# MEMORANDUM

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## SUMMARY

## SOUTH AFRICA: FRENCH NUCLEAR-BUILD BIDDERS WILL SEEK PRIVATE PARTNERSHIPS

French state-owned energy giants EDF and Areva, which will bid to build SA's nuclear power stations, will seek partnerships with private investors such as large industrial users of electricity, says French special envoy on nuclear energy Pascal Colombani.

The request for proposals to build 9,600MW of nuclear power is expected to be issued by the end of the month. France, Russia, China and the US have expressed interest in the project, but the deciding issue is likely to be the financing solution, as SA has a constrained fiscal framework.

Without specifying figures — costs will depend on the prescriptions set by the Department of Energy in the bid documents — French government officials said last week there were no financing shortcuts. A nuclear project in SA would require equity and debt from the government and other partners. Large electricity users could invest upfront with the French companies in exchange for discounted electricity tariffs.

By contrast, Russia, the other frontrunner in the bid, downplayed the need for the government to finance the project commercially or provide substantial equity.

It said finance could be provided by Russian government loans, secured by a long-term power purchase agreement.

At a meeting with journalists in Paris on Friday, Mr. Colombani said the financing would necessarily involve equity and debt, with loans from commercial banks facilitated by the French government through export credit guarantees.

"We have the tools to ensure that debt (can be raised) in a manner we have done in many other countries," he said.

"And when it comes to equity, this will most likely involve the utility (Eskom), industrial users of electricity and other financial partners. Once we see the call for proposals, we will be discussing with all partners that are willing to invest," Mr. Colombani said.

Bernard Fontana, head of Areva Nuclear Power, said intensive industrial users of electricity could participate in some sort of syndicate, where a discount tariff would be agreed ahead of construction.

This would be a "win-win", as securing customers upfront reduced risk for the nuclear vendor and other investors and financiers, while certainty over a long-term electricity supply and price was an advantage for industrial customers, Mr. Fontana said.

But there was no escaping the fact that if SA wants nuclear power, it will have to pay for it.

Frédéric Journès, director of French government technological research body Alternative Energies and Atomic Energy Commission said that France hoped to secure interest rates that were "very close to OECD (Organisation for Economic Co-operation and Development) standards".

The OECD sets minimum interest rates for export credits according to the relevant commercial interest rates of the currencies being used.

"No one sells a nuclear reactor knowing they are financing it at a loss. If you find a bank that is lending 1% or 2% below the market, then you know there is something wrong with that bank.

"No one in the OECD finances at below OECD rates, as it is the opinion of financiers that those are dangerous loans," he said.

There is very little clarity on the absolute or relative levels of debt and equity that would be required to finance SA's nuclear build.

Studies by international consultancies KPMG, Ingerop and Deloitte commissioned by the Department of Energy in 2014, have been kept secret with commercial concerns cited to the many requests for disclosure by Business Day. The studies are believed to suggest that the minimum overnight capital cost for the 9,600MW of nuclear power would be about $4,900 per kilowatt, which is about $50bn for the fleet, excluding financing costs.

Project director for the Energy Intensive User Group Shaun Nel said yesterday French banks had attempted to raise interest in partnership with industrial users for several years with "zero interest".

While this was a successful model in France, in SA the large energy-intensive industry was in decline and a large nuclear project would be unlikely to ensure prices were below where they are today, a major reason for its decline.

As companies were also finding that the cost debt was higher than returns, there was little prospect that firms would co-fund Mr. Nel said. Large users already had fairly advanced plans for self-generation, given SA's lack of energy security, he said.

While Areva has previously been SA's partner in nuclear co-operation — the company built and services the Koeberg nuclear power station — EDF, the world's biggest electricity generator, will lead the bid in SA. Deep financial difficulties have forced France to restructure its nuclear power sector in the past few months.

Areva, which is technically bankrupt and has suffered successive losses including a €2bn loss for last year, is to be broken up, with half its stock to be sold to EDF.

Mr Fontana said all French state-owned energy assets would be put under a common structure behind EDF. While Areva Nuclear Power would still have a presence in the SA bid, given its track record in the operation of reactors, EDF would be the team leader.

But EDF has had a negative cash flow and mounting debt for several years and its UK nuclear reactor project at Hinkley Point has run into difficulties.

While EDF secured a 33.5% investment from China's nuclear company, it has not raised the rest of Hinkley Point's financing, estimated to be €15bn in the next 10 years, despite its power purchase agreement with the British government, committing it to buying power from the facility for 35 years at a rate more than double the current wholesale price.

EDF executives and French government officials dodged questions on whether the company would consider investing in the South African nuclear power build. (BD 14-03-2016)

## FOUNDATIONS LEAD S/AFRICANS IN LAUNCHING ANTI-RACISM WEEK

South Africans have kicked off the Anti-Racism Week during which they are encouraged to take on racism head-on by learning and talking about it, apart from speaking out against it and acting to stop the scourge that once tore the nation apart, two local foundations said on Monday.

The Nelson Mandela and Ahmed Kathrada Foundations said they aimed to create awareness about racism and how it affects individuals and society during the week-long nationwide campaign.

"We're encouraging South Africans to have the conversation about race and never to allow racist sentiments to persist in our homes, schools, universities and boardrooms or picnics. We need a zero tolerance approach to stop it," the Nelson Mandela Foundation's chief executive Sello Hatang said.

On his part, the chief executive of the Ahmed Kathrada Foundation Neeshan Balton said racism was a debilitating problem in society that required urgent attention.

"To not give it the attention it deserves is to gamble dangerously with South Africa's future. Our history, structural inequality and the way we were socialised resulted in racism digging its heels deep into our national identity.

"Undoing something that runs deep in our veins is an enormous task for each one of us – but not impossible to overcome," Balton said. (APA 14-03-2016)

## GERMANY PAYS FOR BIODIVERSITY CONSERVATION IN MOZAMBIQUE

Germany's International Cooperation Agency has decided to donate 6 million euros to Mozambique's Fundação para a Conservação da Biodiversidade (Foundation for the Conservation of Biodiversity – Biofund) through German development bank KfW, said the German ambassador in Mozambique, Philip Sauer.

This new donation increased the funds allocated to date by the German International Cooperation Agency, according to a statement issued by Biofund, a nonprofit organization focused on financing biodiversity conservation in the country.

Together with grants from the World Bank and other institutions, the Foundation now has reserves estimated at US$22 million or 19.6 million euros.

Biofund was established in 2011 based on the international experience of the “Conservation Trust Funds,” which are intended to ensure sustainable long-term funding for conservation. (14-03-2016)

## EU SUSPENDS FUNDING OF BURUNDI

The European Union (EU), strife-torn Burundi’s biggest aid donor, on Monday suspended all direct funding to the government for failing to address EU concerns over its human rights record.

"The situation in Burundi remains of serious concern for the EU.... Today’s decision makes clear that for our relations to be fully resumed we expect a number of concrete measures to be carried out," the EU’s foreign affairs head, Federica Mogherini, said.

The statement, agreed by the 28 EU foreign ministers meeting in Brussels, said that while financial support for the government was being cut, the bloc would continue its separate funding for civil society and humanitarian assistance.

EU aid programmes for Burundi over the period 2014-2020 are worth about €430m and any threat to them would be serious for a very poor country beset by growing violence.

Burundi has been in turmoil since July when President Pierre Nkurunziza won a third term that the opposition said was illegal and breached an accord ending a horrific 1993-2006 civil war that left 300,000 people dead. The EU has held a series of talks with the government under the terms of the Cotonou agreement, which lays down strict rules for mutual co-operation, including the promotion of human rights, and warned repeatedly that aid could be cut if there was no progress.

Mr. Mogherini said the government should now build on measures agreed with the African Union (AU), the East African Community and the United Nations (UN) to establish a dialogue with the opposition and find "a durable political solution to the crisis".

There have been hundreds of killings since Mr. Nkurunziza won the July poll, with security forces, rebels and the opposition all blaming each other for the bloodshed. *(*AFP 14-03-2014)

## TRAINING CENTRE FOR PORTUGUESE-SPEAKING AFRICAN COUNTRIES OPENS IN ANGOLA

The Institute for Financial and Economic Management (IGEF) of the Portuguese-Speaking African Countries (PALOP) is due to start working Monday in Luanda, with a training programme called “fiscal management of natural resources, remittances and flows of foreign aid,” said the European Union delegation in Angola.

Participants in this initial training course include graduates from the PALOP, namely Angola, Cabo Verde (Cape Verde), Guinea-Bissau, Mozambique and Sao Tome and Principe. From 14-24 Marchthey will meet on the premises of the Angolan Institute of Public Finance Management (INFORFIP), located in the municipality of Cacuaco, in Luanda.

This specific activity is funded by the International Monetary Fund (IMF) and the European Union (EU), which will provide a donation of 3 million euros from the European Development Fund (10th EDF), under the EU/PALOP and Timor Leste (East Timor) regional cooperation programme, according to the statement released.

The IGEF aims to respond to human and institutional deficiencies shown by the PALOP in drawing up and implementing their macroeconomic and financial policies, as well as their capacity to manage public debt, whilst fostering mutual assistance in these areas.

The headquarters of the IGEF is under construction in the city of Lubango and scheduled to open in late 2017. (14-03-2016)

## SADC'S 2016/17 BUDGET TO PRIORITISE PEACE, INDUSTRIALISATION

Southern African Development Community (SADC) executive secretary Stergomena Lawrence Tax said Monday the regional body's 2016/17 budget will continue to focus on implementation of the main priorities of the Regional Indicative Strategic Development Plan (RISDP), roll out of the industrialization strategy and consolidation of peace and security.
She told journalists in Gaborone that since the last meeting of the Council of Ministers held in August 2015, SADC observed general and presidential elections in Tanzania and Seychelles.

"The region remains peaceful and politically stable, albeit with few challenges in some of the member states. I thank the Organ on Politics, Defence and Security and the Double Troika Members who have time and again continued to address emerging challenges," Tax said.

She said focus will during the coming year also be placed on finalizing a robust monitoring and evaluation framework that will enable timely and effective monitoring to ensure that SADC cooperation and integration objectives are realized.

She reiterated that industrialization was the only path to achieve sustainable and deep-rooted socio-economic development.

According to Tax, the SADC Secretariat has also taken measures to put in place a functional result-based planning, budgeting, monitoring and evaluation system that will, among others, address the persistent low absorption capacity, while strengthening SADC Secretariat's performance management system.

"Once finalized, the system will enable the Secretariat to monitor progress made in terms of outputs, and the impact of SADC integration," she said. (APA 14-03-2016)

## ZIM COURT DEFIES MUGABE AND ORDERS RETURN OF FIRM TO DIAMOND FIELDS

Zimbabwe's High Court told the government on Friday to let the largest diamond-mining firm in its Marange fields return to its mines and take control of its assets there, defying President Robert Mugabe who said all operations had been nationalised.

Mr. Mugabe on Thursday said his government would take possession of all diamond operations because existing miners had robbed the country of its wealth.
It is the second time this week that High Court Judge Joseph Mafusire has ordered the government to let security personnel from Mbada Diamonds to have access to all the company's assets in Marange.
Mafusire made the same ruling on Monday after Mbada challenged the decision by the mines minister to order companies in the diamond fields in the east to stop mining and leave because their licences had expired.
The court is to decide on whether companies can resume mining operations at a hearing set for March 8.
The judge said the government's failure to comply with his first ruling was "wilful and deliberate" and he warned that he would rule in Mbada's favour on March. 8 if the government did not comply with his latest order.
Mines Minister Walter Chidhakwa, who is opposing Mbada's application to resume mining operations, was not immediately available for comment.
Mbada and Chinese-run Anjin Investments have challenged the government's diamond mining ban and have asked the court to declare the decision unlawful.
The government's ban has sought to highlight how unpredictable Zimbabwe is to potential investors as it struggles to emerge from a catastrophic recession that cut economic output by nearly half during the decade to 2008.

"The biggest problem with Zimbabwe is its policy uncertainty. ZANU-PF often gets desperate for cash and grabs any resource they can," said Gary van Staden, Johannesburg-based political analyst for NKC African Economics.

The feud with diamond mines come at a time an International Monetary Fund team is in Zimbabwe for talks aimed at reviewing Harare's economic performance, which could lead to a financial aid package after years of isolation. (Reuters 05-03-2016)

## ANGOLA PLANS TO TAKE ADVANTAGE OF JAPAN'S TECHNOLOGICAL CAPACITY

Angola is interested in taking advantage of Japan's technological capabilities in the fields of scientific research and staff training, said Friday in Luanda the minister of Fisheries, Victoria de Barros Neto.

At the end of a meeting with a delegation of Japanese businesspeople, the minister said Angola was a country with many marine and aquatic resources that Japan could leverage through mutual cooperation.

Among the potential that Angola has and hopes to cooperate with Japan on are the areas of fish production and fish processing, along with construction of a fishing net factory, said Barros Neto cited by Angolan news agency Angop.

Ministry of Fisheries statistics for 2015 indicate fish production reached 496,000 tons, of which 57,000 tons were further processed.

The delegation of Japanese businesspeople is visiting Angola to explore the potential of the fisheries sector.

On Wednesday the delegation was received by the Director of the Technical Unit for Private Investment (UTIP), Norberto Garcia, who provided information about business opportunities in the country.

UTIP is the specialised institution intended to support the government in the preparation, implementation, evaluation and negotiation of private investment projects. (07-03-2016)

## NIGERIA WITHDRAWS POLICE ORDERLIES FROM PUBLIC OFFICERS

Nigeria's Inspector General of Police, Mr. Solomon Arase, has withdrawn police orderlies from public officers, reports said on Saturday.

He took the action because of shortage of police to confront the myriad of security problems.

The directive, however, was not applicable to politicians holding top government offices like the Senate President, House Speaker among others.

He has lamented the inadequate number of police to provide adequate security for the country.

He urged the various state Police Commands to embark on and strengthen community policing in their respective states to curb criminality in the country.

"We are facing increasing rate of kidnapping and armed robbery, alarming social vices among other criminal activities all appear to overwhelm the nation's security agencies," he said.

He called for community policing anchored on a systematic relationship between the police and the entire citizenry.

Arase was in Minna, the Niger State capital on Friday in continuation of his nationwide tour of Police Commands where he told a large audience of security stakeholders that there was the need for every Nigerian community to rise to the challenges of insecurity.

He disclosed that there were less than 8000 police to provide security for the entire people of Niger state, adding that from the land mass and population of the state, the police were grossly inadequate to man the state effectively but assured that even at this, the police would rise to the challenges.

The Inspector General said the inadequacies could be attributed to lack of recruitment into the Force in the past five years but which he said was being seriously looked into by the Mohammadu Buhari administration. (APA 12-03-2016)

## BOTSWANA MINES PLAN MORE JOB CUTS AS GLOBAL COMMODITY SLUMP HITS

Botswana's mining industry faces further job losses as it reels from the global slump in commodities, with copper miner BCL set to shed up to a third of its workforce and Gem Diamond also planning lay offs, the mines department said on Friday.

State-owned BCL, Botswana's biggest copper miner, estimates it will have to cut as many as 2,000 of its 6,000 workforce as it streamlines operations in the face of weak copper prices, currently at six-year lows, the department's director told local newspaper Mmegi.

London-listed Gem Diamond expects diamond production at its Ghaghoo mine in central Botswana to fall by more than half this year due to depressed demand for diamonds globally. It may have to lay off more than two-thirds of its workforce as it restructures to cope with the weak market.

Botswana is the world's biggest producer of diamonds, and exports of diamonds mined in the country fell 38% to $2.4 billion last year, the southern African country's lowest shipment of gems in six years.

"The figures are not final yet, but BCL plans to cut 2,000 jobs while Ghaghoo might lay off as much as 100," Department of Mines Director Gabotshwarege Tshekiso told Mmegi on Friday.

"We are hoping the effects of these cuts might be mitigated by the upcoming Khoemacau Copper Mining and Lerala Diamond Mine which might absorb some of the redundant workers," Mr. Tshekiso said.

The Khoemacau project, expected to generate up to 400 jobs during the 2016 construction phase, is spearheaded by US-based Cupric Canyon Capital, which has already invested over $250 million in the copper and silver mine according to sources.

Production at Kimberley Diamonds' Lerala mine, northeast of the capital Gaborone, is due to start late this year. Kimberley is redeveloping the mine which was mothballed in 2012 by its previous owners De Beers and the government.

The latest warnings on job cuts comes after copper mining contractor Moolman Mining cut 500 jobs in December and African Copper cut 340 jobs in late 2015.

Botswana said on Tuesday that it expects its mining revenues to fall by 8% in 2016 due to the continued fall in global commodity demand, led mainly by the economic slowdown in leading minerals importer China. (Reuters 05-03-2016)

## MOODY'S ANNOUNCES POSSIBLE DOWNWARD REVIEW OF ANGOLA'S CREDIT RATING

Moody's placed Angola's sovereign debt on credit watch for a possible downward review of its rating, currently "Ba2″, the credit rating agency said in a statement Friday.

Angola's sovereign debt is rated "Ba" by Moody's and the agency considers it to be speculative and subject to a substantial credit risk.

The decision to place Angola's debt under review, a process that should be completed within two years, aims to assess the extent of the impact on the Angolan economy of low oil prices, which according to the agency, should remain low for the next few years.

Angola is highly dependent on oil to sustain economic development and finance public expenditure, given that it accounts for 97 percent of exports, about 45 percent of gross domestic product and about 67 percent of government revenue.
Between September 2014 and September 2015 the price of oil fell by half and has since lost over 40 percent of its value. Moody's expects that the price of Brent oil will be around US$33 per barrel in 2016 and US$38 in 2017, before rising to US$48 in 2019. (07-03-2016)

## SIERRA LEONE: AIRTEL FINED $1M FOR POOR SERVICES

The National Telecommunications Commission of Sierra Leone has slammed Airtel with a $1.2 million fine for poor service delivery.

Airtel, which is a subsidiary of the Indian-owned Bharti Airtel, was given seven days to pay the money.

NATCOM said Friday it had taken the decision because the Telco had consistently failed to meet international standards of mobile services provision.

The telecom regulator added that Airtel consistently failed to meet most of its key performance indicators, notably an agreed 95 percent Call Handover success rate per month, a call congestion rate of less than 1.5 percent per month, and an acceptable 2 percent of drop call rate per month.

Airtel was also ordered to halt using a data charging system called "Pay as you go" because it is "exploiting" subscribers by this means, officials said at a press conference in Freetown.

"We are not here to make money but to serve as a referee between the consumer and the operator," Momoh Konte, Chairman of the board of directors of NATCOM, told journalists.

Airtel Sierra Leone is one of two African subsidiaries sold by its Indian parent company early this year to the French conglomerate Orange. The other subsidiary is Airtel Burkina Faso. (APA 12-03-2016)

## ALGERIA: DIALOGUE ABOUT A STRATEGIC ENERGY RELATIONSHIP

On 23-24 May 2016, Algeria and the European Union are organising the 1st Business Forum dedicated to energy. The themes to be discussed are the development of renewable energies, the promotion of energy efficiency and the supply of natural gas, the European Delegation in Algeria said in a statement.

This event is part of the implementation of the "Memorandum of Understanding on the Establishment of a Strategic Partnership in the Field of Energy", signed by Algeria and the European Union on 7 July 2013 in Algiers, during a visit by the President of the European Commission. This agreement "makes provisions for the development and the reinforcement of cooperation in the field of hydrocarbons, in particular natural gas, as well as renewable energies and fuel efficiency. It focuses on the industrial component and the necessity to guarantee maximum local integration to ensure continuity", the statement said.

Cooperation in this field "takes on a strategic character", according to José Manuel Barroso, President of the European Commission at the time.

According to Eurostat, the European Statistical office, "the dependence of the European Union (EU) on energy imports, in particular oil, and more recently, gas, is at the centre of political concerns about the safety of energy supply". (EEAS 07-03-2016)

## TRADE BETWEEN CHINA AND PORTUGUESE-SPEAKING COUNTRIES FALLS 18 PCT IN JANUARY

China and the eight Portuguese-speaking countries began 2016 with a year on year fall of 18.69 percent in trade in January, which totalled US$6.158 billion, according to Chinese official figures published in Macau.

Trade with Brazil totaled US$4.419 billion (-20.61 percent), with China exporting goods worth US$1.682 million (-17.89 percent) and importing goods worth US$2.737 billion (-22.19 percent).

Trade with Angola, China's second largest Portuguese-speaking trading partner, totalled US$1.100 billion (-23.23 percent), with Chinese exports falling 46.41 percent to US$156 million and imports of Angolan products reaching US$944 million (-17.29 percent).

Third was Portugal with trade worth US$494 million (+39.19 percent), with China have selling goods worth US$412 million (+64.19 percent) and buying goods worth US$81 million (-21.61 percent).

The value of trade between China and Mozambique was US$129 million (-33.11 percent), with Chinese exports of US$86 million (-44.17 percent) and imports of US$43 million (+10.25 percent) .

With other Portuguese-speaking countries – Cabo Verde (Cape Verde), Guinea-Bissau, Timor Leste (East Timor) and Sao Tome and Principe – Chinese trade amounted to US$13 million.

In 2015, the value of trade between China and Portuguese – speaking countries declined by 25.73 percent to US$98.474 billion, a real loss of US$34.106 billion. (07-03-2016)

## JAPAN TOBACCONIST DISTRIBUTES FOOD TO STARVING MALAWIANS

Japanese Tobacco International (JTI), a buyer of the produce in Malawi has launched a $300,000 drought relief program to provide food assistance to tobacco growers stricken by hunger in several districts of the country.

Speaking in the Lilongwe on Friday, JTI Managing Director, Fries Vanneste, said his company through the program would be reaching out to needy families in the next three months to tackle the season of hunger.

Since last year, some 2.4 million people have been facing hunger as a result of drought in Malawi, one of several southern African countries adversely affected by the El-Nino phenomenon which is causing long dry spells across the region.

We have seen the severity of the situation in all districts where we buy tobacco and this is why we decided to come up with this program to bail out the communities from hunger he said.

Vanneste said the relief items to be handed out to each household include a 50 kilogram bag of maize, 2 litres of cooking oil and 25 kilogram of beans to be distributed by a local agency aligned to the Red Cross.

However, the program targets over 3,000 households in several districts spread across Malawi. (APA 11-03-2016)

## LITTLE TIME LEFT TO PROTECT AFRICA'S FOOD SUPPLY FROM CLIMATE CHANGE

Without action to help farmers adjust to changing climate conditions, it will become impossible to grow some staple food crops in parts of sub-Saharan Africa, with maize, beans and bananas most at risk, researchers said on Monday.

In a study of how global warming will affect nine crops that make up half the region's food production, scientists found that up to 30% of areas growing maize and bananas, and up to 60% of those producing beans could become unviable by the end of the century.

Six of the nine crops — cassava, groundnut, pearl millet, finger millet, sorghum and yam — are projected to remain stable under moderate and extreme climate change scenarios.

"This study tells where, and crucially when, interventions need to be made to stop climate change destroying vital food supplies in Africa," said Julian Ramirez-Villegas, the study's lead author who works with the CGIAR Research Programme on Climate Change, Agriculture and Food Security (CCAFS).

"We know what needs to be done, and for the first time, we now have deadlines for taking action," he said.

For example, the study warns that about 40% of maize-growing areas will require "transformation", which could mean changing the type of crop grown or, in extreme cases, even abandoning crop farming.

Sorghum and millet, which have higher tolerance to drought and heat, could replace maize in most places under threat.

But for 0.5% of maize-growing areas — equal to 0.8-million hectares in SA that now produce 2.7-million tonnes — there was no viable crop substitution, the study said.

In a few places, the need to adapt to climate change is already urgent, the researchers said. Those include pockets in highly climate-exposed areas of the Sahel in Guinea, Gambia, Senegal, Burkina Faso and Niger.

Banana-growing regions of West Africa, including areas in Ghana and Benin, will need to act within the next decade, as the land is expected to become unsuitable for bananas by 2025.

Maize-growing areas of Namibia, Botswana, Zimbabwe and Tanzania also had less than 10 years left to change tack under the most extreme climate change scenarios, the study added.

"If we don't do anything now, farmers are no longer going to be able to grow certain crops in certain sites," Mr. Ramirez-Villegas told the Thomson Reuters Foundation from Colombia.

"But we know there are several adaptation options ... with which farmers should be able to carry on growing these crops for a longer period of time than we project."

Time 'running out'

Those options begin with shorter-term actions like improving irrigation and weather information services for farmers, and developing new varieties of maize and beans that can better tolerate heat and drought.

Such measures are already under way in parts of Africa, including the Drought Tolerant Maize for Africa initiative that has released 160 varieties, benefiting up to 40-million people in 13 countries.

But governments will still need to reassess agricultural and food security policies to see whether bigger transformations are needed, such as switching to different crops or livestock.

If so, they will need to help farmers access markets or build processing and storage facilities for new crops.

Climate Change, Agriculture and Food Security researcher Andy Jarvis, a co-author of the paper published in the journal Nature Climate Change, said adjusting national policies could take decades.

"Our findings show that time is running out to transform African agriculture. This will require not only increased funding but also a supportive policy environment to bring the needed solutions to those affected," he said.

A separate study released on Monday, by researchers from Brown and Tufts universities, suggested scientists had overlooked how two important human responses to climate would affect food production in the future: how much land people chose to farm and the number of crops they planted.

Looking at Mato Grosso, a key soy-producing state in Brazil, they found a temperature rise of 1°C was tied to substantial decreases in crop area and double cropping, accounting for 70% of the overall loss in production.

Only 30% was attributable to falling crop yield.

"If you look at yields alone, you're not looking at all of the information because there are economic and social changes going on as well," said Leah VanWey, professor of sociology at Brown and one of the study's senior authors. "You're not taking into account farmers' reactions to climate shocks." *(*Reuters 08--03-2016)

## CABO VERDE'S TRADE DEFICIT IMPROVES IN 2015

The trade deficit of Cabo Verde (Cape Verde) recorded a 7.0 percent improvement in 2015 when it stood at 53.413 billion escudos, according to provisional data released Monday by the National Statistics Institute (INE).

A summary of the main results of the development of foreign trade also said that, besides the trade deficit, exports and imports decreased by value and percentage against 2014, with the rate of coverage of imports by exports improving by 0.7 percentage points to 11.1 percent.

Cape Verdean exports in 2015 totalled 6.646 billion escudos (-0.8 percent compared to 2014) and imports fell 6.4 percent to 60.059 billion escudos.

Europe was the continent which absorbed most Cape Verdean exports, accounting for 89.5 percent of the total and an annual increase of 3.7 percent, and of these Spain, with 69 percent and Portugal with 14.1 percent were the main buyers.

Processed or canned fish (44.3 percent of the total) and fish, crustaceans and molluscs (40.2 percent) were the main products exported by Cabo Verde last year.

Europe continued to be the main supplier of Cabo Verde, accounting for 75.8 percent of imports, down 12.1 percent compared to 2014, with Portugal in first place with 43.5 percent of total Cape Verdean imports followed by the Netherlands, which accounted for 11.6 percent. (08-03-2016)

## BRAZIL BACKS ETHIOPIA'S BID FOR NON-PERMANENT SEAT IN UNSC

Brazil's Foreign Affairs Minister Mauro Viera on Saturday said his country backs Ethiopia's bid for a non-permanent seat in the United Nations Security Council (UNSC).

Ethiopia would contribute a lot if elected as a non-permanent member of the Council, the visiting foreign minister Viera told reporters on Saturday.

With its ample experience in regional, continental and global peacekeeping operation, Ethiopia would have an immense contribution in the Council, he added.

The African Union (AU), during its 26th Ordinary Session of the Assembly of Heads of State and Government held last January, endorsed Ethiopia's candidacy for the election to be held in New York in June.

Ethiopia officially launched a campaign recently for the seat for the term 2017-2018.

Minister of Foreign Affairs of Ethiopia, Dr. Tedros Adhanom, said at the official launching of the campaign that If elected, Ethiopia will serve all members of the United Nations in discharging the charter "mandated responsibilities bestowed upon it in a true spirit of partnership and transparency.

Ethiopia has always responded to UN calls for collective action on international peace and security. Since the inception of the United Nations, Ethiopia has deployed over 80,000 military and police personnel to more than ten peacekeeping missions worldwide, he added.

Currently, Ethiopia is providing the second largest number of troops to the United Nations peacekeeping operations, a total of 8,326 personnel.

Ethiopia, one of the 51 pioneer countries that founded the United Nations in 1945, served the Security Council for two terms - in 1967-1968 and 1989-1990.(APA 12-03-2016)

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