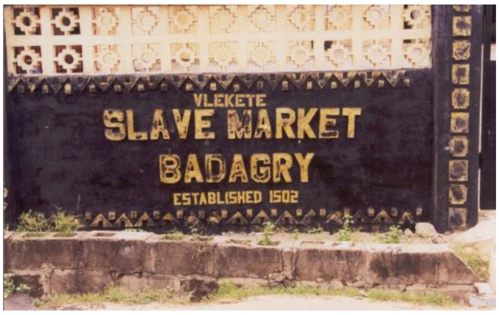
The new port is being developed by a consortium that includes APM Terminals (APMT), Bolloré Africa Logistics and France's Bouygues. When this team was picked in December 2013, it was not a great surprise: Bolloré and APMT already ran the existing container terminal at Abidjan.

The government of the Ivory Coast will pay for the preliminary marine and civil engineering, including dredging the Vridi channel, land reclamation and the building of the quay wall, at a cost of about $800m. The consortium will then spend around $600m to construct the container terminal it will operate for the following 21 years, creating, it is said, 54,000 direct and indirect jobs.

The terminal is scheduled to begin operations by early 2018, although it is thought to be running behind schedule.

Badagry, Nigeria: A brighter future

- *Projected capacity: 2 million teu*
- *Draft: 15.5m (17m in later phases)*
- *To be completed: "Soft launch" set for early 2018*



Badagry's difficult past

It has a grim past as one of the earliest staging posts for the export of African slaves to Brazil, but the new port under construction at Badagry should herald a brighter future.


A render of the new port when complete

This $1.5bn development is Nigeria's second strategy for relieving the pressure on Lagos. It was first proposed in 2012 by Apapa operator APMT as a greenfield site 55km west of the existing port. The proposal was accepted, and a 1.8m teu capacity project is now being developed by a consortium including APMT and TIL, with finance from Australian PPP specialist Macquarie Group.

The container terminal will begin with 775m of quays that can berth two Emden class 12,000 teu vessels. At full build-out, it will have 2.6km of quays and its bottom will be deepened from 15.5m to 17m to enable the port to accommodate ships of the EEE class, which have a loading of 18,000 teu, and which have never visited West Africa before.

In addition to the container ships, it will be able to deal with breakbulk carriers, tankers, roll-on, roll-off ships and general cargo vessels. As with Lekki, there are plans to site it in a free trade zone to encourage manufacturing companies to invest in factories.

Construction work began in January 2017, and the first ships are expected to berth in 2018.

When he first discussed the idea of Badagry, Peder Sondergaard, APMT's chief executive for Africa, said the need for the installation was clear when you considered that Nigeria was projected to have a population of 250 million by 2045. However, the real problem, he said, was "infrastructure constraints" on "hinterland connectivity". This is to be addressed with a 10-lane Lagos–Badagry expressway.

Port du Futur, Senegal: Dubai's influence on Dakar

- *Projected capacity: 1.6 million teu*
- *Draft: 15.2m*
- *To be completed: To be announced*

Dakar container terminal

Dubai-based port operator DP World took over Dakar, Senegal's only deepwater port for container traffic, in 2007. In return for a 25-year concession, DP agreed to invest $450m to double the capacity of the existing Terminal à Conteneur, from 300,000 to 600,000 teu.

The second phase of the project is the construction of the 1 million teu Port du Futur, to be carried out in tandem with the development of the Dakar Integrated Special Economic Zone (DISEZ), a 6.5 square kilometre, $800m logistics hub and free-trade zone between the soon-to-be-begun terminal and the soon-to-be-completed Blaise Diagne airport. This will replacement Léopold Sédar Senghor, located in the centre of Dakar, which has a claim to be the worst sited airport in the world.

The additional port, which will located at Bargny, at the southeastern edge of Dakar, was announced by the Prime Minister Mahammed Boune Abdallah Dionne in December 2015. Altogether, these schemes will have a capital cost of around $1.25bn.

As always, it is easy to miss the significance of investment figures in relation to African economies. Although a $1.25bn project is large enough to arouse notice anywhere in the world, in Senegal, it is more than 8% of the country's GDP: the equivalent of a $215bn project in the UK.

Kribi, Cameroon: Replacing the "worst port in Africa"

- *Projected capacity: 1 million teu*
- *Draft: 16m*
- *Second phase to be completed: 2019*

A difficult berth: the estuarine port of Douala

Perhaps the best news for shipping companies is that soon they won't have to unload at Douala any more. This port at the mouth of the Wouri River has the reputation of being the worst in the whole of Africa.

The reason is that it has only 7m of draft, which means that feeders and general cargo ships with a deadweight above 15,000 tonnes have to anchor offshore and rely on barges to load and offload. Once in the port, a container takes an average of 21 days to be processed and, during busy periods, that can rise to more than a month.

This is a serious hardship for Cameroon's mine owners, cocoa growers and timber merchants, who rely on the port for their economic livelihood, and it's serious, too, for Chad and the Central African Republic, who have to thread their exports and imports through this needle's eye, occasionally paying a $300-per-container surcharge to operator CMA CGM when backlogs build up.

The replacement is to be the port of Kribi, about 60km south of Douala. This will have a capacity of 1 million teu and will be able to handle vessels of up to 10,000 teu, making it a crucial element of the government's Vision 2035, which aims to transform Cameroon into an industrialised middle-income nation by the target date.

The $585m first phase of Kribi involved the construction of a breakwater, a 362m container berth and a 308m general cargo berth. This was financed with a $500m loan from China's Exim Bank and executed by the ubiquitous China Harbour Engineering.

There was then a pause for a bitterly fought bidding war to run the container terminal. In the end this was won by Bolloré, CMA CGM and China Harbour Engineering, seeing off ICTSI, APMT and French-owned operator Necotrans.

The second phase attracted another preferential loan from the Exim Bank – 2% interest with a seven year grace period – and work is under way on the 1-km-long quay, two hydrocarbon berths, two bulk cargo berths and two container berths. The project is expected to be complete in 42 months, after which a third phase will add 12 more berths at the northern part of the port. Meanwhile, a 510km railway to the country's iron ore and bauxite mines is to be built by Portuguese contractor Mota-Engil (which also has the contract to build the breakbulk part of the port).(GCR 10-02-2017)

EGYPT'S CURRENCY COLLAPSE FORCES GOVERNMENT TO COMPENSATE CONTRACTORS

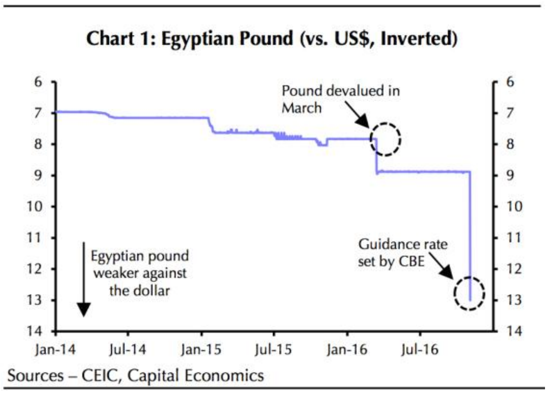
The government of cash-strapped Egypt is working out how to compensate construction companies who are losing money on strategic government schemes after the plunge in the value of the Egyptian pound. Responding to industry calls, the government has set up an emergency committee to calculate how much more companies should be paid, since original contract prices reflected a currency pegged at 6.9 to the dollar.

Having floated the currency to receive a $12bn bail-out from the International Monetary fund (IMF), the Egyptian pound is now at 17.5 to the dollar, causing a large hike in the cost of imported materials – and the decimation of expected profit margins.

The amount of money that each company will receive is to be determined next year by the Construction Companies' Compensations Committee, which has been set up by the Egyptian parliament to administer a law that will be passed by the end of the month.

Mohamed Naser, the head of the committee, told *Daily News Egypt* that the calculation will involve a certain percentage of the value of each contract, as well as a "mechanism" that had still to be decided. The value of the percentage and the nature of the mechanism is being discussed by the ministries and government agencies that make up the committee. Once an agreement has been reached, it will be presented to parliament to be written into the new law.

Naser added that the decision to reimburse companies' costs was prompted by complaints by companies exposed to the collapse in the value of the Egyptian pound and lobbying by the Egyptian Federation for Construction and Building Contractors.



The collapse in the value of the Egyptian pound

The fall in the currency has mostly occurred in the past year. When the government of the Muslim Brotherhood was ousted in July 2013, the pound was pegged to the US dollar and the exchange rate was 6.9 pounds. There was a 13% devaluation of the official rate in March of this year, partly in response to the weakness of Egypt's foreign currency reserves.

To bolster these reserves Egypt has negotiated a $12bn loan from the International Monetary Fund, as a result of which it agreed to remove the dollar peg and allow the pound to float.

This took place on 3 November, since when the pound has fallen to around 17.5 to the dollar, which in turn has forced the central bank to raise interest rates 5% to prevent further falls and pre-empt a surge in inflation.

Among those affected by the evaporating value of the pound are construction companies, who have to import a high proportion of the materials they use on Egyptian construction projects.

President Abdel Fattah al-Sisi, who took power in a coup, had hoped to ward off political turmoil by investing in infrastructure of all kinds, with affordable housing and electricity top priorities.

This strategy is now threatened by the shortage of foreign exchange, the fall in the value of the pound and the surge in inflation. The compensation scheme is a rapid response to these developments, and an attempt to persuade companies to continue with state-sponsored projects that may now be loss-making. The question is, how long will it be in operation? (GCR 22-12-2016)

UGANDA, MALAWI SIGN ICT PROMOTION ACCORD

Uganda and Malawi have signed a memorandum of understanding with a view to promoting Information and communication Technology [ICT] between the two countries.

During the signing ceremony in Kampala, on Friday, Uganda was represented by Uganda's Minister of ICT, Frank Tumwebaze while Malawi was represented by the country's ICT Minister, Nicholas Dausi.
The MOU will among other areas target collaboration in cyber security, data and information as well as governance, a prerequisite for all governments in the world.

According to Uganda's ICT minister Frank Tumwebaze with the MOU the two countries will also consider collaborating in policy implementation and shall soon build capacity through the training of teams from both Uganda and Malawi.

On his part the Malawian minister Nicholas Harry Dausi observed that the MOU will further cement the already close ties between the two countries.

He said his team is in Uganda on a two-day benchmarking trip on the Uganda's success story in the field of ICT.

Uganda is ranked among one of the best countries in sub Saharan Africa with ICT compliant bodies particularly the Uganda Revenue Authority (APA 10-02-2017)

AFRICAN CITIES WILL REMAIN 'CLOSED TO THE WORLD' WITHOUT REFORM AND INVESTMENT, WORLD BANK SAYS

Cities in sub-Saharan Africa are among the most expensive in the world for businesses, relative to income levels, and will remain "closed to the world" unless policymakers reform urban land markets and invest in infrastructure, a new report by the World Bank has found.

The number of people living in sub-Saharan African cities is growing rapidly: An additional 187 million people are expected to live in urban areas by 2025, the equivalent of the entire population of Nigeria. However, the economies in these cities are not keeping pace because they are crowded, disconnected and costly, according to "Africa's Cities: Opening Doors to the World," a report published today.

These factors make cities such as Lagos in Nigeria, Dar es Salaam in Tanzania, and Kampala in Uganda relatively unattractive to investors and entrepreneurs, meaning they produce few goods and services for trade on global and regional markets, the report finds.

"What Africa needs are more affordable, connected, and livable cities," said Makhtar Diop, World Bank vice president for Africa. "Improving the economic and social dividends from urbanization will be critical as better developed cities could transform Africa's economies."

The report proposes a number of reforms, including formalizing land markets, clarifying property rights and instituting effective urban planning, as well as investing more in physical and institutional infrastructure.

The way African cities have been built and organized has led to people living in smaller, fragmented neighborhoods that lack good and affordable transportation to connect people to jobs. Cities in Africa are significantly more fragmented than those in Asia and Latin America, which is a major factor preventing urban areas from reaching their economic potential, the report finds.

The authors state that "Without either high physical density or adequate connective infrastructure, an urban area falls short of its potential: it cannot offer firms the cost efficiencies and job matching advantages that open a city's doors to regional and global trade."

High costs of living are also making African cities unattractive to companies looking to set up businesses. Housing, food and transport in a sub-Saharan African city cost, on average, nearly 30 percent more than in other regions with similar income levels. African urban dwellers pay 55 percent more for housing and 35 percent more for food.

These higher living costs mean that companies need to pay higher wages, making them less competitive than their global rivals. As a result, companies tend to remain local in scope, missing out on global trading opportunities, and also passing higher costs on to their local customers.

To address these issues, the World Bank is calling on African leaders to implement policy and investment reforms to move cities in a more globally competitive direction.

"What cities do now will determine their shape and efficiency not just for years to come, but for decades or even centuries," said Ede Ijjasz-Vasquez, senior director of the World Bank's Social, Urban, Rural and Resilience Global Practice.

This means implementing policies to strengthen institutions that govern land markets in these cities, which will enable them to clarify and formalize property and land rights, update regulations and make developing land more efficient and attractive. The World Bank also urges African leaders and investors to put money into "early and coordinated infrastructure investments" to increase productivity, liveability and affordability.

The development finance institution says it will support these reforms through a variety of activities, including offering financial instruments such as guarantees to help attract other sources of nongovernmental funding, in order to “meet the magnitude of the investment challenge going forward.”(Devex 09-02-2017)

IDB INJECTS CFA11B INTO BURKINA HYDRO-AGRICULTURAL PROJECT

Burkina Faso will implement the Pensa and Liptougou Agricultural Development Project with a CFA 11.2 billion funding from the Islamic Development Bank (IBD), the Ministry of Economy and Finance revealed on Friday.

The objectives of the project are to develop agricultural land and community-managed irrigation infrastructure, improve agricultural production and productivity in the Pensa and Liptougou regions, and strengthen the institutional capacities of the rural community and farmers, including access to microfinance and markets.

The valorisation of the Liptougou and Pensa dams is expected to take place through the realization and development of 520 ha of irrigated perimeters.

Provision is also made in the project for access roads for the perimeters and boreholes.

Bordered by Benin, Niger and Togo, the Burkina Faso’s Eastern Region has an important agricultural potential but lacks infrastructure. (APA 10-02-2017)

WORLD BANK: LAND RIGHTS KEY TO FIXING AFRICA'S CROWDED, COSTLY CITIES

Africa needs to reform its systems for buying and selling land and invest aggressively in urban infrastructure to create jobs, end poverty and reduce cities' high living costs, the World Bank said Thursday.

Africa's urban population will double over the next 25 years, reaching 1 billion people by 2040, it said.

But complicated procedures for land transactions, a lack of urban planning and under-investment in infrastructure connecting homes, jobs and shops are hampering development, the bank said.

“How can we best prepare for the unprecedented wave of people moving to towns and cities to pursue their hopes and dreams?” asked the World Bank's vice president for Africa, Makhtar Diop, via videoconference. “African cities, in order to be drivers for economic growth, in order to be the platforms for poverty elimination, they really need to be connected and open to the world.”

Network of trains, buses needed

The bank called on governments to make transport connections in rapidly growing cities a priority, saying the lack of a reliable network of buses and trains had a negative impact on the economy.

In the Kenyan capital Nairobi, seven out of 10 people either spend an hour walking to work or on a minibus, which means they can only reach about 20 percent of the city's potential jobs, the bank said in a report.

“Nairobi — a metropolis of 3 million people — in reality functions as a set of villages with very local markets because people cannot move efficiently across the city," said Ede Ijjasz-Vasquez, the bank's director for Social, Urban, Rural, Resilience Global Practice.

Vicious cycle

African cities are almost 30 percent more expensive than other countries at similar income levels, the bank said.

Housing is 55 percent more costly, and food prices are 35 percent higher than in other low- and middle-income countries.

This creates a vicious cycle, driving up wages, reducing business profits and deterring investment.

“It's by reducing the cost of living in African cities that we will be able to create the type of jobs that are needed for Africans to escape poverty,” Diop said.

Land prices in some African cities are as high as in the United States because there is a shortage of land that can be easily and safely traded, the report said.

“There is enough physical land; there is not enough tradable land with clear property rights,” said Ijjasz-Vasquez. “Therefore the prices have gone absolutely crazy.”

Corruption, inefficiency major problems

Corruption and inefficiency are major problems in many African land ministries. Investors risk being given fake title deeds, or finding their plot has multiple titles, experts say, with swathes of land being traded informally because they have not been demarcated.

Urban plans, that lay out zones for houses, streets and public spaces, must be respected, Ijjasz-Vasquez said.

“The efficiency of Manhattan today was due to a very simple urban plan, on one sheet of paper, that was agreed and enforced by everybody,” he said. “They were able to grow a city in an organized way that allowed it to be efficient for the next two centuries.”

Lack of decent housing an issue

Money also needs to be poured into decent housing, with up to two-thirds of residents in cities like Lagos living in slums where more than three people share a room, the bank said.

Ijjasz-Vasquez praised Senegal for introducing a law enabling people with temporary occupancy permits in urban areas to convert them into permanent title deeds at no cost.

“They can start investing in housing because their properties are more secure,” he said. (WB)

IFC VOWS TO BACK BRVM DEVELOP UEMOA SMES

The International Finance Corporation (IFC) on Friday pledged to "support" the Regional Stock Exchange (BRVM) develop Small and Medium Enterprises (SMEs) within the West African Monetary Union (UEMAO)

The pledge was made by two IFC Vice-Presidents who visited the BRVM offices on the sidelines of a mission to Abidjan.

"SMEs are a very important business segment, especially for IFC. They are indeed the engine of growth in most countries" Jingdong Hua, IFC Vice President in charge of Treasury and Mobilization asserted.

One of BRVM's challenges is to implement the third sub-fund dedicated to Small and Medium Enterprises (SMEs) and companies with high growth potential.

Mr. Hua, who was accompanied by the Vice-President in charge of Management, Gavin Wilson, said: "As far as IFC is concerned, it is important to support the BRVM in this direction…we would like to help the BRVM to become innovative. The IFC has promised green bonds".

Beforehand, the Director General of the BRVM, Edoh Kossi Amenounvé welcomed their visit.

The BRVM is a specialized financial institution created on 18 December 1996, which capital is subscribed by economic actors and institutions of the West African Economic and Monetary Union (UEMOA).

It is accessible to UEMOA's eight members which are Benin, Burkina Faso, Ivory Coast, Guinea Bissau, Mali, Niger, Senegal and Togo. (APA 10-02-2017)

MTN VERY LIKELY TO BUY LARGE STAKE IN IRAN'S STATE-OWNED INTERNET PROVIDER

MTN shop, Morningside, Sandton

A source says the move will help smooth the process of repatriating MTN funds from Iran, as that government would prefer some profit to be invested locally

MTN Group is near an agreement with the Iranian government to acquire a 49% stake in a state-owned internet provider, as Africa's biggest wireless carrier by sales seeks to expand in a fast-growing yet politically challenging market, according to two people familiar with the matter.

Company officials are planning a meeting with minister of communications and information technology Mahmoud Vaezi later in February to finalise the purchase of shares in Iranian Net, said the people, who asked not to be identified because the talks are private. The move will help smooth the process of repatriating funds from the Middle Eastern country as the government would prefer some profit to be invested locally, one person said.

"MTN continues to see growth potential in Iran and we look at opportunities on an ongoing basis to build on and complement our existing footprint," spokesperson Chris Maroleng said in e-mailed comments.

A deal would fuel MTN's expansion in a market that opened up to foreign investors following the lifting of US-led sanctions in 2016.

The carrier already owns a 49% stake in Tehran-based mobile carrier Irancell Telecommunication Services, and has been repatriating some of the $1bn that had been trapped in Iran before restrictions were removed.

In October, the company also agreed to invest about €20m in Snapp.ir, the Islamic Republic's first cab-hailing smartphone application.

Trump risk

The purchase of the stake in Iranian Net is expected to be completed before the end of the first quarter, one of the people said. Further investments in Iran will be identified once the deal has been finalised, the people said. The talks were reported in 2016 by TechRasa, a website focused on Iranian technology news.

US-led international sanctions on Iran were lifted in April following a deal intended to prevent the country from building a nuclear weapon.

President Donald Trump has repeatedly criticised the agreement, putting its future in doubt.

For now, Iran can benefit from a limited amount of Western investment that has started to flow, and some foreign companies such as MTN have been able to move funds out of Iran that had been locked inside the country.

"In Iran there is a lot of risk with Trump taking the presidency," Michael Treherne, an analyst at Johannesburg-based Vestact, said by phone. "Trump is making a lot of noise and can reverse the deal that eased the sanctions. That will make it very difficult for them to operate, but there is a lot of push back from Europe."

MTN shares rose 0.76% to R116.63 on the JSE on Thursday, the first gain since January 31. On Friday afternoon they were 0.6% up at R117.33.

The company announced its first full-year loss on Wednesday, related to issues in Nigeria and SA.

Iranian Net was founded in 2011 to provide high-speed broadband internet services to cities in Iran, but has missed several deadlines on the project due to a lack of capital, one of the people said. Delta Partners is the financial adviser on the deal and will assist the phone company and Iranian Net to compile a joint business strategy. A Delta spokesman said the company was unable to comment on the details at the moment.

MTN had 47.8-million subscribers in Iran as of the end of September, trailing only Nigeria as the company's biggest market. Data sales soared 62% quarter-on-quarter as smartphone use in the country jumped, the company said on October 24. (Bloomberg 10-02-2017)

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, HTTC - 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,HTTC ,NABA,NABC (by posting selected news) and SwissCham-Africa to their Members.

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