

# MEMORANDUM

N° 84/2017 | 06/05/2017

More than 1,811 Daily Memoranda issued from 2006 to end of 2016, with 21,732 pages of Business Clips issued covering all African, European Institutions and African Union, as well as the Breton Woods Institutions. The subscription is free of charge, and sponsored by various Development Organisations and Corporations.

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.

Should a reader require a copy of the Memoranda, please address the request to [fernando.matos.rosa@sapo](mailto:fernando.matos.rosa@sapo) or [fernando.matos.rosa@skynet.be](mailto:fernando.matos.rosa@skynet.be).

## *Extra Week End Edition*

### SUMMARY

World Economic Forum on Africa: Tackling the problems of fragile states in Africa	Page 2
Drought limits production of hydroelectric power in Mozambique	Page 3
Ivory Coast, Senegal and other African nations feature on investors' radars	Page 3
Mozambique's public companies should seek to pay off debts, says PM	Page 5
Angola receives US\$6.9 billion from the Export-Import Bank of China in 2000-2015 period	Page 5
European Training Foundation South Neighbourhood entrepreneurship assessments kick off in Tunisia	Page 6
Poverty decreasing in Congo-Brazzaville	Page 7
Dangote Industries, Blackstone to build 100 MW solar plant in Nigeria	Page 8
S/African investors interested in Cameroon energy sector	Page 8
Tanzanian invites investors for Natural Gas Distribution	Page 9
CFA12.2b earmarked for new Ouagadougou airport	Page 9
South Africa: Summit to promote Gauteng-based infrastructure projects	Page 10
Sierra Leone: Proliferation of fake Sim Cards costing government hugely	Page 10
Macau Legend to construct casino resort in Cape Verde	Page 11
U.S. food aid arrives in Sudan	Page 11
Kenya seeks to enhance slum upgrading programme	Page 12
Roxgold wants to expand its gold project in Burkina Faso	Page 13
US Foreign aid: A waste of money or an aid to world stability? Here are the facts	Page 13

## WORLD ECONOMIC FORUM ON AFRICA: TACKLING THE PROBLEMS OF FRAGILE STATES IN AFRICA

In recent years there has been an uptick in violence and conflict-related deaths in Africa, all of which is driving an increase in state fragility on the continent.

A lack of governance, inequality and weak institutions are all major drivers, according to a group of panelists at the World Economic Forum on Africa, who said that in order to better understand fragility, it is important to look at some of the root causes and then address solutions.

Zimbabwe's President Robert Mugabe was a last-minute addition to the panel, a choice some observers found interesting given the civil conflicts and economic disasters that have befallen the country in recent years. But Mugabe argued that not only was his country not a fragile state, but that it was in fact the most highly developed country in the continent after South Africa.

"We are not a poor country. We can't be a fragile country. But if someone wants to call us a fragile country they are free to do so."

He said that there are two causes of fragility a lack of jobs and income inequality, and ideological or religious differences.

Winnie Byanyima, the executive director of Oxfam International and a co-chair of the summit, has been outspoken throughout about the failures of African leadership. She took the opportunity to make a point that drew both laughter and applause, in no small part because she was seated next to Mugabe on the stage.

"You have people with power in the capital who rule us because they have the radio and the guns but have no legitimacy because they don't have empowered people and empowered communities," she said. "That's the problem in our continent: weakness in institutions where people hold the power and can drive their own development."

### Drivers of fragility

Inequality, weak institutions and a lack of empowerment of people and communities are key drivers of instability, Byanyima said. Countries must not abandon segments of their populations and must ensure that all citizens have opportunities so violent extremists do not come in to take over, causing further suffering to marginalized communities.

Byanyima used the example of Ebola as an example of the dangers of fragile states. Sierra Leone and Liberia were hit hard by the virus and it became a pandemic in large part because those countries were fragile states with weak health and governance systems. By contrast Uganda has seen Ebola four times — but each time, even with meager means, Uganda was able to contain the problem, she said. That happened in large part because the country has build a robust and inclusive local government system. Liberia and Sierra Leone, by contrast, didn't have the same structures or empowered communities so there was no effective vehicle to deliver support, she said.

One underlying cause of fragility is fragile relationships — between different generations, the rich and the poor, urban and rural, said Victor Ochen, the founder of the African Youth Initiative Network.

If a generation feels abandoned and government leaders treat any attempt at conversations as a protest, there is a lack of trust.

"That trust between the institution, which is key, is the reason for why we're seeing more sustained violence and mistrust in the community," Ochen said. "What we are lacking at the governance level is integrity: the integrity of power, the integrity of position, the integrity of action and we're not accountable to our own system, to our own people and this makes it very difficult for people to get the trust which is needed, which is key in building a nation."

Young people should be able to present their ideas and should be tools for peace and development, he said.

### Solutions

There are a number of ways that fragility can be addressed, including building more inclusive societies, improving governance and even finding ways to harness remittances, the panel heard.

Finding ways to securitize remittances could help protect fragile situations. In Somalia about \$1.6 billion of the total of \$2.6 billion in flows into the country comes in the forms of remittances, said Donald Kaberuka, a special envoy to the African Union Peace Fund and the former president of the African Development Bank.

Another key factor to address fragility is to avoid what he calls “a situation of permanent losers.”

“There cannot be peace and stability if you have a people in a particular geography who see themselves as permanent losers,” Kaberuka said. “I do believe we have to give attention to it.”

Inclusion and diversity is therefore key to tackling fragility, but so is responsible leadership, Byanyima said.

“It also means retiring, leaving office, so that others also have a chance to lead. That’s important,” she said. “Elections that are free and fair and reflect the will of the people ... those are the things that are lacking in our governance.”

Perhaps not surprisingly, Ochen said that youth can be a critical part of solving the challenges of fragility but to do so leaders must tap their potential.

“Leaders must reach a point where they resolve their differences and stop problems because people are dying,” he said. “People need to be told that when you get to power you are leading for everybody, you are creating a society where every citizen benefits and they must realize that.”

Christopher Mikkelsen, the co-founder and co-CEO of Refugees United, said that information is critically important in addressing fragility.

“I think that fragile states exist not out of a lack of will but out of a lack of want and I would ask the leaders of these states to reflect on who the future belongs to and educate them and in the process educate themselves.”(DEV 05-05-2017)

## **DROUGHT LIMITS PRODUCTION OF HYDROELECTRIC POWER IN MOZAMBIQUE**

The Cahora Bassa Hydroelectric Dam (HCB) will reduce electricity production due to the low level of water in its reservoir, caused by a drought in the last few years in the sub-region, announced the chairman of the company that operates the dam on the Zambezi river in the Mozambican province of Tete.

The water in the reservoir will be rationed, and the company will shut down two of its five turbines to produce electricity, lowering output to 1,200 megawatts.

Information available on the company's website for 2 May said that the water level in the reservoir is 319.9 metres (compared to average sea level), which is an improvement on the 312 metres recorded at the end of 2016, the lowest level of the last 26 years.

Half of the electricity produced in 2016 was sold to South Africa's public electricity company, Eskom, about 4% was exported to Zimbabwe and the rest was consumed in Mozambique.

The newspaper also reported that the drought is affecting other dams, such as the Pequenos Libombos dam, which supplies water to the capital, Maputo.

Data from the Mozambican National Water Resources Management Office shows that the reservoir of this dam is at 28% capacity at the end of the rainy season, forcing restrictions on water supply. (05-05-2017)

## **IVORY COAST, SENEGAL AND OTHER AFRICAN NATIONS FEATURE ON INVESTORS' RADARS**

Investors targeting Africa are broadening their horizons in their search for yield as sluggish growth and policy uncertainty in Nigeria and SA, the continent's biggest economies, weigh on returns.

Ivory Coast, Senegal, Ghana, Rwanda and Ethiopia are among countries featuring on the radar screens of investors attending the World Economic Forum's annual gathering of the continent's business and political leaders being held in Durban.

All five economies should grow at more than the double the sub-Saharan region's average forecast rate of 2.6% this year, the International Monetary Fund said in April. It expects both Nigeria and SA to expand 0.8%.

"There is a more nuanced story in Africa," Razia Khan, Standard Chartered's head of Africa macro research, said in an interview at the forum. "There are pockets of strength and turnaround. Local factors matter much more than they did in the past."

Senegal and Ghana are set to benefit from recent oil discoveries. Both their governments, along with those of Rwanda, Ivory Coast and Ethiopia, have also implemented policy changes to attract investment and made it easier for businesses to operate.

Africa attracted \$94.1bn of foreign direct investment last year, up from \$71.3bn the year before, accounting firm EY said in its 2017 Africa Attractiveness report, released on Wednesday. SA, Egypt, Morocco, Kenya and Nigeria accounted for 58% of the foreign direct investment projects.

### **Capital inflows**

Fewer than 10 of Africa's 54 nations probably have sufficiently developed and big-enough economies with the potential to attract significant capital flows and transactions, said Martin Kingston, the CEO of NM Rothschild & Sons.

"We all recognise that we need to be very selective about the markets we focus on and the size of those markets," he said. "We have seen pockets of real opportunity but also seen substantial concerns about the short-term direction and the ability for policy makers to give effect to the policies that they've articulated."

SA's investment appeal has been dented by an intensifying battle for control of the ANC and President Jacob Zuma's March 31 decision to fire Pravin Gordhan as his finance minister — a move that prompted S&P Global Ratings and Fitch Ratings to downgrade the nation's credit rating to junk.

Nazmeera Moola, co-head of fixed income at Investec Asset Management, foresees SA's economy growing 1% or less this year and does not anticipate a significant improvement under the current political leadership. The ANC is due to hold internal elections at a December 16-20 conference in Johannesburg.

### **'Bare minimum'**

"Business is going to be doing the bare minimum in terms of investment until there is clarity in terms of the political outlook," Moola said in an interview in Durban. "Given the improvement we've seen in commodity prices, given the improvement we've seen in exports, we really should see investment growing and I fear that's not going to happen."

While Nigeria, which has Africa's biggest population and vies with Angola as the continent's largest oil producer, was an investor darling when crude prices were high, it fell out of favour as commodity prices slumped and the economy contracted in 2016. The nation's appeal has been further eroded by the Reserve Bank's restriction of access to foreign exchange and its intervention in determining the exchange rate.

"There is a fairly long road ahead for Nigeria to reform its institutions, get itself back on its feet, broaden the economy to the extent that it's no longer so reliant on oil," said Chris Newson, Investec's director of private markets. "There are aspects that are looking a bit more encouraging but I wouldn't be unrealistic. It's going to take a long time for this to really start moving."

While investors are seeking opportunities in Nigeria, Kenya and especially Ethiopia, French West Africa is a "region of interest", particularly Ivory Coast and Senegal, said Gary Senior, a corporate partner at Baker & McKenzie's London office.

To realize their full investment and growth potential, African economies needed a sustained period of structural transformation, according to Khan.

"What you really need is a period of several decades where 6% to 7% growth can be sustained," she said. "We are not seeing that anywhere in the region yet." (Bloomberg 05-05-2017)

## **MOZAMBIQUE'S PUBLIC COMPANIES SHOULD SEEK TO PAY OFF DEBTS, SAYS PM**

Public companies Proindicus and Mozambique Asset Management (MAM) should restructure their business models to ensure debt servicing, the Mozambican prime minister said in Maputo on Thursday.

Carlos Agostinho do Rosário said that although the loans were guaranteed by the State, “it is incumbent on the two companies and their respective boards of directors to do everything they can to service the debt, including renegotiating the conditions with the respective creditors.”

The prime minister, speaking in parliament at a government question and answer session, said that converting into sovereign debt, or not, would follow the rules of the respective contracts, after all possibilities of payment have been exhausted by the companies and in line with what is determined by the Attorney General’s Office.

“This is why we say that registering the two guarantees in the General State Accounts does not change their nature, it only serves to register them in public accounting and to ensure control, monitoring and supervision by the Administrative Court,” he said, according to Mozambican state news agency AIM.

Loans in the amount of US\$2 billion taken on by the two companies as well as publicly owned tuna company Empresa Moçambicana de Atum (Ematum) is being audited by Kroll Associates UK, which is due to present a report to the Attorney General’s Office on 12 May.

In April 2016, the International Monetary Fund (IMF) and other Mozambican partners decided to freeze the direct support they provided to the State Budget, claiming that the government omitted the real size of the debt and made resumption of that support dependent on international and independent auditing. (05-05-2017)

## **ANGOLA RECEIVES US\$6.9 BILLION FROM THE EXPORT-IMPORT BANK OF CHINA IN 2000-2015 PERIOD**

Between 2000 and 2015, Angola was the second African country to which the Export-Import Bank of China (Exim) granted the most loans, totalling US\$6.9 billion, according to analysts from the China-Africa Research Initiative, of US Johns Hopkins University.

The analysts said Angola still needed Chinese funding and that the money lent to Angola was only surpassed by credit granted by the Chinese state-owned bank to Ethiopia, totalling US\$7.2 billion.

Data from a comparative study of China and US trade and finance policies for Africa showed that credit to Angola accounted for 11% of total Chinese Exim Bank financing to Africa, the same as to Ethiopia and higher than Kenya (10%), Sudan (8%), Cameroon (6%) and the Democratic Republic of Congo (5%).

Neither Angola or any Portuguese-speaking country appears on the list of nations that received the most credit from the US Exim Bank, 50% of which went to South Africa.

In 2015, Angola topped the list of African exporters to China with 16% of the total, and was the third largest African exporter to the United States, with 2.9% of the total, and also the seventh largest market for US exports to Africa and the eighth largest market for Chinese exports to the continent.

“As of 2011, however, US oil imports from Angola, as from other suppliers, have dropped consistently and dramatically. Chinese imports from Angola, on the other hand, grew rapidly between 2002 and 2011 and remained stable between 2011 and 2014, before falling in 2015,” the study said.

The study produced by the Johns Hopkins University research centre points out that China’s commitment to Africa “emphasises the needs for infrastructure” of the continent, with construction being one of the main destinations for Chinese loans, along with transport (roads, railways, airports, and ports).

“The fluctuation of commodity prices is important for both the United States and China in Africa. Oil is the main African export to the US and China but, because of the fall in its price, the value of American and



Chinese trade with Africa has declined in recent years,” said the authors – Janet Eom, Jyhjong Hwang, Lucas Atkins, Yunnan Chen, and Siqi Zhou.

Figures recently compiled by Reuters showed that China’s funding to Angola, including the latest loans from the Exim Bank and other financial institutions, totals over US\$20 billion, and has become increasingly necessary due to the sharp drop in oil revenues over the last few years.

The latest report from the Economist Intelligence Unit (EIU) on Angola said that “Chinese sources are predominant,” in new loans taken on by the country since November 2015, of at least US\$11.5 billion” and adds that the government will continue to seek funding from China. (02-05-2017)

## EUROPEAN TRAINING FOUNDATION SOUTHERN NEIGHBOURHOOD ENTREPRENEURSHIP ASSESSMENTS KICK OFF IN TUNISIA



The next series of [Small Business Act](#) (SBA) assessments, to be carried out by the European Training Foundation (ETF) in the Southern Mediterranean partner countries, has begun in Tunisia. The focus of the latest assessment round is threefold: how entrepreneurship is promoted in secondary-level education and training; women’s entrepreneurship; and skills to support SME internationalisation.

Recent policy developments and good practice across these three key areas is being captured by cross-stakeholder focus groups in the ETF’s partner countries. Partnerships that bring policymakers and education and training providers together to share intelligence, ideas and forward-looking perspectives, is a feature of the ETF’s approach to its work to support the SBA.

*“This helps both government and the training community determine how best to improve entrepreneurship,”* says Najmeddine Boukhari, Head of Department of Tunisia’s Agency for the Promotion of Industry and Innovation.

On entrepreneurship in education and training, the focus group recognised the value of sharing experience between general and vocational education. While more concerted efforts are needed in training for women entrepreneurs this must be co-worked with a wider drive to empower women in businesses concluded one of the focus groups.

While skills for SME internationalisation is considered important, particularly for Tunisia’s EU trade, the focus group confirmed skills for firms operating in the domestic market is crucial, underlining the importance of training development in the country.

The SBA is an important driver of the ETF’s work with partner countries to raise the profile of entrepreneurship and SME skills. SBA assessments in the remaining Southern Neighbourhood countries are scheduled for May and June. (ETF 04-05-2017)

## POVERTY DECREASING IN CONGO-BRAZZAVILLE

Poverty has generally declined in Congo-Brazzaville in ten years, from 51 percent in 2005 to 36 percent in 2015, the resident representative of the World Bank said in Brazzaville on Wednesday.



Djibrilla Issa released a report by the international financial institution entitled: "Education, Jobs and Social Protection for Sustainable Poverty Reduction."

"This decline in poverty is a consequence of the strong economic growth in the Congo during the period under review and the improvement of the level of education," Djibrilla Issa said.

Although the government has made considerable efforts in improving people's living conditions by investing in infrastructure, health and education, the growth reported has not been sufficiently inclusive, according to the report.

In this regard, the World Bank representative continued, the report highlights the gap between the country's two main cities, Brazzaville and Pointe-Noire, with the rest of the country.

While the nation's capital city shows a 20-point decrease in the alleviation of poverty, Pointe-Noire is credited with 13 points (2005-2011), but the rest of the country has seen poverty decrease by 64 percent in 2005, against 69.4 percent in 2011.

Going by this, Djibrilla Issa invited the Congolese authorities to invest in human capital, provide better basic social services to the population, increase agricultural productivity and improve the marketing of farm products.

The state must also support the development of a job-creating private sector, increase the frequency of data collection on poverty, with a view to eradicating it permanently, the report went on.

Justifying the publication of this report, Djibrilla Issa stressed that "it was important for the World Bank, which has begun to elaborate its support partnership framework for the Congo for 2017-2021, to carry out an analysis of the situation of poverty in order to better guide our actions and make them more effective."

"The World Bank, together with its member countries, has set itself two very specific goals: reduce extreme poverty by 2030 and promote shared prosperity by reducing the poverty rate to 3% and inequality,

and ensuring that the poorest 40 percent have above-average income growth."

(APA 03-05-2017)

## DANGOTE INDUSTRIES, BLACKSTONE TO BUILD 100 MW SOLAR PLANT IN NIGERIA

The U.S. [Trade](#) and Development Agency has awarded a grant to Nigerian multinational industrial conglomerate [Dangote Industries](#) Limited and African infrastructure investor BlackRhino to carry out the viability study for a 100 MW solar plant in Nigeria.

BlackRhino is completely owned by Blackstone, one of the biggest alternative asset managers in the United States.

The plant would be built in Kano State, in the north of Nigeria, where the two companies are also preparing to put up a 1 GW coal power plant.

USDITA said the viability study, which will be carried out on a cutthroat basis, is intended to evaluating grid capacity and constancy.

According to earlier media reports, the two companies are planning to mutually invest up to \$10 billion in renewable energy and grid infrastructure projects in the Kano State and across south east Nigeria. In Kano State, Dangote Industries and BlackRhino are also the scheduling the construction of a 1 GW coal power plant and a gas pipeline project.

In the southern part of Nigeria, BlackRhino is also working on a gas-fired power plant, which the company calls one of the lowest-cost baseload power plants in the nation, and a linked transmission line. Dangote Industries has interests across a variety of sectors in Africa including cement, sugar, flour, salt, pasta, beverages and real estate, with new projects in development in oil and natural gas, telecommunications, fertilizer and steel. The company presently has about 26,000 recruits.

Nigeria's Ministry of Power has just signed two put/call option contracts with local solar developers Afrinegia Nigeria Limited and CT Cosmos Nigeria Limited, in order to make their individual PV projects move forward.

The contracts were part of the finalization of the power purchase agreements which the Federal Government signed with 14 Solar Power developers in the summer of 2016. At the time, the state-owned company Nigerian Bulk Electricity Trading Plc (NBET) signed power purchase agreements for as much as 975 MW of solar.

Nigeria aims to cover 30% of total energy capacity through renewables by 2030.(CRO 28-04-2017)

## **S/AFRICAN INVESTORS INTERESTED IN CAMEROON ENERGY SECTOR**

South African investors are showing interest in the power sector in Cameroon, particularly the production and transport components, according to Mrs. Zanele Makina, South Africa's High Commissioner in Cameroon.



The diplomat who had a series of talks on the subject with the Cameroonian authorities, notably the Minister of Energy and Water (MINEE), Basile Atangana Kouna, said investors in his country were interested in Cameroon's energy sector.

According to Makina, these South African investors, in partnership with "a leading Indian firm in the energy sector," are mainly striving for electricity generation and power transmission activities.

The energy sector in Cameroon is currently run by the British company, Energy of Cameroon (ENEO), along with Electricite de France (EDF), which is gradually positioning itself for the Natchigal Dam and RTE

International accompanying the operationalization of the newly-established 'Societe Nationale de Transport d'electricite' (SONATREL). (APA 03-05-2017)



## TANZANIAN INVITES INVESTORS FOR NATURAL GAS DISTRIBUTION

[Tanzania Petroleum](#) Development Corporation (TPDC) has invited local and foreign investors to undertake natural gas distribution projects in the country's commercial capital of Dar es Salaam and the emerging industrial zones in Coast Region.

TPDC's Acting Managing Director, Engineer Kapuulya Musomba said these opportunities will result for the conclusion of the determined projects covering 65km, over 30,000 houses in surveyed areas in Dar es Salaam, Tanzania media reported.

It is reported that Musomba also emphasized that the 532km gas pipeline from Mtwara to Dar es Salaam provides huge opportunities for power generation and investments along the path.

According to media, there is an existing gas 50 km distribution network connecting homes in Dar es Salaam.

The gas distribution network are said to be in Mtwara and Lindi, the hosting regions for the big chunk of 57.25 trillion cubic feet, which have so far been discovered onshore and offshore the Indian Ocean.

in addition, in Mkuranga District, Coast Region, Musomba said the national oil company has acknowledged some 53 industries, which will need the energy for production.

"We have already linked a pipeline to the recently established tile making factory, Goodwill Tanzania at a capacity of between 7 and 10 million cubic feet; we are in deliberations with three other industries to be linked to the network," he explained.

He added: "Plans are to increase the distribution network to Kibaha and Bagamoyo districts to prompt industrialisation in Coast Region."

Musomba continued: "TPDC will obtain a consultant in June, this year, to review a viability study carried out last year; the revised assessment will offer us with efficient financial and technical requirement for the project in Dar es Salaam."

He also noted that a viability study for Mtwara and Lindi regions was being concluded, after which it will be followed by environmental and social impact assessment. "Original approximate that the distribution networks in the two regions will cover 31 km of gas pipelines to homes, industries and filling stations for motor vehicles," he said.

For areas which are far from Dar es Salaam, the TPDC says it will transport the energy in form of Compressed Natural Gas to Tanga, Morogoro and Dodoma, media reported (CRO 28-04-2017)

## CFA12.2B EARMARKED FOR NEW OUAGADOUGOU AIRPORT



The government and partners will inject about 12.2 billion CFA francs into the construction works for the new Ouagadougou-Donsin International Airport, the Infrastructure Ministry has told APA.

An amount of 3.8 billion CFA francs provided by the state will be used for the construction of the airport perimeter fence.

The control and supervision of the construction of the new airport is entrusted to TAEP Europe/Gauff Ingenierie for a total of 3.8 billion CFA francs, funded by the Islamic Development Bank (IDB), BOAD, OFID

and the state budget.

BOAD and the state budget will finance the works related to the internal potable water and fire safety system, amounting to 4.6 billion CFA francs.

All of this work will last between 18 and 36 months.

This state-of-the-art infrastructure, located about 30 kilometers from Ouagadougou, on 4,400 hectares (compared to the 426 hectares for the existing airport) will have to meet international safety and security standards.

At an overall cost of about 300 billion CFA francs, Donsin Airport will be in class F category of the International Civil Aviation Organization (ICAO).

The World Bank, AFD, AfDB, BOAD, IDB, the Saudi Development Fund, the Kuwaiti Fund, BADEA and the OPEC Fund (OFID) are partners in the financing of the project.

(APA 03-05-2017)

## **SOUTH AFRICA: SUMMIT TO PROMOTE GAUTENG-BASED INFRASTRUCTURE PROJECTS**

The Gauteng provincial government is anticipating to raise US\$ 2.2bn in funding for 31 megacity projects at the upcoming [Infrastructure](#) Funding Summit, to be held on 4-5 May at Gallagher Convention Centre in Midrand.

The summit is being held in partnership with the [Gauteng Department](#) of Human Settlements and the Gauteng Partnership Fund (GPF), with the GPF to drive the implementation of the projects.

ANC provincial chairperson Mr. Paul Mashatile confirmed the reports and said that the local government is planning to build new and integrated cities and communities throughout Gauteng through various infrastructure building programmes.

“We have realised that, to provide integrated human settlements and infrastructure broadly, we need the expertise and resources of the private sector, which is one of the reasons for hosting the summit,” Mr. Mashatile said.

He added that to fast-track the process, the private sector must come on board and be part of the initiative.

Mashatile pointed out that provincial government has set aside funding for infrastructure projects and that the government will lead by example and put resources on the table.

However, it wanted to encourage the private sector to work with the provincial Department of Economic Development to support small and medium-sized enterprises and to support the growth of township economies.

“We would like the private sector to source material from these economies to support and encourage the formation of small businesses,” Mashatile said.

He also said that the development of megacities must also create job opportunities.

The summit will be the beginning of a capital raising campaign and will embark on a road show to raise funds for these megaprojects and the initial focus will be on the domestic market.

The Summit will highlight infrastructure investment opportunities in the Gauteng City Region and forge new partnerships with key Local and International investors to fast track the delivery of integrated and sustainable Mega Cities. (CRO 03-05-2017)

## **SIERRA LEONE: PROLIFERATION OF FAKE SIM CARDS COSTING GOVERNMENT HUGELY**

There are 8, 000 fake Sim Cards operating between seven to eight mobile phones in just one network in Sierra Leone, the head of the telecoms regulator has said..



Momoh Conteh, Chairman of the National Telecommunications Commission (NATCOM), according to reports on Wednesday, cited a report of a study by the International Telecommunications Union, which also revealed that some 612 existing Sim Cards were not captured by the system.

He said all of these were costing the government huge money mainly due to illegal termination of calls.

Conteh made the revelation during a ceremony marking the expansion of the Africell network, one of the three mobile operators in the country.

The NATCOM boss vowed to crackdown on such illegal operators in protection of the mobile phone companies.

“Mobile phone companies are operating business and not charity,” he said.

His comments have, however, been criticized by some as indicating that he was more concerned with the interest of the operators than the welfare of the people he is out to serve.

NATCOM is the agency of government that regulates the telecoms sector in the country. It provides licence and frequency. But it has come under heavy criticism for failing to reign in on the operators for poor quality services, among others. (APA 03-05-2017)

## MACAU LEGEND TO CONSTRUCT CASINO RESORT IN CAPE VERDE

A casino resort is on the verge of being constructed in Cape Verde by Macau [Legend](#) which is a gaming operator.

According to the company, they are looking to set up a gaming facility in Cape Verde which is a group of Islands and build a gaming facility that will cost the company approximately US\$ 275m.

The first phase of the project has already commenced and if all goes according to plan, the casino resort will open by 2019.

Macau Legend is building a complex that is spread across 1.6 million square feet and will consist of a number of gaming and non-gaming facilities. The resort which is being developed in Praia- the capital city of Cape Verde will include a casino, a museum, a resort and office buildings.

A portion of the land on which the resort is being constructed was once under the sea but was reclaimed and turned into real estate. A seawall has already been constructed and construction work on the hotel will commence soon.

Even though Cape Verde has a population of over a half a million, Macau Legend is not depending on this market segment to visit its casino resort.

Macau Legend has led from the front and will definitely have an advantage over its competitors at least for the first few years as it will not be very long before other gaming operators look to establish their presence in West Africa.

Back in 2015, when Macau Legend confirmed its intention of venturing into Cape Verde, the company's CEO stated that the Silk Road project will encourage small and medium businesses in Macau to take advantage of the new connectivity and expand their business relationships.(CRO 03-05-2017)

## U.S. FOOD AID ARRIVES IN SUDAN

The United States, through the US Agency for International Development (USAID), has delivered the third shipment of urgently-needed food assistance for Sudan, which arrived in Port Sudan in mid-April.



In coordination with the United Nations World Food Programme (WFP), a maritime vessel arrived in the Sudanese harbour on 16 April to deliver 47,500 metric tonnes of emergency food (including sorghum) to support Sudanese families facing food insecurity, including those displaced by conflict, as well as vulnerable South Sudanese refugees in Sudan.

In a press statement by the US Embassy in Khartoum Tuesday, USAID said “as more refugees from neighbouring South Sudan have crossed the border into Sudan, USAID also provides urgent food assistance to those who need it most.”

Mission director Jeffrey Ashley added: “USAID is pleased with our strong partnership with WFP which enables us to assist those in need of critical food assistance, especially in Darfur, which has been affected by displacement for many years.”

The statement continued to say the US has contributed over \$95 million in emergency food assistance in fiscal year 2017, through WFP and other implementing partners in Sudan.

In Sudan, an estimated 4.8 million people require humanitarian assistance, and two million Sudanese children are acutely malnourished. An estimated 400,000 South Sudanese refugees have fled into Sudan seeking shelter, further increasing humanitarian needs.

Violence erupted in South Sudan in December 2013, and WFP has been moving food assistance through a corridor linking White Nile state with South Sudan’s Upper Nile state.(APA 03-05-2017)

## KENYA SEEKS TO ENHANCE SLUM UPGRADING PROGRAMME

The Kenyan Government recently announced plans to speed up its long awaited [slum](#) upgrading programme. This is in a bid to improve the living conditions of about 60% of the urban population. The Transport, [Infrastructure, Housing and Urban Development](#) Secretary James Macharia last week said that the program will involve the mapping of 498 informal settlements countrywide, land tenure regularization and the installation of both social and physical infrastructure.

The long term aim of the program, according to him, is the planning urban growth with an aim to minimize on the expansion of existing slums.

This program’s announcement comes right after the World Bank revealed that Kenya needs to build 2m low-cost city homes as a measure to control the growth of its slums, stating that most of the Kenyans were living in the slums because of limited housing supply and in some cases lack of affordability. It also predicted that more than two thirds of the country’s population would be living in the cities by 2033.

According to the [World Bank](#) report, therefore, Kenya must increase the current number of 50,000 houses built yearly to build 244,000 houses in the same period in order to meet the demand.

To this Mr. Macharia said that the government will team up with lenders and development partners in order to come up with alternative housing finance in a bid to try and bridge the current gap.

Presently, Nairobi is ranked among Africa’s most expensive cities for housing. This is evident in the cost of housing as the cheapest formal house was at \$14,550 at 2012. The lack of affordability comes in when one considers the fact that the aforementioned amount is 10 times more than the average annual income which stands at \$1,299.8. (CRO 03-05-2017)

## ROXGOLD WANTS TO EXPAND ITS GOLD PROJECT IN BURKINA FASO

Canadian company Roxgold is considering expanding Burkina Faso's "Bagassi South" gold project, officials told APA.



A delegation led by the chairman and Chief Executive Officer, John Dorward, and the group's finance director Natacha Garoute is presently in Burkina Faso to present the "Bagassi South" Expansion Project to the authorities.

This expanded project, which follows the inauguration of the Yaramoko mine in July 2016, envisages increasing production.

The mine is expected to yield about 100 billion CFA in revenue to the Burkinabe government, with an average production of 100,000 ounces of gold per year over a decade.

Roxgold has already invested nearly \$180 million.

With its two subsidiaries, Roxgold already holds five research permits in Burkina Faso. (APA 03-05-2017)

## US FOREIGN AID: A WASTE OF MONEY OR AN AID TO WORLD STABILITY? HERE ARE THE FACTS



A man carries a bag of food delivered by USAID, the United States federal government agency

It has long been a divisive issue: how much money the United States gives to foreign nations in aid, what kind of effect development assistance actually has on recipient nations, and whether America should be involved in the aid-giving business at all.

Advocates of foreign aid say programs backed by U.S. funding help feed the needy, promote social and economic progress, and foster political stability. Critics, on the other hand, point to fraud and the misuse of aid, inadequate tracking of provisions, and the prospect of nations becoming dependent on U.S. handouts.

So what's true and what's false about one of politics' most contentious issues?

**More than 20% of America's federal budget goes to foreign aid.**

**False**



The amount is actually about 1%. The current projected spending for fiscal year 2017 is \$4 trillion. The Obama administration had planned for \$41.9 billion in foreign aid for this year. Polls show that Americans typically believe that the U.S. spends 25% to 27% on foreign aid.



Tons of basic food supplies such as grains, flour and protein powders, donated by the U.S. Agency for International Development, are kept in secured buildings to provide for the hundreds of thousands of people at the Dadaab refugee camp in Kenya

**Afghanistan is slated to be the biggest recipient of U.S. foreign aid this year.**

***True***

The planned amount of American aid for Afghanistan in **2017 is \$4.95 billion**, according to the website InsideGov. Funding to this Asian nation is intended to support the agricultural sector by creating jobs; build a national education system; assist reproductive health; and establish basic infrastructure, such as schools and hospitals, according to information published by the U.S. Agency for International Development, or USAID. **In 2014, Afghanistan received \$7,260,138,430** in foreign assistance from the U.S., of which more than half was in military assistance, according to InsideGov.

Israel comes in second among U.S. aid recipients, with a planned **disbursement of \$3.1 billion** in 2017, according to InsideGov. Jordan is third at \$1.48 billion.



This 2012 photo shows hand pump mechanics who have been trained through USAID's Afghan Sustainable Water Supply and Sanitation Project. They are paid by community contributions for the maintenance of wells

**Slashing foreign aid would reduce the federal deficit by as much as 20%.**

***False***

Experts say cutting the foreign aid budget, which currently amounts to \$50.1 billion, would do very little to reduce the deficit, which in 2016 was \$552 billion.

**President Trump wants to slash the U.S. foreign assistance programs by more than 20%.**

### **True**

In March, as part of his suggested budget for fiscal year 2018, President Trump proposed a combined budget of \$25.6 billion for both the State Department and that U.S. Agency for International Development. That would be an estimated 28% cut in current spending on foreign assistance programs and U.S. diplomatic engagement, which total \$50 billion for the current fiscal year.

According to a [15-page State Department budget document](#) obtained by Foreign Policy magazine and detailed in a report by the publication in April, global health programs would take a 25% cut in aid while, among other sectors, the Bureau for Food Security, which works on eliminating hunger, would lose 68% of its funding.

[Congress](#) would have to vote on the president's budget once he releases it, possibly late this month. In the meantime, a more than \$1-trillion funding package that Congress and the White House agreed to on Sunday to keep the government afloat through the remainder of the 2017 budget year maintains most foreign aid programs and increases spending for international famine relief.



Copies of President Trump's America First budget at the Government Publishing Office bookstore in Washington, D.C.

### **Aid to Israel will face the ax next year.**

### **False**

Aid to Israel is safe — at least under Trump's proposed budget. Last year, the U.S. signed a 10-year defense deal with Israel that promises to provide the Middle Eastern nation a record \$38 billion in security aid.

### **Scandals that have beset U.S. aid programs include theft of [malaria](#) drugs and laundering of HIV/AIDS program funds.**

### **True**

Millions of dollars worth of antimalarial drugs provided by the U.S. government are being stolen and resold on the black market in Africa, according to USAID's office of inspector general, which monitors the agency. The U.S. government fights malaria in 19 African countries through a program called the President's Malaria Initiative.

In January, the inspector general's office reported that an investigation it launched in the West African nation of Guinea led to [the arrest of eight people](#) on suspicion of illegally selling USAID-issued antimalarial drugs in public markets of Conakry, the country's capital. U.S. funding for combating malaria has exceeded \$72 million since fiscal year 2011 and amounted to \$15 million in fiscal year 2016, according to the office.

Last year, the monitoring agency announced the relaunch of its Make a Difference Malaria hotline to make it easier for Nigerians to report stolen, counterfeit or resale antimalarial drugs. The hotline offers rewards of \$100 to \$10,000. A similar program is underway in Malawi, according to the office.

USAID's funds have also [fallen victim to money laundering](#). In February, the agency announced the arrest of a South African doctor, Eugene Sickie, who served as deputy executive director of the Wits Reproductive Health and HIV Institute program. Sickie is being investigated for his alleged role in a fraud scheme that targeted funds from USAID, which since 2012 has awarded grants worth nearly \$77 million to help strengthen treatment programs for HIV/AIDS patients, according to the agency.



A baby in Kenya receives a malaria vaccine

**Once a foreign aid recipient, always a foreign aid recipient.**

### ***True and false***

Critics have contended that foreign aid make nations perpetually needy and unable to break the cycle of dependency.

"Perhaps the largest reason is corruption," James M. Roberts, a research fellow for economic freedom and growth at the Heritage Foundation, a conservative think tank that has called for a scaling back of USAID funding, [wrote in a 2014 commentary](#). "It's the 'pre-existing condition' that keeps many aid recipients from ever recovering. It's a major obstacle to economic growth."

Some critics single out Afghanistan, where international aid has become the backbone of its economy, as a likely candidate for dependency on aid. They point to a 2014 report from the the office of special inspector general for Afghanistan reconstruction, which said "evidence strongly suggests that Afghanistan lacks the capacity — financial, technical, managerial or otherwise — to maintain, support and execute much of what has been built or established during more than a decade of international assistance."

But several of America's key trading partners were once recipients of U.S. aid and today receive limited, if any, assistance from USAID, according to data from the agency. South Korea, for example, has been dubbed by some analysts as "a poster child for successful poverty eradication" and is today itself a donor of humanitarian assistance. USAID calls the Asian nation "a textbook example of aid-recipient-turned donor."

According to a [2012 report](#) from the Center for Global Development and the Center for American Progress, "nations need not be aid recipients forever."

"In the 1960s, nations across Latin America and Asia were dismissed as perennial basket cases yet countries in both regions combined sensible reforms with a jump-start from U.S. assistance programs to achieve dynamic, lasting growth," according to the report.



South Korea, once a recipient of U.S. aid, is today Asia's fourth-largest economy

## **Foreign aid has long enjoyed bipartisan support among Republicans and Democrats.**

### ***True***

In the 1990s, foreign aid bills had a hard time passing through Congress, but that changed with Presidents George W. Bush and Obama, said George Ingram, a senior fellow in the global economy and development program at the [Brookings Institution](#).

Speaking during a “[Brookings Cafeteria Podcast](#)” last month, Ingram said the last Congress had passed eight bills supporting foreign aid. After Trump proposed cuts to foreign aid and international diplomacy in his budget, [43 U.S. senators signed](#) a bipartisan letter urging against the reductions.

## **Foreign aid does more harm than good and is a waste of money.**

### ***Depends on whom you ask***

#### ***Supporters’ arguments include:***

- Helping to end maternal and child mortality. At least 4.6 million children and 200,000 mothers are alive today in part because of USAID-funded programs, agency officials said.
- Ensuring that people don’t go hungry. The U.S. government’s Feed the Future initiative has helped more than 9 million farmers gain access to new tools or technologies such as high-yielding seeds, fertilizer application, soil conservation and water management, according to USAID.
- Improving reading instruction and creating safe learning environments for more than 41.6 million children from 2011 to 2015.
- Providing access to clean water and sanitation. As of 2015, more than 7.6 million people had received improved access to drinking water and more than 4.3 million people had improved sanitation.
- Helping to stabilize nations by promoting democracy, human rights and good governance around the world.

#### ***Detractors counter that:***

- U.S. aid shouldn’t go to countries that harbor terrorists who want to harm Americans, such as Pakistan, where Osama bin Laden had taken refuge not far from a Pakistani military compound before U.S. intelligence discovered him there. The U.S. has drastically cut aid to Pakistan in recent years, but the South Asian nation still [received \\$383 million in 2016](#), which is significantly higher than the \$549,739 average for all countries in the world, according to the InsideGov.
- There is too little accountability for those who abuse U.S. aid through theft or misuse.
- Foreign aid encourages corruption and conflict and stifles the will to pursue free enterprise, because recipients become dependent.
- A saturation of food aid can undermine opportunities for local agricultural markets to develop.
- American money should be spent on aiding Americans, such as the almost 50,000 U.S. veterans who are homeless, according to data from the National Alliance to End Homelessness. ([Global Development Watch page](#))

-----

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, AHEAD-GLOBAL, Business Council for Africa, Corporate Council on Africa, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABA - Norwegian-African Business Association, NABC- Netherlands Africa Business Council, SwissCham-Africa and other organisations.

The Memorandum is also made available by AHEAD-GLOBAL, BCA, Chamber of Tenerife (by posting it at the Africa Info Market), CCA - Canadian Council on Africa, CCA - Corporate Council on Africa (USA), ELO, HTTC, NABA, NABC (by posting selected news) and SwissCham-Africa to their Members.



[www.acp.int](http://www.acp.int)



[www.aheadglobal.hu](http://www.aheadglobal.hu)



[www.bcafrica.co.uk](http://www.bcafrica.co.uk)



[www.camaratenerife.com](http://www.camaratenerife.com)



[www.ccafrica.ca](http://www.ccafrica.ca)



[www.corporatecouncilonafrika.com](http://www.corporatecouncilonafrika.com)



[www.elo-online.org](http://www.elo-online.org)



[www.helafrican-chamber.gr](http://www.helafrican-chamber.gr)



[www.htcc.org.hu](http://www.htcc.org.hu)



[www.norwegianafrican.no](http://www.norwegianafrican.no)



[www.nabc.nl](http://www.nabc.nl)



[www.swisscham-africa.ch](http://www.swisscham-africa.ch)

Fernando Matos Rosa

[fernando.matos.rosa@sapo.pt](mailto:fernando.matos.rosa@sapo.pt)  
[fernando.matos.rosa@skynet.be](mailto:fernando.matos.rosa@skynet.be)