MEMORANDUM

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EXTRA EDITION

SUMMARY

FITCH DOWNGRADES SOUTH AFRICA TO JUNK STATUS

Ratings agency says the downgrade reflects the view that recent political events, including a major cabinet reshuffle, will weaken standards of governance and public finances

Fitch has become the second major rating agency to downgrade SA's rating to junk status, cutting both the foreign currency and local currency ratings by one notch on Friday afternoon on concerns that recent political events, including a major Cabinet reshuffle, would weaken standards of governance and public finances and was likely to result in a change of economic policy direction.

But Fitch has put the new rating on Stable outlook, indicating it has no further downgrade plans for now, in contrast to S&P which put a negative outlook on its new rating.

Fitch's move will almost certainly lead to a rise in government debt-servicing costs, which will mean less money for critical services such as housing, education and sanitation, which could incite even more protests over service delivery that have already rocked towns across the country.

The rand weakened on the news, to an intraday worst level of R13.8426 to the dollar after hovering around the R13.77$ level for the better part of the day.

The downgrade, which follows S&P Global Ratings downgrade of SA's foreign currency rating on Monday night, makes Fitch the first of the agencies to cut the rating on SA's rand denominated debt to junk status, raising the prospect of a bond sell-off by investors whose mandates restrict them to hold only investment grade assets.

S&P's rating on SA's local currency rand denominated bonds is one notch above its foreign currency rating so the local currency rating is still investment grade on the S&P scale, and on that of Moody's. However, Moody's on Monday night put SA's local and foreign currency ratings on review for a downgrade, and is expected to announce its decision within 30 to 90 days.

About 90% of government's borrowing is in rand, so it is less vulnerable to a foreign currency downgrade, but foreign investors hold about 35% of the government's rand-denominated bonds, so the Fitch downgrade could also cause some outflows of capital as foreign investors sell.

The Fitch decision was despite new finance minister Malusi Gigaba's efforts to engage with Fitch and Moody's over the weekend after he took office, and despite his frequently expressed commitment to staying on the course of fiscal consolidation that government has promised.

Fitch said on Friday that it believed that fiscal consolidation would be less of a priority given the president's focus on "radical economic transformation", even though it acknowledged that the new finance minister had stated he doesn't intend to change fiscal policy.

All three of the agencies have cited concerns about the Cabinet reshuffle and its likely effects on fiscal discipline and on economic growth, as well as about the risk which financially ailing state owned entities could pose to the public purse.

But Fitch was the first of the three rating agencies to make explicit concerns that the firing of Pravin Gordhan as finance minister was linked to Gordhan's efforts to improve the governance of state owned enterprises, suggesting too that it might have been linked to differences over the proposed nuclear new build.

The agency said on Friday that the Cabinet reshuffle was "likely to undermine, if not reverse, progress in state owned enterprise governance, raising the risk that SOE debt could migrate on to the government's balance sheet". And it expressed concerns that the nuclear programme was likely to move relatively quickly under a new Cabinet, which included a new energy minister, and this would mean a substantial increase in government guarantees to Eskom.

The decision by Fitch was a setback, but government remained committed to continuing its work with business, labour and civil society to improve business confidence and implement structural reforms that would accelerate inclusive economic growth, the Treasury said on Friday.

It urged all South Africans to "remain positive to continue to work hard in turning this economy around".

Government would ensure that nuclear procurement would be "transparent and implemented at a scale and pace that the country can afford", the Treasury said in a statement. Government remained committed to the fiscal policy trajectory outlined in this year's budget, as well as to implementing governance reforms in state owned companies. It would maintain the expenditure ceiling and stabilise debt, and it would fast-track the 9 point plan to boost economic growth. (Reuters 07-04-2017)

FITCH DOWNGRADE DEVASTATING, SAYS BANKING GROUP; STAY POSITIVE, SAYS TREASURY

'This will have an immediate and severe impact on the currency.... SA is poorer today'

National Treasury and the Banking Association of SA have reacted very differently to the Fitch Ratings downgrade of SA's sovereign credit rating to junk - the second in a week.

Treasury said it was a "setback" but urged South Africans to remain positive in their comments on Fitch's move - which follows S&P Global's downgrade.

But the Banking Association said it was "devastating".

Treasury, now headed by Malusi Gigaba who replaced Pravin Gordhan in President Jacob Zuma's late-night Cabinet reshuffle last week, issued a series of reassurances and commitments to fiscal discipline and transparency, including on the nuclear deal.

This will have an immediate and severe impact on the currency, will seriously impact on our ability to attract foreign investment and will likely trigger a marked steep rise in prices of goods and services across the board.

Banking Association of SA

But, said the Banking Association, "The fact that Fitch has directly attributed its downgrade to the actions of the president demonstrates in no uncertain terms the broad assertion that the Cabinet reshuffle, although the prerogative of the president, was not in the national interest."

The Fitch downgrade was more concerning, it said, "as it includes a downgrade of the rand, after the local-currency rating was also lowered one level to junk.

"This will have an immediate and severe impact on the currency, will seriously impact on our ability to attract foreign investment and will likely trigger a marked steep rise in prices of goods and services across the board.

"SA is poorer today."

The rand, however, was relatively resilient on Friday afternoon, bouncing back from an initial sell-off to trade little changed at about R13.80/$ late in the afternoon.

Treasury acknowledged Fitch's reasons, saying: "In the agency’s view, the Cabinet reshuffle is likely to result in a change in the direction of economic policy, to undermine progress in state-owned companies’ governance, raising the risk that the contingent liabilities associated with these entities are realised, and increase the prospect of a substantial increased issuance of guarantees in respect of a nuclear build programme.

"The government would like to reaffirm its full commitment to the policy stance contained in the President State of the Nation Address and the Budget 2017."

Treasury said Government remains committed to:

- The fiscal policy trajectory outlined in Budget 2017.
- Implementing reforms to improve governance in state-owned companies.
- Maintaining the expenditure ceiling and ensuring the stabilisation of government debt.
- Ensuring nuclear procurement will be transparent and implemented at a scale and pace that the country can afford.
- Fast-tracking the implementation of structural reforms aimed at boosting economic growth as contained in the nine-point plan.

"A presidential prerogative cannot be exercised in a reckless manner, with insufficient regard for the consequences of such prerogative," Coovadia said.

"SA is now experiencing the dire consequences of the actions that started with the precipitous calling back of the previous minister from a critical roadshow. One has to ask if we would, as a nation, be in this position if we were not forced to abandon interactions with investors and rating agencies.

"It is critical that government and the ruling party take heed as SA continues to slide backwards because of poor leadership and an inability to act in the national interest over what seems to be the interests of the ruling ANC itself. (TMG Digital 07-04-2017)

ANTI-ZUMA PROTESTERS MAKE THEIR VOICES HEARD AROUND SOUTH AFRICA

Cape Town traffic grinds to a halt, Joburgers unite and marchers head for Durban's beachfront

South Africans took to the streets on Friday to vent their anger at President Jacob Zuma and to demand that he quit after a Cabinet reshuffle triggered the latest crisis of his presidency.

Anti-Zuma protests caused traffic problems in Cape Town on Friday morning.

Several roads, including the N7, N5 and areas around Liesbeek Parkway and Bosmansdam, were blocked by trucks taking part in the protest.

"The N7 is definitely blocked and traffic from the airport is moving at 1km/h," said provincial traffic chief Kenny Africa.

Mayoral committee member for safety and security JP Smith said: "There were at least four roadblocks this morning involving large trucks that we are still working on clearing. We've been able to clear the N5 as the roadblock involved smaller vehicles."

Most of the routes were cleared by about 10am.

A combination of several social justice, religious and rights groups also met outside St George's Cathedral in Cape Town on Friday to form a human chain that stretched down Wale Street.

"We have the choice to protect Zuma or protect the country..."

Organiser Pupa Fumba said the group was not politically driven, but instead made up of community groups looking for positive change within the government.

"What we voted for in 1994 was transparency, freedom of expression and the right to be heard, but now we have a government that undermines all that. It's now about the elites driving their own agenda.

"We aren't part of any party looking to impose their platform, we are from all levels of the community coming together," Fumba said.

The group plans to camp outside Parliament until the joint session of Parliament on April 18.

Johannesburg

Hundreds of DA supporters, some draped in the South African flag, made their way to the starting point of their anti-Zuma march in Johannesburg on Friday.

"Today we are going to march for change," said Tebello Mokoena, a DA councillor, at the Westgate Transport Hub.

Mokoena said the party was marching to say "Zuma must go".

"Today is the day we say to [President Jacob] Zuma he must leave the country," Mokoena said.

"When he fired the ministers, why didn't he fire himself?," Mokoena asked the crowd. "We are tired of Zuma," he said.

Earlier, veterans of the Umkhonto we Sizwe (MK) had gathered outside Luthuli House, saying they were there to defend the "headquarters of the ANC" against anyone.

Mabel Rweqana of the MK veterans, said about 600 veterans had come from all over the country to protect the party and the building from any intimidation.

Durban

In Durban, people marched on the city's beachfront.

The DA's Zwakele Mncwango said that former president Nelson Mandela would have been proud of all those who marched.

Marchers carrying placards denigrating Zuma flooded the beachfront promenade.

Mncwango said Mandela would have been proud of the diverse following the march attracted.

"We are fighting the same battle. Some say this is an anti-Zuma campaign and some say they want a regime change. I am, like you, here because I love SA," he said.

"We have the choice to protect Zuma or protect the country and I have no doubt we will all choose the second."

Mncwango said that the country faced an economic crisis.

"We enjoy democracy because South Africans united against apartheid. Today we unite against the Zuma."

"We face a crisis. Only those with a sober mind can see this. Zuma loyalists cannot," he said.

"We need special classes for the ANC Youth League [ANCYL] if they think junk status only affects the rich," Mncwango added.

Meanwhile, a handful of ANCYL members have gathered at the party's regional offices in the Durban CBD ahead of their pro- Zuma march to the city hall.

The group, clad in ANC T-shirts, singing and chanting slogans, including some insulting the DA, which is also marching in the city.

Among the songs was Akukho DA izophatha la. Inkomo ingazala umuntu (No DA will govern. Over our dead bodies) and Voetsek. Leave Zuma Alone.

About 50 buses are expected to bring more ANCYL members to the march.

"We enjoy democracy because South Africans united against apartheid. Today we unite against ... Zuma."

Marchers are expected to start at the Absa branch where they will protest outside before proceeding to the city hall. Some carried placards denouncing Absa and asking what Zuma has done wrong.

Durban Transport buses have also blocked various major roads around the city.

The municipal buses have been parked, unattended, across the road on the M4 freeway, both north and south, the N3 near Spaghetti Junction, and at Umgeni Road. Rescue Care paramedic Garrith Jamieson said the reason for the abandoned vehicles was not known.

Durban Transport is the eThekwini Municipality's official bus service.

It is unclear if it is linked to the mass protect action taking place around the country. (TMG 07-04-2017)

ETHIOPIA: LOCAL FIRM LICENSED TO EXTRACT 4.9B TONNES OF POTASSIUM

Ethiopia's Ministry of Mines, Petroleum and Natural Gas has licensed locally based Circum Mineral Potash Private Limited Company for the extraction and development of potash mineral in the Dalol area of Afar State.

Briefing journalists on Saturday the country's Minister of Mines, Petroleum and Natural Gas Motuma Mekasa said the mining agreement provides access to the 4.9 billion tonnes of potassium contained within the 365 square kilometres license area for an initial period of 20 years.

He said the license is renewable indefinitely for a further 10-year period, provided that financial viability continues to be demonstrated.

The license enables the exploitation of potassium-bearing minerals, which exist at relatively shallow depths within the vast authorized area.

The minerals will be exploited by solution mining, claimed to be the lowest risk mining method suitable to the region, and will be processed by crystallization in solar ponds prior to final refining in a processing plant, the minister said.

The combination of these techniques, which are already claimed to have been proven by field trials in the licensed area, will return operating costs projected to be among the lowest in the global potash industry for both potassium chloride and potassium sulphate.

Upon operation, it is expected to produce more than two million tonnes of potash and creates 1700 jobs.

A road linking the project site with the Port of Djibouti is already under construction to speed up the production, Minister Mekasa said.

He said the government will continue its support to the company until the project is completed.

Up on the completion of the project, the company will dispose all leftover materials that could endanger human lives, property and the local flora.

Potash is used as a raw material for the production of chemicals, matches, grenades, medicaments, fertilizers, disinfectants, textiles, paints, soaps, glasses and ceramics. (APA 08-04-2017)

US FOREIGN AID, EXPLAINED

President Donald Trump seeks to fulfill his campaign promise to "put America first" in his proposed 2018 budget.

"This includes deep cuts to foreign aid," Trump said in his opening message to his proposed budget. "It is time to prioritize the security and well-being of Americans, and to ask the rest of the world to step up and pay its fair share."

His budget would slash funding for the State Department and U.S. Agency for International Development (USAID) to US$25.6 billion, down 28 percent from the current level. Although the budget doesn't specify how much USAID alone would lose, if enacted, these deep cuts would significantly disrupt America's ability to deliver foreign aid.

With foreign aid on the chopping block, it's important for Americans to understand how it works, who benefits from it and how U.S. contributions stack up. I've done that here while attempting to debunk three common myths:

1. The U.S. spends too much on foreign aid.
2. The U.S. spends more than its fair share on foreign aid compared to other countries.
3. Corrupt governments squander U.S. foreign aid.

My research is on nonprofits, which in the foreign aid sphere are often called nongovernmental organizations (NGOs). These groups are key actors in foreign aid. They deliver humanitarian services on the ground and, increasingly, are the direct recipients of foreign aid from governments such as the United States.

What is foreign aid?

Foreign aid consists of money, goods and services – like training – that official government agencies provide to other countries. Foreign aid falls into two broad categories: economic assistance and military (or security) assistance.

Economic assistance includes all programs with development or humanitarian objectives. That tends to include projects related to health, disaster relief, the promotion of civil society, agriculture and the like. Most economic aid dollars come from the State Department budget, including spending allocated by USAID.

According to data from the nonprofit Security Assistance Monitor, the top five recipients of U.S. economic assistance in 2015, the most recent year for which comparative data are available, were Afghanistan, Kenya, Ethiopia, Nigeria and Tanzania.

Official development assistance (ODA) constitutes the vast majority of U.S. economic assistance. This funding must be "concessional," which means that some portion of it must consist of grants rather than loans. Military expenditures and peacekeeping expenditures don't count.

Only countries that are considered low- and middle-income based on their gross national income (GNI) per capita are eligible. For example, Israel, the second-largest recipient of U.S. military assistance (see below), is ineligible for those overseas development funds, although it did receive $10 million in other economic aid in 2015.

While taxpayers are spending just a few bucks each on ODA, the impact is profound, saving millions of people from hunger, averting the worst of natural disasters like droughts and flooding, tackling life-threatening diseases like tuberculosis and malaria, and more.

Military aid includes military financing, which our allies use to buy weapons, funding intended to advance counterterrorism and anti-narcotics initiatives, and money spent on efforts related to military operations in Iraq, Afghanistan and other nations. Most military aid dollars come from either the State Department's or the Pentagon's budget.

The top five recipients of U.S. military assistance in 2015 were Afghanistan, Israel, Iraq, Egypt and Pakistan.

Myth #1: US spends too much on foreign aid

The United States consistently spends only about 1 percent of its budget on foreign aid – including military and economic support. The 2015 aid tab totaled $43 billion.

Americans tend to believe that their government spends a far bigger share of its budget on foreign aid than it does. In a survey the Kaiser Family Foundation published two years ago, it found that, on average, Americans believe that foreign aid accounts for more than a quarter of the budget. Only 5 percent of those polled answered correctly that foreign aid constituted 1 percent or less of total federal spending.

Myth #2: US spends more than its fair share

According to the Organization for Economic Co-operation and Development (OECD), the United States is by far the leading source of economic assistance dollars. In 2015, it contributed $31 billion in ODA, far outpacing the $18.7 billion spent by the United Kingdom, the second-biggest source of that kind of aid.

That only tells part of the story, however. The United States spends very little on foreign aid relative to the size of its economy, particularly compared with other rich countries. The U.S. spent about 0.17 percent of its GNI on ODA in 2015. By comparison, Sweden, the top contributor by this metric, gave 1.4 percent of its GNI in overseas development aid that year. The United States ranks among the bottom third of OECD countries, close to Portugal and Slovenia, in ODA spending.

In 1970, the United Nations General Assembly agreed that "economically advanced countries" would aim to direct at least 0.7 percent of their national income to ODA. Although developed countries have repeatedly mentioned this target in agreements and at summits since then, very few countries have reached that goal. In 2015, only six countries met the 0.7 percent target. The OECD average is just 0.3 percent – almost twice the 0.17 percent the U.S. provides.

Myth #3: Corrupt governments squander US aid

You may think that foreign aid consists of government-to-government transfers of money. But governments channel most aid through nonprofits, public-private partnerships, private companies like Chemonics International and John Snow Incorporated, and multilateral organizations such as the United Nations and the World Bank.

In fact, according to the OECD's Creditor Reporting System, only 37 percent of U.S. ODA went directly to governments in 2015 – and that includes other countries distributing the assistance rather than receiving it. The rest of that funding bypassed governments altogether: NGOs received 26 percent of the money, multilateral organizations 20 percent, and other organizations, such as universities and research institutes, 18 percent.

When Simone Dietrich at the University of Essex researched this question, she found that the United States chooses to outsource foreign aid to NGOs especially in countries like Sudan and Sri Lanka with bad governance and more corrupt leaders who are likely to squander or swipe those funds.

It's impossible to argue that corrupt governments never squander U.S. foreign aid. They do. But it is important to understand that most aid never enters the coffers of those corrupt governments in the first place.

Even without Trump's proposed cuts, US fails to lead

As Congress decides whether to follow Trump's lead by slashing foreign aid spending, lawmakers should take into account the fact that U.S. taxpayers already spend far less than our global peers on foreign aid.

Even without these prospective cuts, other countries, including Canada, the United Kingdom and Germany, are paying far more on economic assistance for the world's poorest people as a share of their economy than we do. Slashing foreign aid would damage U.S. credibility with our allies, reduce U.S. influence around the globe and – a group of more than 120 retired generals and admirals predict – make Americans less safe. (The Conversation 07-04-2017)

NIGERIA TO BUILD WINDMILL-POWERED BOREHOLES FOR HERDSMEN

The Nigerian government has resolved to construct windmill-powered boreholes for pastoralists across the country to enable them to provide water for their cattle.

Alhaji Mahmud Bello, National Coordinator, Grazing Stock Routes, Federal Ministry of Agriculture and Rural Development, said this on Saturday in Mararaba Dajin, Tafawa Balewa Local Area of Bauchi State.

He told herdsmen and farmers that the windmill-powered boreholes would replace the existing solar-powered boreholes, hand-pumped boreholes and other water facilities which were earlier provided by the government.

Solar-powered and hand-pumped boreholes at various locations in the country are no longer effective due to the proportion of the animals to such facilities.

Most of the facilities were faulty or vandalised.

The government had conceived plans to resolve the incessant conflicts between herdsmen and farmers across the country introducing the resuscitation of old livestock routes, demarcation of more cattle grazing reserves and pasture development as some of them.

Conflict between farmers and herdsmen over land has exacerbated in recent years. (APA 08-04-2017)

SCHENGEN BORDERS CODE: SYSTEMATIC CHECKS OF EU CITIZENS CROSSING EXTERNAL SCHENGEN BORDERS MANDATORY AS OF TODAY

As of today, Member States are obliged to carry out systematic checks against relevant databases on EU citizens who are crossing the EU's external borders, in addition to the systematic checks already being carried out on all third-country nationals entering the Schengen zone. Proposed by the Commission in a direct response to the attacks in Paris in November 2015 and the growing threat from foreign terrorist fighters, the new rules - adopted by the Council on 7 March - strengthen the management of our external borders. The revision ensures a good balance between the current security challenges and the need to avoid disproportionate impacts on traffic flows at border crossings. Alongside the ongoing roll-out of the European Border and Coast Guard, the reinforcement of the Schengen Borders Code reflects the EU's joint commitment to preserving the freedom of movement within the Schengen area and ensuring the security of EU citizens. (EU 07-04-2017)

SIERRA LEONE: CURRENT ACCOUNT DEFICIT WIDENS - IMF

Low iron ore export and the decline in donor support have resulted in the widening of Sierra Leone's current account deficit, the IMF has said.

According to a statement published at the conclusion of the IMF Mission to the country, talks between the IMF and the government over the possibility for a new programme would commence.

A 2013-2016 loan facility granted to Sierra Leone under the IMF's Extended Credit Facility expired at the end of last year. And since then, the country has had no programme with the IMF.

The IMF statement said that a team led by its senior official, John Wakeman-Linn, was in the country between March 14 and 28 to commence negotiations for a new arrangement.

According to the statement, part of the team's conclusion is that while the economy is expected to expand by 6 percent in real terms in 2017, the macroeconomic situation remains challenging.

It noted that end period inflation increased significantly in 2016 to 17.4 percent from 10.1 percent in 2015.

"Renewed iron ore exports contributed to a strengthening of the trade balance, but it was not enough to compensate for the decline in donor support," the statement noted, adding: "As a result, the current account deficit is estimated to have widened from 17.5 percent in 2015 to 19.9 percent in 2016."

The government, according to the statement, promised to ensure safeguard of macroeconomic policy and institute a package of structural reforms aimed at placing the country on the path of economic diversification. (APA 04-04-2017)

DANGOTE ACQUIRES LARGEST CRANE IN AFRICA

Business magnet Aliko Dangote is currently the owner of the largest crane in Africa after buying it from China's leading construction company, XCMG Construction Machinery Co Ltd.

The largest crane in Africa weighs about 1250 tons and was assembled in Nigeria. Assistant President and General Manager, Hanson Liu equally added that XCMG sold about 5000 units of various kinds of products to customers in Africa last year 2016.

He also added that as a market they are closely monitoring Africa on account of the continent holding promise as far as opportunities are concerned. However, they are presently deterred because of issues such as financial restrictions in some of the countries as well as insecurity.

Due to the high technology employed by the company, robots are a part of the manufacture process, raising questions as to whether or not this would increase unemployment in the world's most populated country.

The Assistant President responded referring to the robots at work in the factory as being there for purposes of quality assurance, asserting that customer satisfaction is key, not the number of people under their employ.

The XCMG Construction Machinery Co Ltd, is a government owned entity. It was first established in 1943 as a workshop during the war against Japanese aggression, with a 72 year history.

The company ranks fifth in the world, with over 30,000 employees. The company has also sold products to about 177 nations, and has to its credit built the largest tractor currently in Asia.

Highly considering investments in Africa, XCMG has underway plans in the pipeline with countries like Ghana, Egypt, Nigeria and Algeria within their sights although nothing has been finalized as yet.

The construction company considers skillful labour and favourable policies to include financial policies that would make transfer of funds easier as a determinant to investment and are presently increasing their shares in Africa.(CRO 27-03-2017)

WORLD BANK PROVIDES US$645M IN CREDIT TO ETHIOPIA

The World Bank's board of directors on Tuesday announced a total of US$645 million credit to Ethiopia to support the country's clean water provision, improve efficiency of trade logistics and industries' competitiveness.

"Of the total financing, $445 million will be used to enhance water supply and sanitation, $150 million to increase the efficiency of trade logistics and the remaining $50 million for the National Quality Infrastructure (NQI) Development Project aimed at improving the competitiveness of Ethiopian industries," Wambui Gichuri, Practice Manager, Water Global Practice at the World Bank said in a statement.

She noted that provision of access to safe and reliable water, improved sanitation and hygiene are key to improving the well-being and productivity of citizens and that poor water and sanitation is detrimental to the development of people, and is a major cause of stunting in children.

"The money is intended to reduce waterborne and sanitation-related health risks which disproportionately affect the poor, this operation supports the World Bank's twin goals of ending extreme poverty and promoting shared prosperity," Gichuri said.

The proposed project aligns with the urban development agenda of the Ethiopian Growth and Transformation Plan II, which regards urban centres as key economic agents, and sees addressing infrastructure gaps as a major priority, alongside job creation and housing.

It specifically calls for the expansion of sustainable potable water supply and improving urban sanitation.

The project is also consistent with Ethiopia's international commitments, including Sustainable Development Goals 6 and 11 on water and sanitation for all and cities respectively. (APA 04-04-2017)

UN FOOD AGENCY COMMITS MORE THAN $250M TO HELP END HUNGER IN ZIMBABWE

On Monday, the UN World Food Programme (WFP) pledged $253m to fund a five-year plan to end hunger in Zimbabwe, which is emerging from a devastating drought that left more than 4-million people in need of food aid in 2016.

An El-Nino-induced drought scorched crops and killed livestock in the Southern African nation, forcing the government to launch an emergency appeal for food from donors.

On Monday, the WFP representative in Zimbabwe, Eddie Rowe said the agency would move away from short-term food handouts to technical assistance to improve food security in the country.

"While maintaining strong humanitarian assistance, the WFP Zimbabwe's new country strategic plan focuses on supporting longer-term national social protection and resilience efforts, strengthening the systems and institutions needed to help achieve zero hunger," Rowe told reporters.

Rowe said the WFP planned to spend $53m of the $253m budget in 2017.

The WFP says recurrent climate-related disasters, poverty, poor access to water, a fragile economic environment, liquidity challenges, low agricultural output, limited access to markets, and HIV/AIDS were the major causes of hunger in Zimbabwe.

Zimbabwe expects to produce 3-million tonnes of grain in 2017 following above-normal rains, and now expects higher economic growth than initial forecasts, finance minister Patrick Chinamasa said last month. (Reuters 03-04-2017)

UEMOA MEMBERS' GDP UP BY 6.8PC LAST YEAR

The gross domestic product (GDP) of the West African Economic and Monetary Union (UEMOA) grew by 6.8 percent last year from 6.6 percent in 2015, APA can report Tuesday from the Central Bank of West African States (BCEAO).

This achievement was revealed by the leaders of the apex bank at the meeting of the Council of Ministers of the West African Economic and Monetary Union (UEMOA) held in Dakar on March 31, 2017.

"Projections for 2017 bank on a 7-percent GDP growth, supported mainly by the tertiary and secondary sectors," BCEAO officials added.

On the other hand, UEMOA ministers urged member states to step up their efforts to ensure budget consolidation, enhanced quality of public investment and private sector development.

The Council of Ministers particularly noted the need to continue efforts to mobilize tax revenues and rationalize public expenditures, to give the budget deficit an orientation enabling it to comply with the community's standard of 3 percent of GDP by 2019.

The Council of Ministers also noted the decline in the general level of consumer prices, with inflation falling from minus 0.1 percent in the third quarter of 2016 to minus 0.3 percent in the fourth quarter of 2016, supply of foodstuffs and lower prices at the fuel pump in most member states of the union.
(APA 04-04-2017)

NEW DEVELOPMENT BANK AND EIB SIGN MEMORANDUM OF UNDERSTANDING TO STRUCTURE FUTURE COOPERATION

European Investment Bank and New Development Bank signed Memorandum of Understanding to structure future cooperation between the two institutions. The MoU was signed by Mr. K.V. Kamath, the President of the NDB and Mr. Werner Hoyer, the President of EIB on the sidelines of the NDB Second Annual Meeting in New Delhi, India.

According to the MoU, the NDB and EIB intend to explore cooperation in the areas of infrastructure, environment, and sustainable development projects in accordance with their respective mandates and policies. The two banks will seek to co-finance projects of mutual interest in eligible countries, including projects that contribute to the enhancing of sustainable infrastructure as well as engage in other initiatives.

“I am pleased to sign this Memorandum of Understanding together with EIB President Mr. Werner Hoyer. We greatly appreciate the support offered by EIB during the formation stage of NDB and look forward to further advancing our cooperation,” said Mr. K.V. Kamath, President NDB. “The MoU structures our cooperation and lays the groundwork for working together for many years ahead. Collaboration between NDB and EIB will improve the ability of both banks to meet the expectations of their respective member states,” he added.

“Establishing partnerships with key national and global institutions is essential for NDB in order to provide the best possible products and services to our members. We will strive to make a positive difference by complementing the efforts of other multilateral development banks, including EIB,” said Mr. K.V.Kamath.

“Strengthened cooperation, enhanced knowledge sharing and stronger institutional and operational collaboration between leading international financial institutions is crucial to develop synergies and more effectively unlock new investment that improves people’s lives and transforms economic opportunities. The European Investment Bank and New Development Bank have worked closely during the formation stage of the NDB and we look forward to building on this track record to jointly back transformational infrastructure around the world. As the EU Bank, we share the New Development Bank’s commitment to support sustainable development and climate related investment. We look forward to enhancing this partnership in the years ahead,” highlighted Werner Hoyer, President of the European Investment Bank. (EIB 01-04-2017)

SENEGAL ALLOTS CFA100 BLN TO REGIONAL AIRPORT MORDERNIZATION

The Director General of the Senegal Airports Agency (ADS), Papa Mael Diop, has announced the allocation of CFA 100 billion by the government to modernize regional airports across the country.

“In its policy aimed at strengthening and modernizing regional airports, Senegal will disburse CFA100 billion to upgrading aerodromes. This will help boost tourism,” Diop told a press briefing organized by Corsair Airline on Monday as part of events marking Senegal’s 57th independence anniversary.

According to Mr. Diop, ADS intends to consolidate the benefits accured from modernizing the country's airports, which have witnessed a 6-percent growth rate in recent times.

"This shows that the authorities in Senegal have succeeded in making her an attractive destination, given that major airlines are present in the country. With the launch of our national carrier, Air Senegal SA, we will increase arrivals from two to three million passengers" he projected.

Mr. Diop said Corsair Airline is helping Senegal develop its airport platform, turning Dakar into a sub-regional hub.

"The rates offered by Corsair allow the largest number of people to travel on regular and direct flights. Customer satisfaction is guaranteed. Last year, Corsair had an excellent filling rate of 89 percent. With a flight program of up to seven flights a week, Corsair offers more flexibility to its customers, an opportunity especially for the business segment" Eric Trautmann, the airline's Operations Manager explained.

Last year the airline flew over 170,000 passengers between Senegal and France.

Corsair has been operating in Senegal for more than 25 years and maintains a presence in the socio-economic development of the country. (APA 04-04-2017)

UGANDA LIFTS BAN ON EXPORT OF DOMESTIC WORKERS TO SAUDI ARABIA, JORDAN

The Ugandan government has lifted a ban it earlier imposed on the export of domestic workers to Saudi Arabia and Jordan.

Uganda's Gender and Labour Minister Janat Mukwaya said on Tuesday that the ban was lifted following the signing of agreements with the two Middle East countries to guarantee the safety of Ugandans who go to these countries seeking greener pastures.

She said in an interview that the Ugandan government had put in place measures that would promote the rights of locals who go to work abroad.

According to Mukwaya, unlike in the past, the government would now only allow Ugandans to work in those countries that have bilateral agreements with the East African country on the export of labour. Only licensed companies would also be allowed to recruit.

"All domestic workers will be provided with a telephone sim card on arrival by government," Mukwaya said.

She said recruitment companies should develop internal complaints and redress mechanisms for domestic workers.

"The government will also set up call centres and deploy Ugandan supervisors charged with the responsibility of monitoring the condition of Ugandans while on duty abroad," the minister said

Ugandans seeking to go abroad for work would now sign a four-party employment contract to be signed both in Uganda and recipient countries, among other conditions.

The ban was imposed in January last year following rising cases of abuse of Ugandan girls in the Middle East, including sexual molestation, torture and denial of pay.

The growing concern was that domestic workers exported to work in foreign countries, especially in the Middle East and Far East, were being conscripted into sexual slavery, tortured and dehumanized.

Uganda has reached agreement with countries such as Qatar which needs 30,000 workers from Uganda, and is also targeting countries like Bahrain, United Arab Emirates and Turkey, among others, for more partnerships.

Some 65 companies have been licensed to export labour. (APA 04-04-2017)

EU FAMILY & CHILD RIGHTS PROJECT ENDS AFTER PROVIDING SUPPORT TO THOUSANDS OF CHILDREN AND FAMILIES IN EGYPT

The EU-funded project in Egypt “Family & Child Rights” (FCR) held its closing conference last week in Cairo. With an EU grant of EUR 2 million, the project directly benefitted 5000 children and 2000 families. FCR was implemented by the National Council of Childhood and Motherhood (NCCM), in close collaboration with important national partners and civil society organisations. A good practice that will contribute to the sustainability of this project was the creation of the 'Child Rights Advocacy Groups'. Under these groups, girls and boys were capacitated to act as 'Child Rights Ambassadors', after acquiring sufficient knowledge in child rights, including constitutional rights, these children communicate with their peers on important issues such as child abuse, Female Genital Mutilation (FGM), and early marriages in addition to other practices which affect their rights.
Moreover, more than 700 women and girls were capacitated to establish their own microenterprises. These women were empowered to ensure a better living for their children. (EEAS 04-04-2017)

CAMEROON BEGINS BOOSTING COCOA, COFFEE SECTORS

The Agriculture and Rural Development Ministry (MINADER) in Cameroon has announced it was strengthening its seed project to boost production in the cocoa and coffee sectors.

This was revealed at the 8th session of the steering committee of the Cocoa-Coffee Seed Project (CCHS) on Tuesday.
According to Agriculture Minister, Henri Eyebe Ayissi, this session “which is held in a particular context, must focus on the contribution of the agricultural sector in the development of our country.”

In other words, it is a matter of contributing to the increase and extension of seed areas, the production and dissemination of high-yielding plants, the setting up of new plots, capacity building for producers and people tending to nurseries.

The improvement of production, the minister said, is explained by the fact that the cocoa-coffee sector represents 3 percent of the country’s GDG, 15 percent of the primary sector and 30 percent of non-oil exports.

In 2016 176,322 hybrid cocoa pods were distributed, more than 140,000 in 2015.
For Arabica coffee, the objective was to maintain the production of 1,979 kg of seeds and to put at the disposal of planters, 2,459,216 rooted cuttings, against 2,500,000 in 2015.

For 2017, some 200,000 cocoa pods are expected, representing an increase of 16.7 percent, while 2,500 kg of seeds for Arabica coffee and 3,500,000 cuttings for Robusta coffee are projected.
(APA 04-04-2017)

THE ANGLOS ARE COMING TO FRANCOPHONE AFRICA WITH AN APPETITE FOR INVESTMENT


Outdoor money changer with CFA francs in Somaliland

A couple weeks back in the Istanbul airport, a Nigerian inquired about my final destination. Mauritania and Senegal, I responded.
In a deep voice, the Nigerian asked, “Have you been to Nigeria? Why would you go anywhere else in West Africa other than Nigeria?”
The Nigerian economy contracted nearly 2 percent in 2016 and may grow less than 1 percent in 2017. But the Nigerian attitude remained strong in this man: “Nigeria is the biggest economy. OK Ghana is a player, but the rest are small players.”

The very concept of “Africa is Nigeria, then Kenya, South Africa, Ghana and maybe one or two other countries” could possibly explain why the new joke in French Africa is: the Anglos are coming.

It is not some sly wordplay on the history of colonialism. It is instead poking fun at the very concept of Africa that has governed investment memorandums in the same way the MLA Handbook provides clear in-depth guidelines on citing legal and legislative materials for government documents.

As one investor described it at the SuperReturn Africa Private Equity Conference in December, “laissez-faire” was the only French word allowed in investment memorandums in recent history. French words such as Cote d’Ivoire, Sénégal and Guinée raised eyebrows and required extra vetting.

Now the “Africa” tag is becoming more expansive as investors bolster their perspectives and scope of investment as it relates to the continent. The Anglos are coming — that is, to French Africa, with an apparently insatiable appetite for region.

Here are seven countries for those investors to focus on:

Senegal

Senegal started this decade trailing other African economies with less than 5 percent GDP growth. But with about 6.5 percent growth in 2016 — the largest percentage in more than 10 years — and an estimated 7 percent growth expected in 2017 and 2018, the country is poised to be one of the fastest growing economies in Africa. Kosmos Energy’s offshore gas discovery is the big byline in this growth story with officials promoting gas-to-power as the future. Investors accordingly chase power generation opportunities as well as mining and drilling services companies in the country.

Logistics and warehousing is also an opportunity, particularly since Senegal sits at the intersection of regional shipping and trucking routes. The country’s leadership is committed to modernizing Senegal’s infrastructure, with a commitment to build a high-speed train linking the new Blaise Diagne International Airport and Central Dakar. Similar projects to improve roads and other methods of transport will underpin the growth potential for manufacturing and heavy industrial companies, both for local production and export.

Cameroon

Cameroon is quietly plowing ahead with its economic strategy, with GDP growth projected at around 5 percent in 2017 and 2018. President Paul Biya concerns investors with his age and no apparent successor in line for the party. That aside, his growth plan for energy and infrastructure appeals to foreign investors. Load shedding has burdened local industry and manufacturing. Changing this situation is a top concern. That said, if a company has access to power, it can provide high returns. Food processing presents unlimited opportunity. Labor is cheap, raw materials are inexpensive and buyers such as Nigeria, Congo, Central African Republic and Gabon are open to importing finished products. Light manufacturing may follow as a sector to consider in the near term. Plastic bottling and packaging are also major investment opportunities in a country with a significant rubber supply.

Cote d’Ivoire

Cote d’Ivoire is the star child of emerging markets. The World Bank estimates that it may remain Africa’s fastest growing economy in 2017. Its National Development Plan, pushed by two politicians with strong credentials – President Alassane Ouattara, a former economist at the International Monetary Fund, and Ivorian Budget Minister Abdourahmane Cissé, a former Goldman Sachs trader – is drawing hungry investors into the country. The promise of extensive grants and credits to support renewable energy projects, such as the 375MW Songon gas-to-power plant, has infrastructure-focused funds and developers scouring the country for opportunity. Ouattara pledges to develop Cote d’Ivoire into a regional energy hub. It already exports to Benin, Burkina Faso, Ghana, Mali and Togo. Cement and construction companies will benefit from these projects.

The focus on energy and infrastructure also suggests good times for consumer goods companies. Ivoirians increasingly have more money to spend and with better energy and infrastructure, local companies can gradually meet their demands. Numerous foreign companies have entered the market for various goods – Unilever with its mayonnaise factory in Abidjan, Heineken with its beer factory, and Bel with its cheese factory. A growing consumer goods industry could also create great export opportunity for a country that already has interested buyers on its borders.

Democratic Republic of Congo

The Democratic Republic of Congo (DRC) has a lot of unrecognized (and unappreciated) upside. The DRC economy slowed in 2015 to around 6.9 percent from 9.5 percent in 2014 according to the World

Bank. But growth is forecast to approach 8 percent in 2017 and 2018. The country has a large consumer base. Its estimated 80 million-plus population is less than 50 percent urbanized. There are opportunities in infrastructure and energy, especially in Kinshasa and Lubumbashi. With any improvement in energy and logistics (including warehousing), consumer goods and agri-processing can continue to grow. These are not big-ticket investment sectors but rather present opportunistic high returns on investments in small- and medium-sized enterprises.

Financial services is also a major opportunity, as government officials are pledging to strengthen the banking sector and potentially advance privatization and growth in the insurance industry. Mining is another major industry in the country. A young mining code and accompanying regulations raise concerns for investors unfamiliar with the country's mineral industry. Yet the upside is massive if you can navigate the uncertainty or inertia in local politics and negotiations.

Mali

This may seem like a unusual economic bet in the region, but Mali has come a long way since the coup in 2012, the rebellion in the north in 2013 and the hotel attack in 2015.

Foreign efforts in the country, particularly by the French to strengthen security, have had some success. Foreign investors are cautiously making visits to the capital Bamako and considering long-term investment. The economy grew 5.4 percent in 2016 and is expected fall slightly to 5.3 percent growth in 2017. Mining and agricultural growth are drivers behind these numbers, with gold, cotton and grain as the big cash commodities. Mining services and agro-processing accordingly are strategic investment opportunities over the next few years. And, as local banks struggle to meet the demand for debt and equity financing, private investors will see high return opportunities in a noncompetitive investment market — deal prices remain relatively low at the moment.

Burkina Faso, a wild card

Huh…what…where? Burkina Faso is not a sexy pick for many investors. But its expected 6-percent growth in 2017 and 2018 is notable. It is Africa's leading cotton producer. Can farmers get better returns? It is a big gold producer in Africa, but that is not the focus with the investors who land in the capital Ouagadougou. What's appealing to investors is President Roch Marc Christian Kaboré's interest in pushing the infrastructure sector (especially power) as well as strengthening the agriculture sector. There may not be much focus outside those two sectors in 2017 and 2018 except possibly mining. That may not be a bad thing — we are talking about betting on a country that saw a foiled coup in 2016.

Gabon, a wild card

Well done Carlyle Group. Gabon will no longer fly under the radar after Washington, D.C.-based Carlyle — the world's largest private equity fund — purchased Royal Dutch Shell's onshore assets in Gabon for $587 million. Petroleum services, infrastructure and timber are rising on the radar for crafty investors.

Financial services and ICT are also of interest. Gabon is a stable provider of services and networks to neighbors such as the Republic of Congo and Equatorial Guinea. (AFKI 30-03-2017)

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