MEMORANDUM

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12 YEARS OF PUBLICATION

SUMMARY

REPORT ON THE STATE OF EU-TUNISIA RELATIONS: TOWARDS A STRENGTHENING OF THE PRIVILEGED PARTNERSHIP

Over the last 12 months, the EU and Tunisia have developed much closer relations and stepped up their cooperation in the various fields covered by the Privileged Partnership.

That is the conclusion of the progress report on the state of EU-Tunisia relations published today by the services of the European Commission and the European External Action Service ahead of the EU-Tunisia Association Council in Brussels on 15 May 2018.

The report highlights the intense high-level exchanges, dialogue and cooperation on key issues such as youth employability and reforms, consolidating democracy and promoting good governance (in which Tunisian civil society continues to play a central role), the response to common security challenges and the coordinated management of migration.

‘The European Union and Tunisia are natural partners on account of their geographical, cultural and commercial links. We are eager to deepen our Privileged Partnership, and the EU remains committed to a democratic, strong and prosperous Tunisia. Our efforts are focused in particular on the aspirations of Tunisia's young people, for whose benefit we launched a Partnership for Youth in 2016, which we are in the process of strengthening. The local elections on 6 May, which the Tunisian Government invited us to observe, marked an important step in consolidating democracy in the country and implementing the 2014 Constitution. They pave the way for an ambitious process of decentralisation,' declared High Representative/Vice-President Federica **Mogherini**.

‘The EU is continuing to deploy all its cooperation instruments to support the political and socio-economic transition in Tunisia. Our commitment takes the form, for example, of increased financial assistance; in 2017 the European Commission provided €300 million in grants. The population is looking for tangible progress and results, and in the light of the current economic situation, the process of institutional and socio-economic reform needs to be speeded up. In this connection, I am delighted that a Roadmap for Priority Reforms was presented last month in Brussels by the Head of the Tunisian Government,' added the Commissioner for European Neighbourhood Policy and Enlargement Negotiations, Johannes **Hahn**.

The report finds that tangible progress has been made in numerous fields, including women's rights, judicial reform, measures to promote youth entrepreneurship, local development, the green economy, culture and civil protection. In addition, Tunisia's involvement in the Horizon 2020 programme and its active participation in Erasmus+ have made possible an increase in the exchanges between researchers, students, teachers and young people, contributing to the development of an innovation-oriented society. Negotiations on ambitious bilateral agreements on air transport, economics and trade, and migration, also moved forward.

Over the last 12 months, the European Union has demonstrated its continued support for Tunisia's political and socio-economic transition, including by supporting urgent and essential structural reforms to boost inclusive and sustainable growth. Through this report, the European Union is reiterating its determination to continue supporting Tunisia and exploring the vision for the future of the EU-Tunisia partnership. (EEAS 08-05-2018)

The full report
Cooperation between the EU and Tunisia

PORTUGUESE-SPEAKING ENTREPRENEURS MEET IN MOZAMBIQUE

The first Economic Conference of the Market of the Community of Portuguese Speaking Countries (CPLP) begins on Wednesday in Maputo, Mozambique, with the participation of about 350 people, including entrepreneurs, representatives of business associations, public foreign trade bodies, heads of state and members of the government of the CPLP countries, according to the organising body.

The event, organised by the Business Confederation of the Community of Portuguese Speaking Countries (CE-CPLP), aims to improve the movement of people and goods, services and capital among community members, making this “new market” more consistent and boosting relations between associations and business entities.

The conference will last two days and address topics such as "Characterisation of the CPLP market, Strengths and weaknesses of each member country," "Foreign trade agencies of the countries of the community," "Mobility and recognition of professions within the CPLP," and "National electricity companies of affiliated countries."

CE-CPLP President, Salimo Abdula, recently announced that the entity will propose to the governments of the member countries of the organisation the creation of an arbitration tribunal for the resolution of business disputes.

"Since CPLP countries speak the same language and have close legal systems, an arbitral tribunal for the organisation would be more effective in settling disputes between community entrepreneurs," said Abdula, announcing the programme of the 1st Economic Conference of the CPLP Market.

The CE-CPLP President also said that the organisation's entrepreneurs will insist on the need for member states of the organisation to introduce free movement of people and goods, to strengthen trade and social ties.

The Community of Portuguese Speaking Countries was established in 1996 and has nine members, namely Brazil, Angola, Cabo Verde (Cape Verde), Guinea Bissau, Equatorial Guinea, Mozambique, Portugal, Sao Tome and Principe and Timor-Leste (East Timor). (08-05-2018)

PARCHED JORDAN MULLS CHINESE NUCLEAR OPTION FOR DESALINATION AND HEAT

Almost all the water of the Jordan river is abstracted before it reaches the Dead Sea

A $1bn deal between water-stressed Jordan and China to build a 220MW helium-cooled nuclear reactor is expected to be signed next year, according to a report by the Bloomberg agency.
Powering seawater desalination has been given as one of the intended functions of the proposed plant.

Khaled Toukan, the chairman of the Jordan Atomic Energy Commission, said "advanced" talks had been held with the China National Nuclear Corporation (CNNC) with a view to beginning work next year and bringing the reactor online in 2025.

Toukan said Jordan was interested in using the plant for heat and electrical power. He said: "This reactor is very efficient for electric power generation and can be used for water desalination and serve chemical industries as well as oil refineries."

Jordan opened its first desalination plant in 2017.

Jordan is one of the most water-stressed countries in the world, with a per capital water supply at about 15% of what the World Bank defines as an adequate.

Growing population and increased agriculture in Jordan and neighbouring Israel have reduced the famous Jordan River (pictured) to a "fetid trickle", says a recent report in the *Times of Israel*, with 95% of its flow diverted since the 1960s.

China's design of high-temperature, pebble-bed, helium reactors are designed to be used as an industrial heat source. Saudi Arabia has also expressed an interest in nuclear-powered desalination for its future water needs.

Jordan depends on foreign oil and gas for 96% of its energy. This dependence, which consumes a significant amount of its national income, has led it to plan investments of $15bn in renewable and nuclear energy.

This includes a particular interest in small modular reactors, a technology that is expected to become available in the 2020s, and which could reduce the cost and risk associated with nuclear energy.

In the past, Jordan has been in negotiation with Russia over building a $10bn VVER reactor, and last year, it entered into talks with US engineer Rolls-Royce over working together to set out the technical, safety, economic and financial requirements for constructing the country's first SMR power station.

The JAEC has also held talks with companies in SMR makers in the US, Russia and South Korea. (GCR 01-05-2018)

CAMEROON BANANA EXPORTS SUFFER DECLINE

Cameroon's Banana Association (ASSOBACAM) on Monday revealed that Cameroonian banana exports estimated at 59,149 tons declined in the first quarter of 2018 against 78,610 tons last year in the same season.

In relative terms, this is a decrease of 19,461 tons, as a result of the poor performance of the Cameroon Development Corporation (CDC), the country's second largest exporter.

Based on the figures compiled by ASSOBACAM, the CDC exported at the end of the first three months of the year 11,631 tons of bananas against 26,840 tons in the first quarter of 2017.

This represents a 15,209 tons drop "related to the effects of climate," which has affected all domestic production on the global market, it said.

For its part, the PHP Company, a local subsidiary of the Compagnie Fruitière de Marseille, leader in banana production in Cameroon, exported 45,064 tons in the first quarter of 2018, although down compared to the same period last year when exports reached 48,755 tons in the first quarter.

According to ASOBACAM, bananas are Cameroon's third export product after oil and timber, accounting for more than 40 percent and 15 percent exports, respectively. (APA 07-05-2018)

EUMEDRAIL COUNTRIES PRESENT THE RAILWAY DEVELOPMENT PLANS

The EUMedRail conference on National Action Plans organised by the European Union Agency for Railways on 23-25 April 2018 in Ljubljana, gathered public officials from Ministries of Transport, railway experts and international financial institutions to discuss the railway plans of the Southern Neighbourhood countries.

The 3-days-conference was opened by keynote speaker, Mr. Zoran Stančič, Head of the Representation of the European Commission in Slovenia. The first day of the conference focused on presenting the Slovenian Railway System to the Southern Mediterranean partner countries. The second day the delegations presented their current and future railway infrastructure projects and requested specific training activities in the framework of the EUMedRail project. The third and last day of the conference,

delegations were briefed on the afternoon Southern Mediterranean Transport Ministerial Seminar and were invited to the Annual EUMedRail conference taking place on 9 and 10 October. (EEAS 02-05-2018)
http://www.era.europa.eu/Communication/News/Pages/EUMedRail-Countries-Present-t…

AU MEMBER STATES MEET ON RIGHT TO NATIONALITY IN AFRICA

Member states of the African Union are meeting from 7 to 11 May 2018, in Abidjan, Cote d'Ivoire, to discuss the text of a draft protocol to the African Charter on Human and Peoples' Rights on the Specific Aspects of the Right to a Nationality and the Eradication of Statelessness in Africa.

A coalition of African civil society organisations working on the issue has said "African states should seize the opportunity to set clear standards on the recognition of nationality and the eradication of statelessness".

The draft protocol was adopted by the African Commission on Human and Peoples' Rights in 2015, and formally submitted to the African Union in May 2017.

"We see the need for some basic standards on nationality every day in our work in Kenya", said Diana Gichengo of the Kenya Human Rights Commission.

"African States should take this chance to lead the world in resolving these issues", she added. The text would establish minimum conditions in which states would be required to recognise or grant nationality to individuals with strong connections to their territory.

In doing so, it recognises the specific challenges caused by the colonial establishment of borders in Africa and transfer of labour before independence, post-colonial conflicts, as well as low levels of birth registration and the nomadic lifestyle of many of Africa's peoples.

Gaye Sowe of the Banjul-based Institute for Human Rights and Development in Africa, remarked that a considerable number of cases have been brought before the African human rights bodies concerning nationality.

The African Commission and African Court on Human and Peoples' Rights, as well as the African Committee of Experts on the Rights and Welfare of the Child, have heard many cases in which the right to a nationality has been central to the complaint.

Most recently, in March 2018, the African Court delivered a judgment in the case of Anudo Ochieng Anudo, who spent several years living in no-man's land between Kenya and Tanzania because Tanzania no longer recognised him as a national, and Kenya also denied he was theirs. Janemary Ruhundwa of Asylum Access in Dar es Salaam, who brought the Anudo case before the court, said: "As Anudo Ochieng has found, citizenship is the 'right to have rights'.

"The African Court has emphasised how important due process is – now states should endorse that commitment through the protocol."

The Coalition on the Right to a Nationality calls on African states to solidify the "right to have rights" for all Africans.

"Without belonging, Africans across the continent would be unable to access basic human needs, like housing, education and healthcare, as these are premised on the possession of identity documents.

"We therefore call for the adoption of the Protocol to the African Charter on Human and Peoples' Rights on the Specific Aspects of the Right to a Nationality and the Eradication of Statelessness in Africa, as a way to consolidate the commitments made to meeting the aspiration of Africa's peoples, and as a prerequisite to free movement and to attaining the vision of a 'peaceful, prosperous and integrated Africa'". (APA 07-05-2018)

ANSALDO ENERGIA TO BUILD AN ELECTRIC POWER PRODUCTION PLANT IN TUNISIA

Ansaldo Energia has signed an engineering, procurement and construction (EPC) contract with Société Tunisienne de l'Élecriticité et du Gaz (STEG) to build a 625MW gas-fired open cycle thermoelectric power station in Mornaguia, south-west of Tunis, Tunisia

The electric power production plant aims to provide the relative long term service activities in the North African country.

According to the company, the contract is worth of US$291.04mn.

Under the terms of the contract, Ansaldo has also signed and a long-term service agreement (LTSA) contract covering maintenance and assistance work for the plant.

The plant will be equipped with two AE94.3A model gas turbines, the relative generators and auxiliary systems, built in Ansaldo Energia's Genoa production facilities.

Work will take 22 months from receipt of the notice to proceed, said Ansaldo.

"This new order is the result of concerted teamwork involving the entire company," commented Giuseppe Zampini, CEO of Ansaldo Energia.

"I'd like to thank the government institutions involved for their constant and effective support in defence of Italian industry on international markets," Zampini added.

Ansaldo Energia consolidates and strengthens its historic presence in Tunisia, where it built the 'Sousse C' and 'Sousse D' plants in the Sidi Abdel-Hamid region (Sousse Governorate) and the 'Rades B' plant, where it coordinates service work on the Ghannouch plant.(AR 30-04-2018)

KENYA, ETHIOPIA LEADERS PLEDGE TO BOOST TIES

President Uhuru Kenyatta and Prime Minister Abiy Ahmed Ali on Monday vowed to re-energize historical ties as the two leaders held talks which centered on the economy and security**.**

Kenyatta and PM Ahmed, who is in Nairobi on a two-day state visit to Kenya, made the commitment after they held talks.

The two leaders said Kenya and Ethiopia will embark on a new drive to boost trade and diplomatic ties.

The two leaders discussed the Lamu Port-South Sudan-Ethiopia Transport Corridor Project (LAPPSET), which is envisaged to provide an alternative infrastructure corridor to the Indian Ocean, and which is well on course.

They also discussed the implementation of the Power Purchase Agreement under which Kenya would import up to 400MW from Ethiopia yearly.

The two leaders also spoke on a number of shared water resources along the common border between Kenya and Ethiopia, notably the Omo River, Lake Turkana and Daua River.

The two countries have already entered into Tri-lateral framework arrangements with IGAD on the Daua River Basin and UNEP on the Lake Turkana Basin.

They also discussed the two countries' anti-terrorism strategy, which both prioritize the stabilization of Somalia and winning the fight against Al Shabaab.

They discussed the need to continue pushing for adequate, predictable and sustainable funding for AMISOM forces from the United Nations assessed contributions.

Kenyatta said that the special relationship between Kenya and Ethiopia, which includes a defence pact, has ensured that the two nations have maintained cordial relations despite living in a region known for turbulence.

PM Ahmed echoed President Kenyatta's words in promising commitment to advance bilateral ties. (APA 07-05-2018)

ENGIE AND MERIDIAM WIN TWO SOLAR PHOTOVOLTAIC PROJECTS IN SENEGAL

Engie and investment partner Meridiam have been selected by Senegal's Electricity Sector Regulation Commission (CRSE) as preferred bidder in a tender launched in October 2017 to build two solar photovoltaic projects totalling 60MW

The construction and the operation of the plants will be managed and executed by Engie. These two projects are in line with Senegal's Scaling Solar initiative, which is conducted jointly by the Senegalese authorities and the International Finance Corporation (IFC).

The solar photovoltaic projects are located in Kahone, in the Kaolack region, and in Touba-Kaël, in the Diourbel region.

Engie and Meridiam will hold a 40 per cent shareholding in the project company. Fonsis, the Senegalese sovereign fund, will hold 20 per cent equity stake in the project.

Commenting on the solar project, Yoven Moorooven, CEO of Engie Africa, said, "Our focus will now be on finalising the projects to deliver the most competitive solar photovoltaic plants, to serve the country's ambition of developing universal electricity access in a sustainable manner."

Mathieu Peller, chief operating officer of Meridiam Africa, noted, "This particular project will have a high developmental impact by expanding Senegal's capacity to generate clean energy at a very competitive price. Increasing power generation is critical for the government's objective to raise Senegal to the level of an emerging market by 2035. The project aligns with the UN's Sustainable Development Goal Seven, which calls for increasing the share of renewable energy in the global energy mix."

In Senegal, Engie is currently operating Senergy project, a 30MW solar photovoltaic plant in the town of Santhiou Mekhé and in Ten Merina, a 29.5MW solar photovoltaic plant in the region of Thiès, near Dakar. In 2017, Engie signed a partnership with ANER, Senegal's National Renewable Energy Agency, which focuses on accelerating the development of renewable energy in the country.

The group is also implementing solar energy solutions for rural households in Senegal, Côte d'Ivoire and Cameroon. Engie has also been selected for the Dakar TER project in partnership with Thales for the design and production of infrastructure and systems, with a contract amounting to US$278.29mn. (AR 20-04-2018)

ZIMBABWE'S MNANGAGWA TAKES DIPLOMATIC ONSLAUGHT TO QATAR

President Emmerson Mnangagwa on Monday took his diplomatic charm offensive to Qatar as he continues on his mission to bring Zimbabwe back into the international fold after nearly two decades of isolation.

The Zimbabwean leader, who rose to power after the removal of long-serving former president Robert Mugabe in November 2017, arrived in Doha on Monday for a three-day official visit.

He was expected to meet Qatar Amir, Sheikh Tamim bin Hamad al Thani on Monday as well as hold meetings with the Qatari business community.

Economic discussions are expected to centre on Qatar's thrust for a post-oil economic agenda, which may unlock opportunities for Zimbabwe in sectors such as agriculture, mining, tourism and infrastructure development.

Mnangagwa's delegation includes Finance and Economic Development Minister Patrick Chinamasa, Foreign Affairs and International Trade Minister Sibusiso Moyo, Agriculture Minister Perrance Shiri and Reserve Bank of Zimbabwe governor John Mangudya.

The Zimbabwean leader has used the time since his inauguration more than five months ago to tell the world that the southern African country is open for business, and has sought to mend broken fences between Harare and many Western capitals.

He has promised a level playing field for all political parties during general elections slated for July. (APA 07-05-2018)

THALES SET TO HELP EGYPT'S RAILWAY MODERNISATION PLAN

As part of the railway modernisation contract for the Cairo-Alexandria line, Egypt National Railways (ENR) has selected Thales to modernise the 48km Cairo-Benha section

Egyptian government focuses on upgrading its railway infrastructure.

The Cairo-Benha section consists of nine stations and 48km of tracks and carries some of the busiest traffic on Egypt's railway network.

Under the terms of the contract, Thales will extend its signalling technologies that are currently being implemented on the Benha-Alexandria section of the line. Harmonisation of signalling technology along the entire Cairo-Alexandria corridor is expected to ensure that ENR masters every decisive moment of the operation of this heavy traffic line.

This extension includes the supply of new signalling technologies such as nine electronic interlocking devices, 11 level crossings and field elements and also the interface to existing assets.

The scope of the Thales contract also includes the overhaul of associated energy systems, refurbishment of existing technical buildings and construction of new ones in different locations. With this extension, the traffic control centre will be able to manage the whole line from Cairo to Alexandria.

Once completed, the project is set to improve traffic safety and security to allow trains to travel at a speed of up160km per hour, as opposed to the current 120km per hour.

In addition, the current traffic volumes are also expected to double, thus increasing passenger and goods capacity on the backbone line that links the North and South of Egypt from Alexandria to Cairo and all the way to Aswan.

The initiative is in line with the Egyptian railways' ambitious programme of railway modernisation. Thales has been involved in many railway modernisation programmes in the North African nation. The project aims to substantially improve safety on the Cairo-Benha section on the country's busiest line.(AR 24-04-2018)

CABO VERDE AIRLINES REPLACES TRANSPORTES AÉREOS DE CABO VERDE

Transportes Aéreos de Cabo Verde (TACV) has ceased to exist and has been replaced by Cabo Verde Airlines, a change of image that also stems from the restructuring process that the company is undergoing ahead of its privatisation, the chief executive president of the air carrier, Mário Chaves said recently.

As well as a new name the airline's image has been renewed by Icelandic agency Íslenska and with the contribution of some Cape Verdeans. It is inspired by the colours of nature, houses and flag of the Cape Verdean archipelago.

According to José Luís Sá Nogueira, "the new image reflects the strength and importance that the airline has for the Cape Verdean nation, in the certainty that the new business concept based on the platform will contribute greatly to increase the country's link with the world and generate new business opportunities capable of further fostering Cape Verde's development."

The presentation of the new brand image of Cabo Verde Airlines follows the start of operations on the platform of the island of Sal and reinforcement of the routes to Recife, Fortaleza and, soon, Salvador da Bahia, in Brazil, with connections to Milan, Paris and Lisbon .

The privatisation process for Cabo Verde Airlines was due to have been completed by the end of March, after assessment of the company's equity value, according to statements made in December 2017 by the Minister of Finance, Olavo Correia, after addressing members of parliament in the Specialised Finance and Budget Commission.

Transportes Aereos de Cabo Verde is currently being managed under an agreement with Icelandair, which the minister admitted could be the strategic partner in the privatisation of the international business of Cabo Verde's public air transport company. (08-05-2018)

EIB AND IMF JOIN FORCES TO BUILD CAPACITY ON FINANCIAL INCLUSION IN AFRICA

The European Investment Bank (EIB), the EU Bank and the International Monetary Fund (IMF) have signed a letter of understanding to promote sustainable economic development, financial stability and inclusive growth in Africa

This partnership aims to support developmental agenda of micro, small and medium-sized enterprises, young men and women entrepreneurs in Africa. Under the partnership programme, EIB will contribute with US$3.67mn to IMF economic institutions, namely the African Regional Capacity Development Centres (AFRITACs) and the Financial Sector Stability Fund (FSSF).

EIB will also launch a new course with the IMF on financial intermediation and financial inclusion. In addition, it will provide guidance to the AFRITACs and FSSF by participating in their governing bodies.

"It is important to create synergies and make sure that the development assistance we provide is as effective as possible. This partnership will allow us to empower major actors of development in Africa, namely micro, small and medium-sized enterprises, young men and women entrepreneurs and the financial intermediaries that can support their financial inclusion and help them realise their potential," said Werner Hoyer, president of EIB.

Christine Lagarde, managing director of the IMF, said, "Strong economic and financial institutions are critical for development. Our partnership with the EIB will support continued IMF efforts to strengthen institutions in Africa through technical assistance and training, with a particular focus on financial sector stability and inclusion. It will also bring the international community closer to meeting the G20 'Compact with Africa' commitments."

Within this partnership, the EIB and the IMF are developing a training course that aims to equip government officials to deliver financial inclusion and stability. In the first instance, it will address public sector regulators and private sector practitioners in Sub-Saharan Africa. Participants may also include young professionals, staff of local banks and financial institutions, representatives of ministries of finance, regulatory bodies and central banks. (AR 24-04-2018)

ANGOLA'S GOVERNMENT APPROVES STRATEGIC FOOD RESERVE

Angola may create a strategic food reserve before next year, the Minister of Trade Jofre Van-Dúnem Júnior said on Monday, announcing the approval by the Economic Commission of the Council of Ministers of the initiative intended to supply the market with products in the basic basket of goods in periods of emergency or stock shortage.

The food reserve will allow the government, in a crisis, stock shortage or during a natural disaster to intervene in the market to maintain the balance of prices and the supply of products, ensuring food security for the population for a certain period of time.

Van-Dúnem Júnior also said that rice, maize and wheat flour and beans were the products chosen to establish the food reserve, and only rice will depend on imports.

The minister added that the creation of the national reserve could encourage national production and specified that 20,000 tons of rice, 10,000 tons of maize flour, 20,000 tons of wheat flour and 15,000 tons of beans were needed to guarantee the national food reserve.

Van-Dúnem Júnior also announced that Angola's final accession to the Southern African Development Community (SADC) free trade area is expected to take place in 2019.

“The country formally joined the free trade zone in February 2003, but its roadmap has only now been approved by the Council of Ministers,” said the minister, who added that it would be presented to the SADC secretariat in June. (08-05-2010)

TUNISIA’S “STARTUP ACT” COULD SHOW OTHER AFRICAN GOVERNMENTS HOW TO SUPPORT TECH ECOSYSTEMS

The success story of local tech ecosystems across Africa has provided a positive narrative over the past decade.

But much of this success has come despite the lack of an enabling environment or reformist legislation. Increasingly, however, governments across the continent are beginning to focus more on how to boost fledgling ecosystems. With a newly passed Startup Act (in Arabic)—a law which sets out government’s policies for startup growth—Tunisia appears to be taking the lead in this regard.

The law has come after two years of deliberations with legislators engaging entrepreneurs, civil society, and investors. The big picture is largely to put science and technology at the heart of Tunisia’s economic transformation rather than traditional sectors like tourism and agriculture.

As part of its provisions, the law supports startups in funding, grants them exemptions from corporate taxes, allows both private and public sector employees up to a year off from their current jobs to run their outfits, provides a government-sanctioned salary to founders and helps firms file for international patents.

It also strictly defines who can call their business a “startup”, compelling developers to apply for a “label” after fulfilling five main criteria. These include that the company not have existed for eight years; the number of its employees not be more than 100; that more than two-thirds of its shareholders be founders, angel or hedge fund investors; have an innovative business model, preferably technologically-based; and that its activities significantly contribute to economic growth. While the act doesn’t require a “startup” to be a pure tech business, it does articulate that its operations involve “the use of new technologies.”

Houssem Eddine Touil leads international partnerships for Tunisian Startups, an umbrella organization for startups that helped draft and vigorously campaign for the law. Besides improving administrative processes, Houssem hopes the new regulations will reduce the talent exodus to bigger hubs, help fill the huge funding gaps, and make “more people to believe in their dreams and launch their ventures, run and grow them on a global scale.”

Following the passage of the bill, prime minister Youssef Chahed tweeted it was “one more step to anchor our economy in the digital age.” It is a measure that’s become necessary as low economic growth, high unemployment, and poverty rates threaten the progress the north African nation has made since the Arab Spring began there in 2011.

Getting it right

Industry insiders like Houssem know that the passing of the law isn’t going to be a panacea for all the problems facing Tunisian startups. To draw on best practices, they have launched an index that will measure the impact of startups and track how they are impacting the local economy.

Wafa Ben-Hassine, a policy counsel in North Africa with digital advocacy group Access Now, says the government will also need to solidify privacy gains and loosen broad surveillance powers. Freedom House, the US-based advocacy group, scores Tunisia as “partly free” with regard to internet freedom. “For start-ups or any business to really operate well, a free environment, both online and offline, is crucial,” Ben-Hassine says.

Given the incentives involved, there’s also the risk of startup founders engaging in rent-seeking rather than true innovation and manipulating this policy to increase their own profits. Chiheb Ghazouani, a law professor and legal advisor to startups in Tunis, says there are guarantees against these manipulations including the various government commissions that approve a “startup label,” besides the strict objectives “defined by decree” that startups have to achieve during operations.

The lack of a legal and regulatory framework is also a reality that is prevalent across much of the continent. For most African startups, bureaucratic bottle-necks, a lack of access to capital as well as high and multiple taxes pose serious challenges.

For their part, Tunisian startups have faced legal, administrative, and investment challenges that hinder them from achieving full growth. One of those is archaic legislation which keeps off angel investors. For example, in Nigeria startups aren't permitted to raise money through crowdfunding due to an antiquated law. Countries including Ghana and Nigeria have also taken up tough regulations that make it difficult for startups to operate drones, despite their potential benefits including tackling climate change.

To turn the tide, however, African governments need not just focus on tech startups but the overall operating ecosystem. Making regulation easier is the "the low hanging fruit," Ameya Updhadyay, principal of the investment team at Omidyar Network, says. In addition to providing incentives such as tax subsidies to "make life easier" for founders, Updhadyay says countries must also focus on improving the local business climate and measure their progress on the World Bank Doing Business rankings.

One success story of how government interventions can boost ecosystems has come in Lagos' Yabacon Valley where, in 2013, a partnership with the state government allowed for the deployment of high-speed internet fiber cables to boost connectivity for startups.

In Rwanda, Paul Kagame's focus on improving the local business climate has been a boon for startups with the success of drone deliver program Zipline, being a testament. In Kenya, the government has partnered with innovation hubs like Nailab to support entrepreneurs, besides providing funding and passing a slew of progressive legislation to improve digital literacy and internet penetration.

The clear upside in Tunisia, Walid Sultan, the founder of Digital mania, Tunisia's first video development company, says, is that the new startup law will give many young people the chutzpah to start their own businesses and get connected—something that was also realized in post-revolution Egypt.

A few days after the law's passing, Google started supporting merchant payments in Tunisia—a boost, he says, for local tech startups. "The failure-averse strategy will be gone," Sultan said via email. "No fear of failure equals more risks taken." (Q 16-04-2018)

MOZAMBICAN STATE COMPANIES FACE FINANCIAL CRISIS

Twenty majority state-owned Mozambican companies are facing a financial crisis, said on Monday in Maputo the chair of the Board of Directors of the State Holdings Management Institute (IGEPE), Ana Isabel Coanai, who added that the government is having difficulty in making capital investments in these companies.

Ana Isabel Coanai, on the sidelines of a meeting that debated the legislation of the state's business sector, also said that the government is looking for entities that want to invest in these companies, "under the restructuring plan that is already underway."

The first phase of the restructuring plan will be marked by the merger of telecommunications companies Moçambique Celular (Mcel) and Telecomunicações de Moçambique, two of the companies that have experienced financial crises in recent years.

"We have already assessed the two companies and the intention is for the process to be completed by the end of this year," said Coanai, who pointed to bank debt as one of the main challenges facing Mcel and Telecomunicações de Moçambique. (08-05-208)

MOODY'S AFFIRMS CÔTE D'IVOIRE'S RATING ON FISCAL POLICIES, LOWER COCOA DEPENDENCE

Moody's on Tuesday affirmed Côte d'Ivoire's sovereign rating citing the economy's diversification from cocoa and the government's fiscal policies

Moody's affirmed Côte d'Ivoire's sovereign rating at Ba3. The rating agency affirmed Côte d'Ivoire's sovereign rating at Ba3 and maintained a stable outlook on the country.

Moody's expects the country's exports to grow despite a drop in cocoa prices, the country's main export.

"Moody's expects the value-added content in Côte d'Ivoire's exports to continue to increase, gradually reducing the economy's vulnerability to commodity price shocks," the agency said in a statement.

The agency said that the government's move to slash cocoa prices to farmers by over a third in 2017 helped the government contain the widening of deficit to 4.2 per cent of GDP in 2017.

"Prudent fiscal management including an ongoing fiscal consolidation will maintain government debt at broadly stable levels around 40-45% of GDP," Moody's added.(AR 29-04-2018)

MOZAMBIQUE HAS AVAILABLE FUNDS TO DIVERSIFY THE ECONOMY

Mozambique is facing a difficult economic and financial situation, but in the next few years, companies will have funds from international institutions for economic diversification projects, according to the latest Africa Report on the country.

The recently published report, a joint initiative of Africa Monitor Intelligence and Eupportunity, reviews the funds to be made available in the coming years by the European Union, the World Bank, the African Development Bank and others, concluding that “a significant effort is being made to promote the diversification of the Mozambican economy.”

The European Union and the World Bank have chosen rural development, particularly forestry, and the growth of the agricultural sector as priorities in their development aid strategies.

Investment in human capital has also been a means of achieving the goals set out in the strategies of international organizations, which also include investment in infrastructure, particularly transport and energy.

As far as the World Bank is concerned, the new strategy for Mozambique gives a glimpse of some energy, transport and education projects, so opportunities are expected in these sectors, the report said.

As for the African Bank’s strategy for Mozambique, it is expected to invest in infrastructure, whether in the transport, energy or agriculture sectors.

According to the latest International Monetary Fund forecasts, economic growth in Mozambique is expected to slow to 3% this year and 2.5% next year, a downward review from previous IMF forecasts.

However, the Mozambican economy presents encouraging prospects in the medium term – a 9.9% increase in 2023, a year in which the country’s natural gas exploration is expected to begin.

In 2017, the mining sector (coal and aluminium) led economic growth in the country, followed by the transport and agricultural sectors. All other sectors (energy, construction, tourism, financial services, industry) contracted.

The Africa Report stresses that the two-year blockade by western donors and defaulting on external creditors have led to a worsening of Mozambique's public finances.

For the banking system, the main problem is a lack of liquidity and a significant amount of financing to the economy (business credit) has no return or the return comes late given the difficulties companies are facing to pay interest within the stipulated period.

Banks face growing problems of default by companies and private individuals and an increase in non-performing loans.

The decline in foreign investment has resulted in a shortage of foreign currency and a decline in export earnings, according to the Africa Report Mozambique, the first on this country, after a similar initial one on Cabo Verde (Cape Verde). (07-05-2018)

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