MEMORANDUM

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SUMMARY

NEGOTIATIONS ON THE POST-COTONOU AGREEMENT STUMBLE ON MIGRATION

Due to a lack of consensus on the issue of migration, member states cannot come to an agreement on a mandate to begin negotiations on the future partnership agreement with African, Caribbean and Pacific (ACP) countries, EURACTIV.fr reports.
The disagreement among member states on the issue of migration in the future partnership agreement could postpone the start of negotiations, originally scheduled for 1 June.

Post-Cotonou Agreement to tackle migration crisis
The EU will renew the framework for relations with the Africa, Caribbean and Pacific Group of States (ACP) by 2020. The bloc could demand closer cooperation in the return and readmission of illegal migrants. EURACTIV France reports.
No negotiating mandate was put forward, following two meetings last week on the question of the future Cotonou Agreement.
The agreement, which was signed in 2000, governs trade and political relations but also cooperation between the EU and 79 ACP countries. The current agreement expires in 2020 and will have to be replaced with a new partnership agreement.
European governments had to agree on a negotiating mandate for the new Cotonou Agreement in May so that negotiations could begin at the meeting of the ACP-EU Council of Ministers, in Lomé (Togo) on 31 May.

Tight schedule
There could be changes to the timetable. Though there are discussions on strengthening the migration chapter of the agreement, Hungary opposed the negotiating mandate put forward at the meeting between European Foreign Ministers on 22 May. The second meeting on 24 May saw no changes with "several member states opposing the compromise text that would have lifted Hungary's opposition," said an EU source to *Euractiv.* The Hungarian delegation made no comment on the subject.
Divergences on the migration issue could delay the start of formal negotiations between Europe and the ACP countries, but time is running short for the Commission since the Cotonou agreement provides for the launch of these negotiations by August 2018. "It cannot be ruled out that the Cotonou Agreement will be void 2020 without a new framework being negotiated," stated an EU source.
To make progress, member states needed to come to an agreement during a meeting on May 25, before a Council of Foreign Ministers scheduled for 28 May. But the migrant crisis has exacerbated differences on the position of migration in the framework of the future partnership agreement, particularly on the chapter regarding readmission of illegal migrants who are nationals of ACP states.

Post-Cotonou Agreement to tackle migration crisis
The EU will renew the framework for relations with the Africa, Caribbean and Pacific Group of States (ACP) by 2020. The bloc could demand closer cooperation in the return and readmission of illegal migrants. EURACTIV France reports.
However, aside from the migration issue, the final definition of the negotiating mandate has made some progress. The issue of establishing a legally binding agreement, like the Cotonou Agreement is currently under discussion between member states, however, some countries have long called for a more flexible framework. The duration of the future agreement has also been decided, and should be 20 years + 5.
In a common position defended by France and Germany, a number of points on the economic dimension with the African continent have now been established such as the emphasis given to investment and the private sector, as well as better protection of investors' rights. (EA 28-05-2018)

PROTECTING AND SUPPORTING MIGRANTS AND REFUGEES: NEW ACTIONS WORTH €467 MILLION UNDER THE EU TRUST FUND FOR AFRICA

The European Union adopts today new programmes and projects worth a total of €467 million under the Emergency Trust Fund for Africa.

The EU continues to deliver on its commitments to assist vulnerable migrants and refugees and address root causes of irregular migration. The new support measures in the Sahel/ Lake Chad region and the Horn of Africa will foster stability, jobs and growth, especially for young people and vulnerable groups.

They complement ongoing bilateral and multilateral efforts, such as through the Joint African Union – European Union – United Nations Task Force. Today's additional funds will allow for live-saving assistance to be taken forward, including accelerating resettlements of refugees from Niger as a priority.

High Representative/Vice-President Federica **Mogherini** said: *"We continue working to save lives, provide safe and dignified returns and legal avenues, and tackle the root causes of migration, by creating jobs and growth. With the UNHCR, we have evacuated 1,287 refugees from Libya to Niger, who need to be resettled swiftly now. With the IOM, we helped 22,000 people to return home and provide reintegration assistance. Today's additional commitments will further consolidate our work towards managing human mobility - in a humane, secure and dignified way together with our partners."*
Commissioner for International Cooperation and Development, Neven **Mimica**, said: *"The majority of today's €467 million assistance package will be dedicated towards improving employment opportunities, especially for young people. But challenges remain, and the Trust Fund's resources are running out. If we want to continue our live-saving assistance, additional contributions by EU member states' and other donors will be crucial."*

Measures adopted today focus on the following areas:

Protection and assistance for people on the move
The European Union's work with the UNHCR has so far allowed for 1,287 refugees to be evacuated from Libya to Niger through the **Emergency Transit Mechanism**, with 108 people having been further resettled to Europe. In parallel, together with the International Organisation for Migration, 22,000 migrants stranded along the routes have been **assisted to voluntarily return home**, where they receive reintegration support. Today, the EU mobilises an **additional €70 million**, of which €10 million will support accelerating resettlements under the UNHCR's Emergency Transit Mechanism and €60 million ensure that voluntary return and reintegration assistance can be continuously provided by the IOM. In **Kenya**, an innovative approach to piloting private sector development will promote better economic integration of refugees and supports the implementation of the Comprehensive Refugee Response Framework. Additional €20 million in regional support will help countries in the Horn of Africa, in developing and implementing sustainable and rights-based return and reintegration policies.

Increase stability, resilience of local populations and improve migration management
Increasing stability and supporting the resilience of local populations is one of the pillars of the EU's integrated approach. In central Mali, activities worth €10 million will address the rapidly degrading security situation, to increase trust between Malian security forces and local populations. Further new activities will promote conflict prevention, foster food security in **South Sudan** or improve knowledge on malnutrition in **Sudan**. In Sudan, support will also enable humanitarian and development actors to access hard-to-reach areas. In **Cape Verde** and **Guinea Bissau** new measureswill help to set up a reliable civil identification registration and document issuance system, to allow the population to benefit from enhanced mobility, document security and better access to rights.

Economic opportunities for young people
Providing sustainable employment opportunities for young people is key to tackle the root causes of irregular migration. New actions will support the skills development and vocational training of young people to help create better employment opportunities, for example in **Ethiopia**, **Nigeria** or **The Gambia**. In **Sudan**, a new support project, will strengthen the job skills of young people and support them through training to establish and grow businesses. This project will target disadvantaged groups, such as refugees and internally displaced people and, like all EU assistance in **Sudan**, will be realised through trusted implementing partners.

In order to ensure continuous monitoring of the effectiveness of Trust Fund for Africa programmes, the funding of the dedicated monitoring and learning system has been doubled from €2 million to €4 million.

Background
The EU Emergency Trust Fund for Africa was established in 2015 in order to address the root causes of instability, irregular migration and forced displacement. Resources currently allocated to this Trust Fund are €3.4 billion from EU institutions, European Member States and other donors.

Today's assistance adds to the 147 programmes that were already previously approved across the three regions (North of Africa, Sahel and Lake Chad region and Horn of Africa) worth a total of €2,594 million, which was divided as follows: Sahel/Lake Chad €1,293 million (79 programmes), Horn of Africa €820.3 million (50 programmes), North of Africa €335 million (14 programmes). This amount also includes 4 cross-region programmes (€145.1 million).(EC 29-05-2018)

EU Emergency Trust Fund for Africa

EU TRUST FUND FOR AFRICA: NEW PROGRAMMES WORTH €173 MILLION TO PROTECT MIGRANTS AND SUPPORT STABILITY AND EMPLOYABILITY IN THE SAHEL AND LAKE CHAD REGION

Today the Operational Committee of the EU Emergency Trust Fund for Africa has adopted a new set of 6 programmes for the Sahel and Lake Chad region.

This new package complements 79 already ongoing actions amounting to €1,376 million in that region approved in six packages in January 2016, April 2016, June 2016, December 2016, December 2017 and February 2018. The new actions aim at further fostering stability and economic opportunities in the region, and increasing the protection of migrants

.

Summary of the projects announced today

Central Mediterranean route

- In order to continue life-saving assistance to migrants and refugees, €70 million were made available to protect migrants and refugees along the Central Mediterranean route. This adds to the initial allocation of €115 million adopted in February 2018 to support the UN's refugee agency (UNHCR) in providing international and emergency protection, basic and live-saving assistance, to refugees evacuated from Libya. Additionally, it will increase the number of migrants benefitting from protection and voluntary return while ensuring their sustainable and dignified reintegration in the frame of the EU-IOM Joint Initiative.

Mali

- Additional assistance worth €10 million will be provided to address the rapidly degrading security situation in central Mali, in order to provide a fast and adapted response. It complements the support already provided by the EU to the G5 Sahel countries. Rule of law, territory control and increased security of the population will be some of the issues addressed, thus facilitating the creation of a trust bound between Malian security forces and local populations.

Nigeria

- New activities worth €50 million will help to improve the employment skills of young people in Nigeria. This will enhance the economic and employment opportunities for up to 376,000 young Nigerians, of which at least 30% women. A strong focus rests on income-generating employment opportunities.

The Gambia

- Economic development and future prospects for youth will be promoted in The Gambia through the project "Building a future - Make it in The Gambia", worth €23 million. While nurturing positive prospects for local populations, the programme will also support the development of a reintegration referral mechanism by the IOM. The aim is to ensure that returning migrants receive access to skills development programmes and social reintegration, in order to increase their employability.

Cabo Verde and **Guinea-Bissau**

- A project worth €5 million to be implemented in Cabo Verde and Guinea-Bissau will help to modernise and strengthen secure identity chains and documental security. This will further contribute to the fight against human trafficking and respect of human rights through enhanced security and migration management capabilities, for instance by increasing birth registration. The measure will also enable an effective management of legal migration, through documents issued by national authorities. It will also help to improve public planning through compiling reliable data and statistics on migration flows.

Regional

- At **regional level**, the programme "ARCHIPELAGO: an African-European TVET initiative"(€15 million) will continue addressing youth and vulnerable groups' employability through improved technical and vocational education and training and enhanced employment opportunities, therefore contributing to better match labour offer and demand.(EC 29-05-2018)

EU Emergency Trust Fund for Africa

EU TRUST FUND FOR AFRICA: NEW PROGRAMMES WORTH €294 MILLION TO FURTHER FOSTER STABILITY AND JOBS AND GROWTH IN THE HORN OF AFRICA

Today, the Operational Committee of the EU Emergency Trust Fund for Africa has adopted a new set of 8 programmes and 4 riders worth €294 million for the Horn of Africa region.

This new package complements 50 previously adopted actions amounting to €820.3 million for the Horn of Africa. Approved in seven packages in December 2015, April 2016, October 2016, December 2016, April 2017, December 2017 and February 2018, these actions all contribute to improving stability and addressing the root causes of irregular migration and forced displacement in the Horn of Africa region. Two additional cross-window measures (€26 million) also benefit the region in the area of protection of migrants along the Central Mediterranean route and in technical assistance.

Summary of the projects announced today:
Sudan

- The programme **"Youth, Employment, Skills (YES)"** (EU Trust Fund contribution: **€15 million**) aims at improving the ability of young women and men to find employment or establish and grow their businesses through Technical Vocational Education and Training (TVET). The project will target youth and disadvantaged groups such as refugees and internally displaced persons of Darfur.
- The programme **"Simple, Spatial, Survey Method (S3M) survey for Sudan"** (EU Trust Fund contribution: **€1 million**) will help to collect and disseminate data on malnutrition among young children, as well as pregnant and lactating women through a survey in Sudan.
- The programme **"Provision of air services to allow access for humanitarian and development actors in Sudan"** (EU Trust Fund contribution: **€1.5 million**) will provide humanitarian and development actors, donor organisations and diplomatic missions in Sudan with better access to beneficiaries, especially vulnerable communities in hard-to-reach project implementation sites through the UN Humanitarian Air Services.

The two latter actions help implementing the humanitarian development nexus in Sudan.

South Sudan

- The programme **"South Sudan Rural Development: Strengthening Smallholders' Resilience - SORUDEV SSR"** (EU Trust Fund contribution increased from €7 million to **€15 million**) will be expanded to cover now 7 out of the former 10 states of South Sudan and will help responding to the food security crisis affecting large parts of the population. The action will strengthen resilience of communities, improving governance and conflict prevention and reducing forced displacements due to loss of livelihoods.

Ethiopia

- The programme **"Ethiopia Job Compact – Sector Reform and performance Contract"** (EU Trust Fund contribution: **€50 million**) aims at supporting Ethiopia's industrialisation strategy with €50 million. This will be done in the framework of the "job compact" initiative, an agreement between the Government and international partners to create decent employment opportunities for Ethiopians and refugees.

Kenya

- The programme **"Piloting Private Sector Solutions for Refugees and Host Communities in North-West Kenya"** (EU Trust Fund contribution: **€5 million**) will promote better economic integration and self-reliance of refugees and host communities in the Kakuma and Kalobeyei area through market-led solutions that strengthen and deepen local markets and respond to key development challenges. This action also aims at supporting the implementation of the Comprehensive Refugee Response Framework (CRRF).

Somalia

- The programme **"Inclusive Local and Economic Development - ILED"** (EU Trust Fund contribution: **€83 million**) will foster stability in Somalia by extending state authority and increasing legitimacy of local authorities and services, promoting local reconciliation and peacebuilding, creating economic opportunities and protecting the most vulnerable.

- The programme "**Somalia State and Resilience Building Contract"** (EU Trust Fund contribution: **€100 million**) will increase the legitimacy and capacity of the Somali federal state, increase trust between the Federal Government and Federal Member States and reinforce economic reform.
- The programme **"Operational Support (Air Transport) Services"**(EU Trust Fund contribution: **€6.5 million**) will continue facilitating air access both to and within Somalia to support the smooth and efficient implementation of EU development cooperation.
- The programme **"RESTORE – Building Resilience in Northern Somalia"** (EUTF contribution increased from €8 million to **€10 million**) will receive additional funds to further contribute to addressing the adverse effects of el Niño on the resilience of already vulnerable communities of Northern Somalia, and reduce the effects of forced displacement and irregular migration in the region (this is a non-substantial amendment to an existing programme).

Regional

- The EU Trust Fund contribution to the programme **"Facility on Sustainable and Dignified Return and Reintegration in support of the Khartoum Process"** will be stepped by €20 million (to €45 million) in order to help partner countries to develop and implement rights-based, development-based and sustainable return and reintegration policies.
- The programme **"Monitoring and Learning System"** (EU Trust Fund contribution increased from €2 million to **€4 million**) will be expanded. (EC 29-05-2018)

SOUTH AFRICAN GROUP TONGAAT HULETT WANTS TO EXPAND BUSINESS IN ANGOLA

South African group Tongaat Hulett plans to expand its business in countries that import most of the sugar they consume according to a strategy focused on central and southern Africa, the group's chief executive told Reuters.

Peter Staude has already started talks to expand the group's business in that country, which although it is the second largest oil producer in Africa, after Nigeria, has an estimated sugar deficit of 300,000 tons per year which is guaranteed mostly by Latin American and Asian producers.

Staude said specifically that one of the possibilities being considered is the construction in Angola of a packaging and distribution centre and carrying out a study to determine the best regions in the country to plant sugar cane and manioc.

Data released by the National Shippers Council of Angola showed that sugar was the most imported product in the fourth quarter of 2017, with 121,621 tons, compared to 91,898 tons in the same period of 2016, or an increase of 32.34%.

Angolan bioenergy company Biocom, one of the country's largest agro-industrial projects, plans to produce 100,000 tons of sugar this year, helping to reduce imports and meet domestic demand. (29-05-2018)

AFRICAN DEVELOPMENT BANK WANTS TO EXTEND CAPITAL BASE TO MEET CONTINENT'S GROWING FUNDING NEEDS

The African Development Bank (AfDB), which has an active portfolio of $4.9bn in SA, is looking to increase its capital base to meet a growing need for funding on the continent, its president, Akinwumi Adesina, said on Friday.

Speaking at the end of the 2018 meeting of its board of governors — mainly finance ministers of member countries — Adesina said the board had asked the bank for a general capital increase. However, Adesina would not provide details.

In 2017, the bank — a multilateral institution based in Abidjan, the Ivory Coast — lent out $7.4bn. Its $1bn loan for Eskom was among its biggest to date. The bank has also previously capitalised the Land Bank, among other institutions.

Adesina maintained that agriculture offered countries on the continent the fastest way to move up the value chain, not least because Africa had 65% of arable land and that about 60% of its people still lived off the land.

He conceded that many countries had not lived up to the Africa Union's 2003 Maputo Declaration on Agriculture and Food Security, which bound signatories to spending at least 10% of their budgets on agricultural development.

He said the quality of the investment was important.

"We have to start looking at agriculture differently; it's not a way of life or a social sector, it's a big money-making sector."

Adesina was speaking from Busan, Korea's second city, which hosted the annual meeting of the AfDB's board of governors, with the focus on the industrialisation in Africa. The 2019 meeting will be held in Malabo, Equatorial Guinea.

In November 2018, the bank is due to host its inaugural Africa Investment Forum in Johannesburg. This will be an annual platform focused strictly on facilitating business transactions meant to contribute to closing Africa's huge infrastructure funding gap. (AfDB 25-05-2018)

ANGOLA'S SONANGOL PUTS NEW BLOCKS FOR OIL PROSPECTING UP FOR AUCTION

Angolan state oil company Sonangol is expected to hold auctions for new oil blocks at the end of 2018, or beginning of 2019, and the number of onshore and offshore blocks to be made available to interested parties has yet to be determined, according to an official document.

The only currently open tender is for a 40% stake in oil exploration blocks 21/09 and 20/11, which until the end of 2017 were held by US company Cobalt International Energy.

The conflict that has pitted the US company against Sonangol since August 2016 was resolved in December 2017 when the Angolan concessionaire agreed to pay US$500 million for the holdings in those two oil blocks.

Angolan oil concessionaire Sonangol in May 2017 cancelled public tenders for bidding on blocks located in two land basins in the country, which were attributed in 2015, as they were not viable at a time when oil prices were below US$50 per barrel.

The oil company also recalled that "the considerable drop in the price of a barrel of oil and the economic and financial situation of the country and the world had a negative impact on the viability of the oil concessions," in addition to the "long period since the launch of the tender," in 2014. (28-05-2018)

SOUTH AFRICA: PRESIDENCY MIGHT CLIP THE WINGS OF MINISTERS' JET-SETTING FAMILIES

The Presidency is reviewing the practice of allowing members of the executive to take their spouses and/or other adult family members with them on international trips.

This emerged from a letter sent to DA spokesman on finance David Maynier by the director-general of the Presidency and secretary of the Cabinet, Cassius Lubisi.

Lubisi responded to Maynier's letter to President Cyril Ramaphosa proposing that he consider placing a moratorium on this practice and ordering a review of the sections of the ministerial handbook dealing with international official journeys for spouses and adult family members.

Maynier said in a statement that a moratorium on the practice would send the right "fiscal signals".

His letter to the president followed revelations that Home Affairs Minister Malusi Gigaba spent R873,366.68 of taxpayers' money on taking his wife to investor roadshows to the financial capitals of the world, including in China, the UK and the US, when he was finance minister.

Maynier said it was "staggering" that the minister blew this amount "on what were in reality a series of intercontinental shopping trips for his wife in the financial capitals of the world".

"We hope that President Ramaphosa will not wait for the implementation of the review of the size and shape of the national executive to take decisive action to clamp down on wasteful expenditure by the national executive," Maynier said.(BD 28-05-2018)

AGREEMENT WITH ROSNEFT/EXXONMOBIL CONSORTIUM FOR OIL AND GAS EXPLORATION IN MOZAMBIQUE SIGNED THIS YEAR

Mozambique plans to sign an agreement with Russian group Rosneft and US group ExxonMobil on the exploration of natural gas fields in the north of the country by the end of the year, the Mozambican foreign minister said on Monday in Moscow.

José Pacheco said at the end of a meeting with his Russian counterpart Sergey Lavrov that the idea is to sign the agreement later this year to start the development of natural gas fields with the participation of the two groups.

In 2015, the National Oil Institute granted three blocks to the ExxonMobil (60%) and Rosneft (20%) consortium, one in the Angoche basin and the other two in the Zambezi basin in central Mozambique, a fourth block was granted to the consortium made up of Italian group ENI (34%), Sasol Petroleum (25.5%) of South Africa and Statoil (25.5%) from Norway.

The Russian group announced in May 2017 that it intended to start prospecting in Mozambique in the second half of the year, according to its 2016 annual report and accounts. (29-05-2018)

EASTERN AFRICA AT RISK OF FLOODS, FORCING THOUSANDS FROM THEIR HOMES

Rainfall that has been twice the seasonal average in parts of eastern Africa has claimed almost 500 lives, forced thousands from their homes and damaged crops, raising the spectre of a repeat of last year's food shortages.

A series of small Kenyan dams collapsed at the weekend, killing five people — the latest victims of the deluges that began around the main wet season in March, and which have also caused deaths in Rwanda, Ethiopia, Somalia and Tanzania. Livestock has been swept away and transport systems disrupted, with a UN agency official warning of damage to food production.

"Recent floods have heavily affected the fragile food security situation in the East Africa region," Valere Nzeyimana, land and water officer with the UN's Food and Agriculture Organisation (FAO), said in an e-mailed response to questions. "People have seen their farms washed away through flooding and mudslides."

The flooding comes about a year after eastern Africa faced the opposite problem: its worst drought in 60 years that left more than 11-million people in Kenya, Ethiopia and Somalia needing food aid. In Kenya, it cut corn production, reducing the country's strategic grain reserve to less than a day's supply, and caused shortages of products, such as sugar and milk.

This year's downpours have spanned the greater region, from the tiny Red Sea nation of Djibouti — which recently saw the equivalent of its average annual rainfall in just two days due to Cyclone Sagar — to southern Ethiopia, Kenya and Tanzania, where precipitation was double the normal rate. Somalia, Uganda, Rwanda and Burundi also saw several weeks of heavier than normal precipitation.

Swept away

In Kenya, more than 8,500ha of crops have been destroyed, 20,000 animals swept away and irrigation systems damaged, according to the East African, a regional newspaper. In Rwanda, almost 5,000ha of crops have been lost and farming infrastructure destroyed, according to the government.

The impact on food supplies is likely to be "more severe than previously projected for many households in flood-prone areas, most notably in riverine areas of the Horn of Africa," the US's Famine Early Warning Systems Network (FewsNet) said this month.

Nzeyimana said grain storage and drying facilities in rural areas had also been flooded, affecting crops already harvested.

With the floods have come disease. Heavy rains and flooding in Kenya have compounded a cholera outbreak and a chikungunya epidemic, increasing the risk of their spread, according to the UN Office for the Co-ordination of Humanitarian Affairs. A cholera outbreak in 15 of Kenya's 47 counties has left at least 55 people dead, the agency said on May 3.

There may be little respite later in the year. FewsNet has said there's an increasing chance during the October to December short-rains season of an impact from El Niño, a weather phenomenon characterised by abnormal warming of the Pacific Ocean's surface temperature that can lead to droughts in parts of the world and floods elsewhere. Its effects can include damage to crops, animal diseases, plant pests and forest fires, according to the FAO. (Bloomberg 29-05-2018)

MOZAMBIQUE IS COUNTING ON TUNA FISHING TO INCREASE TAX REVENUE, BUT IT MAY BE TOO LATE

The Mozambican government is relying on the tuna that fishing boats ordered in September 2013 are expected to catch to increase tax revenue, but it may already be too late, given current catch levels, according to an article published in the China-Lusophone Brief.

The article refers to an agreement signed in December 2017 by US businessman Erik Prince, chairman of Hong Kong-based Frontier Services Group (FSG), with the Mozambican government to establish a partnership to recover Mozambican tuna company Ematum.

The company, whose name was changed to Tunamar in April, with Prime Minister Carlos Agostinho do Rosário stating in parliament that "its constitution will make the Ematum fleet finally start operating, after years of inactivity in the port of Maputo," was the first of three public companies to borrow large amounts from abroad with the state's endorsement.

The company was set up in 2013 by the Mozambican secret services to fish for tuna in the country's territorial waters, after which it took on a State-backed loan of US$850 million, which is partly used to buy 24 tuna vessels as well as military equipment.

The fish to be caught when the Tunamar fishing fleet finally starts operating is expected to target the Chinese market, given that Chinese state group CITIC is currently the largest investor in FSG, with a share of 28.4%, along with insurance company China Taiping.

The article recalls that the fishing industry accounts for 4.0% of Mozambique's Gross Domestic Product (GDP), with projections that legally caught fish this year will grow by 7.0% to 14,000 tons.

However, there are doubts that the start-up of the fleet of 24 Tunamar fishing boats will find large quantities of fish, given that the Mozambican government has already admitted that tuna schools in Mozambican waters are not sufficient for industrial fishing. (29-05-2018)

MALAWI'S DOMESTIC DEBT LIKELY TO QUADRUPLE AMID FALLING PUBLIC REVENUES

Malawi's domestic debt is likely to more than quadruple in the next financial year as the government tries to cover falling public revenues, the finance minister said on Tuesday.

Goodall Gondwe told parliament the government planned to borrow 176-billion kwacha ($246m) in the financial year starting in July, up from 30.7-billion kwacha in 2017-18.

Government revenues have been hit by a 45-billion kwacha bailout of state-run Agricultural Development and Marketing Corporation, as well as low revenue collection and the failure to receive 55-billion kwacha in grants from donors, he said.

Western donors have suspended aid to Malawi over graft allegations.

"We need to increase revenue collection and control expenditure so that our debt does not become unsustainable," Gondwe told Reuters. However, he said current debt levels were still manageable with external debt at 23% of GDP against the 30% recommended for low-income countries.

"We plan to borrow from commercial banks; also, the central bank will issue treasury bills for the same purpose," Gondwe said.

According to treasury data, as of December 2017, Malawi's public debt stood at 2.4-trillion kwacha, made up of 1.4-trillion kwacha in external debt and 1.2-trillion in domestic debt. (Reuters 29-05-2018*)*

FRENCH DEVELOPMENT AGENCY SUPPORTS COMMERCIAL AGRICULTURE IN ANGOLA

The French Development Agency has granted funding of €79 million to Angola to support the agricultural sector in the country, namely a commercial agriculture development project, and the respective agreement was approved by order of President João Lourenço.

The French government has already announced that it has credit lines open to Angola worth €250 million, with the French Development Agency already paying out €150 million for water supply projects, in addition to this new plan for the agricultural sector, following a process to identify new objectives.

The President of Angola chose France for his first official European visit, which began on Monday and is due to end on 30 May and then to Belgium (4 and 5 June) after having previously visited several African countries, including South Africa, Democratic Republic of Congo, Zambia and Namibia since he was sworn in as the third President of the Republic of Angola in September 2017.

The two presidents, João Lourenço and Emmanuel Macron, on Monday signed a Presidential Declaration on strategic cooperation between the two countries, which contains the essential lines of bilateral cooperation until 2022, according to the Minister of Foreign Affairs of Angola, Manuel Augusto. (29-05-2018)

MINING COMPANIES WARN DRC OF $3BN LOSS IF NEW MINING CODE PROCEEDS

Mining companies in the Democratic Republic of Congo (DRC) told the government it will lose more than $3bn over a decade and face legal action if plans to implement a new industry code proceed.

Miners, including Glencore and Randgold Resources, are demanding the government abandon aspects of the legislation approved by President Joseph Kabila in March. Discussions about the regulations that will be used to implement the new law concluded earlier this month and the industry says the negotiations failed to address their concerns.

"There can be no ambiguity, from a governmental point of view, as to the intention of the mining companies to protect their rights" if the legislation is applied, a group representing investors, including Randgold, Glencore, Ivanhoe Mines and China Molybdenum, said in a note submitted on April 30 to the mines ministry. The note, which hasn't been made public, was shown to Bloomberg by two people familiar with the negotiations, who asked not to be identified.

Mines minister Martin Kabwelulu didn't answer a call seeking comment. The country is the world's largest source of cobalt and Africa's biggest copper producer.

Pursuing rights

By refusing to accept a package of industry proposals made in March, the government may lose more than $3bn of income from existing copper, cobalt and gold projects "since the mining companies will pursue the application of their rights" contained in the former mining code and "the government will not, consequently, be able to collect the revenues expected" from the 2018 law, according to the note.

The mining companies insist the government re-insert a stability clause, present in the former code, which protected licence holders from complying with changes to the fiscal and customs regime for 10 years. They've also asked for the removal of a 50% tax on so-called super-profits and a new categorisation of "strategic substances", which have a 10% royalty rate.

"The mining companies have confidence in their legal position," they said in the note, which was written in response to questions from the government about the financial impact of the new law. "The government will not [enjoy] any of the expected benefits of applying the current version of the Mining Code, since the mining industry will vigorously and collectively reject this application." (Bloomberg 29-05-2018)

COMOROS ANNOUNCES IT WILL JOIN SADC TO GROW TIES

The Indian Ocean archipelago will be admitted at the bloc's annual summit in August in Namibia

The Indian Ocean archipelago of the Comoros announced on Monday it would join Southern Africa's regional bloc in August, saying the French-speaking country sought to develop ties with English-speaking nations.

"We want to open the Comoros to English-speaking countries in the region," such as Tanzania, Kenya and Uganda, Foreign Minister Mohamed Elamine Souef said.

"These are the countries with which we already have long-standing relations, where Comorians go more and more to, for business or for treatment," Souef told reporters in the capital, Moroni.

The Comoros — an archipelago of three islands between Mozambique and Madagascar and one of the world's poorest countries — is already a member of the Common Market for Eastern and Southern Africa.

It will be admitted into the Southern African Development Community (Sadc), whose majority members are English-speaking, at the annual Sadc summit in August in Namibia.

The bloc comprises Angola, Botswana, the Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, SA, Swaziland, Tanzania, Zambia and Zimbabwe.

Sadc spokeswoman Barbara Lopi confirmed the Comoros will officially join in August.

The minister said the decision to join Sadc had nothing to do with the islands' spat with France over Mayotte, a neighbouring island which remains part of France but which the Comoros claims is its territory.

The relationship between the Comoros and France, the colonial power until 1975, "is in no way comparable with that of other countries", he said. "With France, we share a lot of things in common; with France we have only one disagreement: the question of Mayotte."

Immigration into Mayotte, where income is 13 times higher per head, has surged for years as Comorians seek better opportunities on the French island.

Since March, the Comoros has refused to take back illegal migrants expelled from Mayotte, located a few dozen kilometres away. Paris has in turn stopped issuing visas to all Comorians wishing to travel to France. The minister said negotiations with France were ongoing. (AFP 20-05-2018)

TEN BEHEADED BY SUSPECTED ISLAMISTS IN MOZAMBIQUE VILLAGE

Ten people, some of them children, were beheaded in a village in northern Mozambique, in a weekend attack blamed on suspected Islamists, local sources said on Tuesday.

The pre-dawn attack on Sunday occurred in Monjane, a village close to the border with Tanzania and not far from Palma, a small town gearing up to be the country's new natural gas hub in the northern province of Cabo Delgado.

"We were informed about this tragedy," Palma's administrator David Machimbuko told AFP, whose account was also confirmed by a local resident, who blamed Islamists. Mozambique's state broadcaster also reported on "10 persons decapitated" in the Palma area. Police were expected to give a news conference later on Tuesday.

Cabo Delgado has seen a number of attacks by suspected radical Islamists since October.

One of the victims of the latest attack was the leader of Monjane village, a local resident said, without giving his name for fear of reprisals. "They targeted the chief as he had been providing information to the police about the location of al-Shabaab in the forests," he said, referring to an armed group believed responsible for a deadly October attack on a police station and military post in the town of Mocímboa da Praia.

Two officers died and 14 attackers were killed then in what was believed to be the first jihadist attack on the country. The group has no known link to the Somali jihadist group of the same name.

In the following weeks, at least 300 Muslims, including Tanzanians, were arrested and several mosques forced to close.

Alex Vines, a specialist analyst on Mozambique for the London-based Chatham House told AFP that the "new attacks are unsurprising and a reminder of the seriousness of the situation". "A number of independent assessments of the situation in Cabo Delgado conducted over the past three months have concluded that the security situation [there] remains fragile and continued attacks probable."

The attackers on Monjane approached the village from a nearby forest. Police were called but "arrived very late and the attackers were already gone. Nothing was stolen," a local source said. "They are becoming more much radical now as they are facing attacks from government," said another villager.

A study published last week by a Mozambican academic João Pereira said up to 40 members of the radical group "have been trained by movements" that operate in the Great Lakes region of the Democratic Republic of Congo (DRC), Somalia and Kenya.

The increase in attacks in the north of the country presents a huge problem for Mozambique, which holds general elections next year and has its eyes set on recently discovered gas reserves. Vast gas deposits discovered off the shores of Palma could transform the impoverished country's economy. Experts predict that Mozambique could become the world's third-largest exporter of liquefied natural gas (LNG).

The country's north has largely been excluded from the economic growth of the last 20 years, and the region sees itself as a neglected outpost, giving the radical al-Shabaab-style ideology a receptive audience.

This month, Mozambique passed an anti-terrorism law that punishes terrorism activity with more than 40 years in jail. (AFP 29-05-2018)

TANZANIA SIGNS A US $64.4M GRANT WITH CHINA FOR TWO MAJOR INFRASTRUCTURE PROJECTS

Tanzania signs a US $64.4m grant with China for two major infrastructure projects in the country. Finance and Planning Ministry Permanent Secretary Dotto James inked the deal on behalf of the Tanzanian government while China's ambassador to Tanzania Wang Ke signed on behalf of China.

Speaking after signing event, Mr. James clarified that the cash was a grant and not a loan. The funds are meant to be spent on two infrastructure projects, that includes the construction of a national university of transport to be constructed at Mabibo in Dar es Salaam at a cost of US $62m.

Feasibility study

On the second project, a feasibility study worth US $1.4m will be conducted on a new Standard Gauge Railway (SGR) project.

According to James construction of SGR has already kicked start and the project will be done in two phases. Phase I of the project will begin from Dar es Salaam to Morogoro while phase II will cover from Morogoro to Makutopora in Dodoma.

According to Mr James, China will conduct the feasibility study. The study will involve other phases of the SGR construction including starting from Dodoma to Tabora to Mwanza and from Tabora to Kigoma via Kailua.

“China has assisted us in many projects including the Chalinze Water Project, the National Stadium, Morogoro Agricultural Centre, the Centre for Training and Cardiac Surgery, Mwalimu Nyerere International Conference Centre, drug aids and medical equipment,” said Dotto James.

According to Ms Wang Ke said her government hoped to see that the grant helped strengthen development and assist Tanzania in getting development quickly.

“China will keep cooperating with Tanzania in implementing various development projects that would benefit the country and sustain bilateral relations between the two,” said Ms Wang Ke. (CRO 25-05-2018)

AFDB TO PARTNER WITH KOREA ON KOREA-AFRICA ENERGY INVESTMENT FACILITY

The government of Korea has signed a letter of intent with the African Development Bank, AfDB to launch the Korea–Africa Energy Investment Facility (KEIF), which will provide significant support to the New Deal on Energy for Africa, with aims to achieve universal access to energy.

The signing, which took place during the Korea–Africa Economic Cooperation (KOAFEC) meeting at the AfDB’s annual meeting in Busan, builds on the 2016 KOAFEC Ministerial conference, which recognized enhancing access to energy as a strategic factor for the modernization and transformation of African economies.

Korea stands ready to provide US $600m over a period of five years in both concessional and non-concessional finance for a variety of energy operations in the continent. The facility will support the full range of activities, which includes preparation, construction and operations, through a mix of financing and technical assistance.

Universal Access to energy

The KEIF will contribute towards Africa’s efforts to achieve universal access to energy and to transform its energy systems. Under this facility, AfDB will take the lead in project development in close consultation with regional member countries.

In addition, Korea also signed a MOU with the US-led Power Africa initiative during the same event, which underlines its intention to support the African power sector, particularly the development of transmission line infrastructure.

AfDB president Akinwumi Adesina welcomed Korea’s support for the New Deal on Energy for Africa through the KEIF, which he said would be an important contribution towards achieving universal energy access in Africa.

Korea’s Deputy Prime Minister and Minister of Strategy and Finance Dong Yeon Kim stressed that “Africa is struggling with shortage of power which is why Korea strongly supports the Light up and power Africa High 5 of the African Development Bank including through the KEIF”. Further work is expected on the detailed implementation arrangements over the coming weeks to be able to effectively support projects as early as the end of this year (CRO 28-05-2018)

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, Corporate Council on Africa, CIP-Confederation of Portuguese Enterprises,

Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABC- Netherlands-African Business Council, SwissCham-Africa and other organisations.
The Memorandum is also made available by AHEAD-GLOBAL, BCA, Chamber of Tenerife (by posting it at the Africa Info Market), CCA - Canadian Council on Africa, CCA - Corporate Council on Africa (USA), CIP,HTTC,NABC (by posting selected news) and SwissCham-Africa to their Members.

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