MEMORANDUM

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

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SUMMARY

EUROPEAN COMMISSION STATEMENT ON DEVELOPMENTS IN THE MEDITERRANEAN

The European Commission is deeply chagrined by the tragic developments in the Mediterranean today, but also over the past days and weeks. The reality is stark and our actions must therefore be bold. These are human lives at stake, and the European Union as a whole has a moral and humanitarian obligation to act.

The European Commission is currently consulting with Member States, European agencies and international organisations in order to prepare a new European Migration Strategy, which will be adopted by the Commission in mid-May. What we need is immediate actions to prevent further loss of life as well as a comprehensive approach to managing migration better in all its aspects.

The only way to truly change the reality is to address the situation at its roots. For as long as there is war and hardship in our neighbourhood near and far, people will continue to seek a safe haven on European shores. And as long as countries of origin and transit do not take action to prevent these desperate trips, people will continue to put their lives at risk. That is why a large part of the approach we are working on is going to be about working with third countries. A joint meeting of the foreign and interior ministers will be organised to this end. This is a joint responsibility of all 28 EU Member States and the EU institutions and requires a joint European response.

President Juncker has charged First Vice-President Frans Timmermans, High Representative/Vice-President Federica Mogherini and Dimitris Avramopoulos, his Migration Commissioner, to work very closely together on all these aspects in preparation of the new European Migration Agenda and in the swift and effective implementation of all EU instruments which already exist at this stage. (EC 19-04-2015)

COMMISSIONER STYLIANIDES VISITS ETHIOPIA AND SOUTH SUDAN

EU Commissioner for Humanitarian Aid and Crisis Management Christos Stylianides will visit Ethiopia and South Sudan from 23 to 25 April, to draw attention to one of the world's biggest humanitarian crises which continues to affect millions of people in the region and causes tremendous suffering in South Sudan.

The Commissioner will review with the leading actors the latest assessment of the humanitarian and political situation on the ground. He will pay particular attention to the difficult circumstances under which humanitarian organisations in the region operate due to deteriorated access to the people in need.

South Sudan continues to suffer from the dire humanitarian consequences of the civil war since its outbreak in December 2013, with displacement, severe hunger and instability. Over two million people have fled their homes, including over half a million refugees in neighbouring Kenya, Ethiopia, Sudan and Uganda. At the same time, South Sudan hosts around a quarter of a million refugees from the war in Sudan's South Kordofan and Blue Nile.

The EU (the European Commission and Member States) has provided humanitarian funding of over €377 million since 2014 – more than one third of all donors' contributions. This goes toward food aid, treatment of severely malnourished children, emergency health series, safe water and shelter. Refugees from South Sudan in other countries also receive EU support.

In Ethiopia on Thursday 23 April, Commissioner Stylianides will meet representatives of UN agencies and humanitarian organisations to discuss how the international aid community is responding to the needs of refugees from South Sudan. During his meetings with the Ethiopian authorities, the Commissioner would listen to and discus their views and concerns on the regional crisis and will convey Europe's solidarity with both the refugees and the communities that host them. The peace process will also be on the Commissioner's agenda during meetings with diplomats from EU Member States in Addis Ababa.

In South Sudan, the Commissioner will meet representatives of the government, the Special Representative of the UN Secretary General (SRSG) and head of the United Nations Mission in South Sudan, Ellen Margrethe Loej, humanitarian organisations and the diplomatic community. Alongside his official programme in Juba, Commissioner Stylianides will visit humanitarian projects funded by the EU. A press conference is foreseen for Saturday afternoon (25 April).

FIFTH NATURAL GAS EXPLORATION TENDER IN MOZAMBIQUE POSTPONED UNTIL JULY

The government of Mozambique has postponed the deadline for bids in the fifth tender to grant natural gas research and production areas until the end of July, without giving a reason for what is the tender's third postponement.

The tender involves a total of 15 blocks including 76.8 square kilometres in the Rovuma basin (north), Zambezi (centre) and Angoche (north), and around the Pande/Temane (south) concession area and in Palmeira (south).

The statement which was issued Thursday on the website of the National Petroleum Institute (http://www.inp.gov.mz/) gave no reason for this further delay, the third since the tender was first launched in London in October 2014.

After being delayed until January, the deadline was extended again until later this month. Last December, the Institute issued a statement justifying the postponement based on, "several requests for extension of the period of closure, and the need to maximise the number of competing companies." (17-04-2015)

MALAWI TO REPATRIATE CITIZENS FROM SOUTH AFRICA AFTER XENOPHOBIC ATTACKS

The Malawian government said on Monday it would help repatriate its citizens from South Africa following an outbreak of xenophobic violence in the eastern port city of Durban that has left four people dead.

"The situation is really tense as about 360 Malawians are stranded in South Africa following xenophobic attacks there," Information Minister Kondwani Nankhumwa told reporters.

He said the Malawians targeted had "lost everything", including their passports.

The attacks on immigrant-owned shops and homes in Durban's impoverished townships come three months after a similar spate of attacks on foreign-owned shops in Soweto, near Johannesburg.

In both cases, shops have been looted and foreign traders ordered to shut up shop.

Over 1,000 foreigners in Durban have fled their homes and are now living in temporary camps, under police guard.

Police spokesperson Thulani Zwane said the situation was "tense but under control", with police deployed to patrol affected areas.

He said four people had been killed since the beginning of the month, including an Ethiopian man whose shop was petrol-bombed by a mob Friday night.

Nearly 50 people have been arrested — 28 on Sunday night alone. Mr Nankhumwa said the Malawian embassy in Pretoria had started processing temporary travel documents for its nationals.

Hundreds of Malawians escaping poverty back home move to South Africa every year in search of work. Violence against migrants from other African countries is common in South Africa, with impoverished locals accusing foreigners of taking their jobs and business.

The government has condemned the violence, with President Jacob Zuma sending a team of officials to assess the situation. (AFP 16-04-2015)

WORLD BANK MAY REVISE ECONOMIC GROWTH FORECAST FOR MOZAMBIQUE DOWNWARDS

The World Bank may revise its growth forecast for Mozambique's economy downwards from 7 percent to 6.5 percent due to natural disasters this year and to contained public spending, said Thursday in Maputo the World Bank's chief in Mozambique.

Enrique Blanco Armas said that despite this forecast slowdown, Mozambique's economy will grow this year above the African average, which is 4 percent, against 4.5 percent last year, mainly due to the drop in oil prices.

"In any event, growth of 7 percent currently expected for Mozambique is relatively high and higher than the average of Africa," said the chief economist of the World Bank in Mozambique.

Blanco Armas said Mozambique's Gross Domestic Product (GDP) would be driven by agriculture, infrastructure and services, and that industry, including gas and coal, have an, as yet, modest contribution to the growth of the economy.

"Industry has been supporting the growth of Mozambique's economy in recent years, but when we look at the sectors that have contributed most they are agriculture, manufacturing and services," said Blanco Armas. (17-04-2015)

JOINT EU FOREIGN AND HOME AFFAIRS COUNCIL: TEN POINT ACTION PLAN ON MIGRATION

At a joint meeting of Foreign and Interior Ministers, chaired by High Representative / Vice-President Federica Mogherini and held in Luxembourg, Migration, Home Affairs and Citizenship Commissioner Avramopoulous presented a 10 point plan of the immediate actions to be taken in response to the crisis situation in the Mediterranean. The plan received the full backing of Foreign and Interior Ministers. High Representative/Vice-President **Federica Mogherini** and Commissioner **Dimitris Avramopoulos** jointly stated: "We need to show that same collective European sense of urgency we have consistently shown in reacting in times of crisis. The dire situation in the Mediterranean is not a new nor a passing reality. That is why the Commission will come forward with a comprehensive European Agenda on Migration in May to address the structural problems. The 10 actions we have agreed upon today are the direct, substantial measures we will take to make an immediate difference. All of these actions require our common effort, the European institutions and the 28 Member States. We will convey these proposals to the European Council which will meet on Thursday in an extraordinary session to address the structure."

Ten points

- Reinforce the Joint Operations in the Mediterranean, namely Triton and Poseidon, by increasing the financial resources and the number of assets. We will also extend their operational area, allowing us to intervene further, within the mandate of Frontex;
- A systematic effort to capture and destroy vessels used by the smugglers. The positive results
 obtained with the Atalanta operation should inspire us to similar operations against smugglers in
 the Mediterranean;
- EUROPOL, FRONTEX, EASO and EUROJUST will meet regularly and work closely to gather information on smugglers modus operandi, to trace their funds and to assist in their investigation;
- EASO to deploy teams in Italy and Greece for joint processing of asylum applications;
- Member States to ensure fingerprinting of all migrants;
- Consider options for an emergency relocation mechanism;
- A EU wide voluntary pilot project on resettlement, offering a number of places to persons in need of protection;
- Establish a new return programme for rapid return of irregular migrants coordinated by Frontex from frontline Member States;
- Engagement with countries surrounding Libya through a joined effort between the Commission and the EEAS; initiatives in Niger have to be stepped up.
- Deploy Immigration Liaison Officers (ILO) in key third countries, to gather intelligence on migratory flows and strengthen the role of the EU Delegations. (EC 20-04-2015)

KENYA DISCLOSES PLANS TO EVACUATE NATIONALS FROM SOUTH AFRICA

The Kenyan government on Thursday said plans are on high gear to evacuate Kenyans living in South Africa following xenophobic attacks against foreigners in that country.

Foreign Affairs Minister Amina Mohamed in an interview with Nation FM in Nairobi said so far there were no Kenyan casualties in the attacks that have caused uproar.

According to her, Kenyans living in affected areas had voluntarily moved to makeshift camps provided for victims. We don't have any direct casualties. We have planned for an evacuation but some of the Kenyans have actually voluntarily moved to a camp but not in large numbers, but that could increase, she explained. She said most of those who had moved are business people who own retail shops.

Mohamed said Kenya was however deeply concerned about the attacks that have left scores of non-South Africans dead.

This is not the first time it has happened. This is the second time. We have always managed to provide protection, she said as she pledged that the government will take necessary measures to ensure Kenyans in South Africa are safe. (APA 16-04-2015)

ANGOLAN COMPANY SIGNS INVESTMENT AGREEMENT WORTH US\$5 BILLION

Angolan company Organizações Ribeirinho has become the largest investor in Angola to sign a contract with the National Agency for Private Investment (ANIP) for an investment of US\$5 billion, Angolan news agency Angop reported. The investment contract signed Wednesday with ANIP is for construction of 60,000 social housing units in eight provinces of Angola over the next 15 years, with funding from Canada and contracts handed over to Angolan, American and Italian companies.

Director-General Hernâni Ribeirinho said on the sidelines of the signing of the investment contract with ANIP that the company would build social housing for sale in the provinces of Luanda, Lunda Sul, Kwanza Sul, Huambo, Huila, Malanje, Moxico and Zaire.

On Wednesday, the National Agency for Private Investment signed 13 private investment contracts in the amount of US\$5.25 billion, the second-largest of which, for US\$9.4 million, was signed with Hua Dragão – Comércio Geral, for construction of a logistics distribution centre. (17-04-2015)

ZIMBABWE: TOBACCO PROVIDES ROAD TO AGRICULTURAL RECOVERY

Fifteen years after Zimbabwe's agriculture sector collapsed in the face of President Robert Mugabe's seizure of white-owned farms, its tobacco industry is again booming, with black farmers funded by private firms producing a near record crop.

Production of tobacco, increasingly sold at a premium to China, was up 235% last year compared with 2009, propping up an agriculture sector that accounts for 18% of gross domestic product (GDP). It's the surest sign yet of a revival of Zimbabwe's farming, which saw output of most crops fall dramatically since Mr. Mugabe's followers seized white-owned farms in 2000 and the government nationalised land.

From 5,000 mostly white farmers in 2000, there are now more than 90,000 growing tobacco, known locally as "green gold".

Farmers prefer it to traditional cereal crops because there is a ready market, payment is prompt and marketing companies provide funding in advance for seeds and equipment.

"What this shows is that black farmers are just as capable of farming if they are given the financial support," said Edward Bhasera, a farmer waiting to deliver 60 tonnes of the crop at Zimbabwe Leaf Tobacco, one of the biggest of about 20 marketing firms that buy the crop from farmers.

Mr Mugabe's land seizure drive, which he defends as necessary to correct skewed colonial land ownership, was followed by a 45% fall in commercial agriculture output, forcing the one-time regional food exporter to import food.

Tobacco export earnings fell to \$175m by 2009 from \$600m in 2000, according to the state Tobacco Industry and Marketing Board (TIMB).

Farming was hit in part because farmers were unable to get credit without the deeds for the land they farm. But in the tobacco sector, private companies like ZLT, which contracts farmers to produce the crop, have since stepped in to fill the funding gap.

"Tobacco contract growing and marketing is the future of the industry because it is the only way farmers can easily access inputs without support from banks," Tobacco Industry and Marketing Board general manager Andrew Matibiri said.

Farmers backed by such firms now account for 80% of the crop from only 23% in 2004.

Chinese demand

Mr. Bhasera, from the farming district of Mvuma, 170km south of the capital Harare, said he started growing maize and tobacco in 2003 after he received a farm from the government.

He initially produced little because he could not get a bank loan, "but in 2009, I managed to be contracted to grow tobacco, and that changed everything", he said.

Mother of five Fadzai Makani said she had signed a contract with ZLT to grow tobacco since 2011 in a group with 10 other farmers from her village in Makonde, northwest of Harare. This year's 1,000kg crop from her small plot was double last year's.

"If it was not for them (ZLT), I would not be growing tobacco. We get the inputs on time and they tell you how to get the best yield," she said.

The extra earnings had allowed her to increase her cattle herd and renovate her modest homestead. The recovery has been fuelled by surging demand from China, with 300-million smokers the world's biggest market and grower of tobacco. Of the 218-million kilograms produced in Zimbabwe last year 2014, 40% went to China, up from 18% in 2010, according to Tobacco Industry and Marketing Board figures.

Standard Bank's head of agriculture Africa, Abrie Rautenbach, said the bank had seen renewed interest in agriculture in Zimbabwe in the past 18 months.

"You also see some of the big corporates, especially some of the tobacco players coming back, returning quite aggressively."

Zimbabwe's flue-cured tobacco is of higher quality and pays better than Malawi's and Zambia's burley tobacco. It is used as a flavouring by global cigarette makers, including those from China, who pay a premium for it.

Although 40% of the tobacco exports go to China, it accounted for half of Zimbabwe's \$823m of tobacco export income in 2014 because Chinese buyers paid more than others.

Reserve Bank of Zimbabwe (RBZ) figures show that tobacco buyers have already borrowed \$850m from local banks this year, compared with \$660m last year.

Bankers Association of Zimbabwe advocacy officer Clive Maphambela said banks planned to lend \$1bn to agriculture this year, with nearly 60% funding tobacco farming. This compares with \$720m in bank loans to the whole agriculture sector in 2014 and \$500m the previous year.

Zimbabwe itself consumes less than 5% of its tobacco output.

"We don't smoke much of it. The Chinese smoke most of it," Mr. Mugabe said last week in Pretoria.

"We will grow for those who want to smoke it. You should listen to what your doctor says. But if you over smoke, don't blame us," a smiling Mr. Mugabe added, drawing raucous laughter from Zimbabwean and South African government ministers and reporters. (Reuters 16-04-2015)

ANGOLA'S CAPITAL MARKETS COMMISSION PLANS TO WORK WITH THE MINISTRY OF FOREIGN AFFAIRS

Angola's Capital Markets Commission (CMC) plans to work alongside the Ministry of Foreign Affairs to promote the country's capital market abroad and to combat money laundering, the CMC's managing director said Thursday.

Vera Esperança Daves, who was speaking on the sidelines of a seminar on securities markets and cross-border crimes directed at diplomats and officials said the CMC wants the foreign ministry to help it

to establish relations with their foreign counterparts in countries where Angola has diplomatic representations.

"We want the ministry to help us to bridge the gap with the different foreign counterparts so that money laundering crimes do not occur and if they do to curtail them," the director said cites by Angolan news agency Angop.

Asked about when the stock exchange would start operating, Vera Daves said that it will start with the public debt segment, and that the selection process for members responsible for channeling people's investments was underway.

She also said, without giving details, that this market segment already had a registered member and that there were three others close to meeting all the requirements to become members.

The corporate debt market is expected to start operating in the second half of the year. (17-04-2015)

MIGRATION AND MOBILITY: CLOSER COOPERATION BETWEEN EU AND MOROCCO

European Commissioner for Migration, Home Affairs and Citizenship Dimitris avramopoulos is visiting Morocco for the first time today and tomorrow to discuss issues related to migration and mobility.

Morocco is the first country of the South Mediterranean region to have concluded a Mobility Partnership with the EU, and the Commissioner will exchange on the implementation of the partnership and its articulation with the migration policy of Morocco.

During this visit, Avramopoulos will also launch with the Minister of Moroccans living abroad and Migration, the new EU support programme for migrant integration policy in Morocco. (EU Neighbourhood 16-04-2015)

GUINEA-BISSAU SEEKS DONORS TO BUILD DAM

The Organisation for the Exploration of the Gambia River Basin (OMVG) will organise a meeting with donors to build a dam for agricultural irrigation in Guinea-Bissau, two members of the Guinean government said Thursday in Bissau.

The Ministers of Natural Resources, Daniel Gomes, and of Agriculture, Aníbal Pereira, said the dam, estimated to cost 80 million euros is projected for the area of Campossa in Bafatá (centre of Guinea-Bissau) "mainly for agricultural irrigation."

"The project for Integrated Water Resource Management in the Kayanga/Geba basin has already completed the study for dam construction," and a round table meeting is scheduled for 13 May in Bissau, the ministers said cited by Portuguese news agency Lusa.

The Campossa dam will be a side project to the main investments of OMVG, including electricity production from this year onwards at the Kaleta Dam in Guinea-Conakry.

In full operation the Kaleta dam will produce about 900 gigawatt / hours of electricity per year. Starting this year, with a single turbine, 200 megawatts will be available in the four countries of the OMVG (Guinea-Bissau, Senegal, Gambia and Guinea-Conakry) – and the Guinea-Bissau state is preparing to launch tenders to install a high-voltage power grid in the country. (17-05-2015)

KENYA: SAFARICOM SUSPENDS CROSS-NETWORK M-PESA SERVICES

Kenyan operator Safaricom has suspended the registration of new M-Pesa customers and the transfer of cash to rival mobile phone networks until the <u>upgrade</u> and transfer of its IT system from Germany to Kenya is completed on 19 April.

According to <u>businessdailyafrica.com</u>, M-Pesa subscribers will be unable to send cash to unregistered users or change their personal identification numbers (PINs) during the downtime period. Registration of

new M-Shwari and M-Kesho users will also be unavailable from 23:00 hrs on 18 April until 12:00 hrs on 19 April 2015.

Safaricom general manager for financial services, Betty Mwangi-Thuo, stated that: "The second generation M-Pesa platform has a bigger capacity, is much faster and will allow other merchants to connect directly to the platform, unlocking a new era of transformational mobile financial services."

According to the report, it is expected to minimise service outages that occur whenever the undersea fibre optic cables that relay information to Germany and back are damaged.

The installation of M-Pesa servers locally brings to an end nearly eight years of foreign hosting, which has at times been blamed for delayed response to service interruptions.

The new M-Pesa platform has capacity to handle 900 transactions per second, up from the previous 450 per second, which could improve on transaction speeds.

Local hosting is also expected to save costs for Safaricom, which will now be in charge of maintenance of the system as opposed to currently when it pays service fees to British telecommunications firm Vodafone—also its biggest shareholder.

Mwangi-Thuo said the new platform comes with additional functions that allow for M-Pesa's integration with those of other vendors in banking, micro-insurance and retail sectors, especially supermarkets.

Mwangi-Thuo said it is "too early" to comment on whether Safaricom will pass on the realised savings to customers in form of lower M-Pesa tariffs.

Safaricom has invested heavily on the new infrastructure. A higher processing capacity is also expected to enable Safaricom clients to settle post-paid electricity bills, insurance premiums and bank payments in real-time.

Safaricom has recorded growth of M-Pesa subscribers to 19.95 million as at March 2014 from 14.9 million in 2012 and its agents to 80,335 from 39,401 in the period.(IT News Africa 16-04-2015)

PORTUGUESE-SPEAKING BUSINESSPEOLE MAKE MISSIONS TO GUINEA-BISSAU AND SÃO TOMÉ AND PRÍNCIPE

The Exporters Union of the Community of Portuguese-speaking Countries (UE-CPLP) and the Business Confederation of the CPLP (EC-CPLP) is organising a trade mission to Guinea-Bissau on 21 to 24 April and to São Tomé and Príncipe on 26 to 28 April, officials said in Lisbon.

Both missions are designed to provide companies with opportunities to meet authorities, business entities, financial institutions and local businesses in order to stimulate business, seeking out synergies. The two trade missions will focus on the areas of construction, professional training, new technologies, port management, transport and agriculture, amongst others.

The EU-CPLP has more than 400 member organisations (companies, associations, etc.) of various CPLP countries, giving them access to the organisation of various activities, such as conferences, meetings and fairs.

The institution has also launched an innovative electronic platform that brings exporters from Portuguese-speaking countries together – "Connect CPLP" – which is a business exchange and investment platform for that common economic space. (17-04-2015)

MUGABE 'SHOCKED, DISGUSTED' BY SOUTH AFRICAN XENOPHOBIC, ANTI-IMMIGRANT VIOLENCE

Zimbabwean President Robert Mugabe on Saturday expressed shock and disgust at attacks on immigrants in neighbouring South Africa and said his government was working to bring back home affected Zimbabwean citizens.

At least four people have been killed in a wave of anti-immigrant violence that started two weeks ago in the port city of Durban and spread to Johannesburg.

Mr Mugabe said during a speech at a football stadium in the capital Harare to mark 35 years of Zimbabwe's independence that all Africans in South Africa should be treated with dignity.

"I would want now to express our sense of shock, disgust as we abhor the incidences which happened in Durban," Mr. Mugabe said.

"The act of treating other Africans in that horrible way can never be condoned by anyone," said the 91year-old, speaking on behalf of the regional Southern African Development Community and African Union, both of which he currently chairs.

An estimated one million Zimbabweans live in South Africa having escaped an economic crisis and political violence at home over the last 15 years.

Periodic outbreaks of anti-immigrant violence in South Africa have been blamed on high unemployment, widespread poverty and glaring income disparities.

The Malawian government has hired buses to repatriate 500 of its nationals, Information Minister Kondwani Nankhumwa said on Friday. He urged South Africa to provide greater protection for immigrants, echoing demands from China and the African Union.

Mr Mugabe said his government had put in place measures to bring back its citizens but did not give details.

The state-owned Herald newspaper reported that Zimbabwe planned to repatriate 1,000 citizens and was setting up a receiving centre at Beitbridge, the biggest border post with South Africa. (Reuters 18-04-2015)

CONSORTIUM STARTS WORK ON MASSINGIR DAM IN MOZAMBIQUE

The spillway repair works on the Massingir dam, a project budgeted at US\$60 million, are due to begin next May, said Edgar Chongo, the technician assigned to the Limpopo Basin Management Unit.

The contract, awarded to a consortium involving Italian company Cooperativa Muratori and Cementisti (CMC) di Ravenna and South Africa's WBHO, will take 24 months and its financing is secured with funds from the Mozambique State Budget and the African Development Bank.

The project, according to Chongo, essentially aims to ensure the efficient operation of the dam, through large water discharges, whilst taking into account water needs downstream.

Chongo also told Mozambican daily newspaper Notícias, that once work was complete conditions would be in place for the viability of the Massingir Agro-Industrial (MAI) project, for irrigation of an area of 37 thousand hectares and production of cane sugar in Massingir district.

The President of Mozambique recently opened an auxiliary spillway at the dam at a cost of just over US\$34 million, which will double previous water flow capacity in the event of floods, to 20,000 cubic metres per second.

The Massingir dam, built in the early 1970s, was designed to irrigate an area of about 90 thousand hectares along the Limpopo River valley and to control flooding. (20-04-2015)

FEARS GROW FOR INDIGENOUS PEOPLE IN PATH OF MASSIVE ETHIOPIAN DAM

A United Nations mission is due to take place this month to assess the impact of Ethiopia's massive Gilgel Gibe III hydroelectric power project on the Omo River which feeds Lake Turkana, the world's largest desert lake, lying mostly in northwest Kenya with its northern tip extending into Ethiopia. The report of the visit by a delegation from the U.N. Educational, Scientific and Cultural Organisation (UNESCO) from Ethiopia's state-affiliated Fana Broadcasting Corporate (FBC) comes amid warnings by Survival International that the Kwegu people of southwest Ethiopia are facing severe hunger due to the destruction of surrounding forests and the drying up of the river on which their livelihoods depend. The UK-based group linked the Kwegu's food crisis to the massive Gibe III Dam and large-scale irrigation taking place in the region, which are robbing the Kwegu of their water and fish supplies. The dam, one of Africa's largest hydropower projects, is nearly 90 percent completed, according to a government press release, and could start generating electricity following the rainy season in August. Construction of the dam has raised concerns for the much admired <u>Lower Omo Valley</u> and Lake Turkana, which are UNESCO's World Heritage sites, although Lake Turkana is not now on the "endangered" list. The Gibe III hydroelectric plant is being built on the Omo River which provides more than 90 percent of Lake Turkana's water.

The Lower Omo Valley is one of the most culturally diverse places in the world and archaeological digs have found human remains dating back 2.4 million years. Lake Turkana, believed to be four million years old, has been called "the Cradle of Mankind".

UNESCO had previously failed to convince the Ethiopian government to halt the dam's construction to allow independent impact assessment. The government countered that it had conducted a joint assessment with an international consultancy firm funded by the World Bank.

Their findings suggested that the dam would regulate the water flow rather than having negative effects on Lake Turkana, FBC quoted Alemayehu Tegenu, Ethiopia's Minister of Water and Energy, as saying last month.

The Ethiopian government's claims are highly contested, however. Several credible sources indicate that the projects would have significant implications on the livelihoods of 200,000 indigenous people in the Turkana area and Ethiopia's Lower Omo Valley, including the Mursi, Bodi, Kwegu and Suri communities. Since its [Gibe III Dam] inception in 2006, international human rights groups have repeatedly accused the Ethiopian government of driving indigenous minority ethnic groups out of the Lower Omo Valley and endangering the Turkana community.

Ethiopia's water-intensive commercial plantations on the Omo River could reduce the river's flow to Lake Turkana by up to 70 percent, The Guardian newspaper <u>reported</u>. Lake Turkana is home to at least 60 fish species and sustains several sea and wild animals, the main source of livelihood for the Turkana community. Commercial plantations may also pollute the water with chemicals and nitrogen run-off. Fears are growing that the dam will result in resource depletion thereby leading to conflict among various communities in the already fragile Turkana ecosystem. According to a recent <u>report</u> by the UK-based Sustainable Food Trust, "large-scale crop irrigation in dry regions causes water depletion and soil salination."

"This place will turn into an endless, uncontrollable battlefield," Joseph Atach, assistant chief at Kanamkuny village in Turkana, <u>told</u> The Guardian. Reduction in fishery stocks would have "massive impacts for the 200,000 people who rely on the lake for their livelihoods," said Felix Horne, Human Rights Watch researcher for Ethiopia, thereby leaving them in precarious situations.

The Gibe III hydroelectric plant is also expected to irrigate the state-owned Kuraz Sugarcane Scheme and other foreign commercial large-scale cotton, rice and palm oil farms appropriated through massive land enclosures.

According to information from UNESCO, the Kuraz Sugarcane Scheme could "deprive Lake Turkana of 50 percent of its water inflow" thereby resulting in an estimated lowering of the lake level by 20 metres and a recession of the northern shoreline by as much as 40 km.

In an email response to IPS, Horne estimated that "between 20 and 52 percent of the water in the Omo River may never reach Lake Turkana depending on the irrigation technology used."

Horne downplayed the significance of UNESCO's planned assessment, saying that most credible sources indicate that the filling of the dam's artificial lake combined with the reduction from downstream water flows caused by planned irrigated agriculture will greatly reduce the water going into the lake. Yared Hailemariam, a Belgium-based former Ethiopian opposition politician and human rights activist, concurred. The main threat to Lake Turkana, he said, was the planned water-consuming sugarcane plantations. "In light of this", Yared told IPS via Skype, "UNESCO's future negotiations with the government should primarily focus on the sugarcane plantations instead of the reduction of the size of the hydro-dam."

Since its inception in 2006, international human rights groups have repeatedly accused the Ethiopian government of driving indigenous minority ethnic groups out of the Lower Omo Valley and endangering the Turkana community.

Three years ago, Human Rights Watch <u>warned</u> that the Ethiopian government is "forcibly displacing indigenous pastoral communities in Ethiopia's Lower Omo Valley without adequate consultation or compensation to make way for state-run sugar plantations" in a process that has come to be known as "villagisation".

Asked about the government's methods of evicting indigenous communities from their ancestral homes, Horne said that "direct force seen in the early days of the relocation programme has been replaced by the threat of force, along with incentives, including access to food aid if individuals move into the new villages."

Meanwhile, the Kenyan government's stance has come under scrutiny. Horne and Argaw Ashine, an exiled Ethiopian environmental journalist and correspondent for the East African Nation Media Group, worry that the Kenyan government may have already agreed with the Ethiopian government to purchase electricity from Gibe III at a discounted price.

Reports show that Kenya could obtain more than 300MW of electricity from the Gibe III hydroelectric plant.

"The Kenyan government is more concerned with the energy-hungry industrial urban economy rather than the marginalised Turkana tribe," said Argaw.

With the livelihoods of some of indigenous communities depending on shifting crop cultivation of maize and sorghum on the fertile Omo River flood lands, Horne fears that the regulation of the water flow will reduce nutrient-rich sediments necessary for crop production.

"The situation with the Kwegu is extremely serious," Elizabeth Hunter, an Africa Campaign Officer for Survival International, is <u>reported</u> as saying. "Survival has received very alarming reports that they are now starving, and this is because they hunt and they fish and they grow plants along the side of the river Omo. All of this livelihood now, right as I speak, is being destroyed."

She went on to say that "the plantations, particularly the sugar cane plantations, the Kuraz project which is a government-run project is going to need a lot of water. So they're already syphoning off water into irrigation channels from the river."

Since 2008, land grabs and plantations owned by foreign corporations have gobbled up an area the size of France, <u>according to</u> the Sustainable Food Trust, and the government plans to hand over twice this amount over the next few years.

The Gibe III hydro-power project, with its potential to double the current electric power generating capacity of the country, is a key part of Ethiopia's five-year Growth and Transformation Plan (GTP) that aims at making Ethiopia a middle-income country by 2025.

However, serious concerns abound as to how modernisation and development should accommodate the interests and values of indigenous communities.

Yared and Argaw criticise the government's "non-inclusive and non-participatory policy planning and implementations." Argaw also argued that what has been done in the Lower Omo Valley was "largely a top-down political decision without joint consultation and planning involving the concerned communities."

"The government can't ensure sustainable development while at the same time disregarding the interests and needs of lots of marginalised local populations," said Argaw, adding that the Ethiopian government wants indigenous peoples to be "wage labourers in commercial farms sooner or later." (IPS 17-04-2015)

INTERNATIONAL MONETARY FUND COMMUNICATIONS

Burkina Faso, Ghana, Nigéria - http://www.imf.org/external/np/tr/2015/tr041715c.htm

Ghana - http://www.imf.org/external/np/sec/pr/2015/pr15172.htm

Ghana, Nigeria - http://www.imf.org/external/np/tr/2015/tr041815.htm

Egypt - http://www.imf.org/external/np/tr/2015/tr041715.htm

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