



MEMORANDUM

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KENYA JOINS AFRICA'S TOP 10 AFTER GDP INCREASES BY A QUARTER

Kenya's gross domestic product was estimated to be 25% bigger after the authorities changed the base calculation year to 2009 from 2001, sending the east African nation into the continent's top 10 economies.

Economic output was calculated to be 4.76-trillion shillings in 2013 after the rebasing, up from 3.8-trillion shillings, the minister for devolution and planning, Anne Waiguru, told a news conference on Tuesday. That takes Kenya up to ninth in Africa's GDP rankings from 12th, above Ghana, Tunisia and Ethiopia but below oil-producing Sudan based on a World Bank table for 2013.

The rebasing exercise means debt levels fall as a proportion of GDP, a closely watched ratio, and could give the government some leeway for more borrowing to help finance its plans to build new transport links and repair creaking infrastructure.

But revising the estimated size of GDP does not change Kenya's ability to repay additional loans nor does it mean it has more income to spend on development in a nation where many people are poor, roads are potholed and power supply is scarce.

"This gives us a little bit of welcome breathing space... not an opportunity to open the cash register," said public policy and economic analyst Robert Shaw.

As with other rebasings in Africa, the move takes into account structural and other economic changes, such as new technology, and updates the base year for prices.

Kenya's GDP revision follows the far more dramatic rebasing earlier this year of Nigeria's economy when it changed the base year from 1990 to 2010 and, as a result, vaulted above South Africa to become Africa's biggest economy.

Kenya's rebasing was less pronounced because the gap with 2001 and the new base year of 2009 was shorter.

Changes in assessing agriculture, manufacturing and real estate accounted for most of the GDP rise. Technology and related fields are now treated as a standalone sector, taking into account a vibrant industry in Kenya, which has pioneered mobile telephone payments systems and exported the idea across Africa and beyond.

The economy could also get a further boost in a few years when commercial oil production is expected to start.

With the rebasing, economic growth was revised to 5.7 percent in 2013, up from the previous estimate of 4.7%, a figure that had been below expectations and was partly blamed on a spate of militant attacks and a decline in tourism.

Middle income nation

"The new numbers are credible and they constitute an important improvement in the economic and statistical knowledge base for Kenya," Diariétou Gaye, the World Bank's country director for Kenya, said, adding that a World Bank team joined other experts conducting a peer review of the rebasing exercise. Based on a debt figure of 2.4-billion shillings released in August after Kenya's heavily oversubscribed, maiden Eurobond, the debt-to-GDP ratio falls to about 50% from 57% previously, according to a Reuters calculation.

But economists said a lower ratio did not mean the government was any better positioned to take out more loans.

"Debt service capacity and export growth, neither of which is expected to be substantially revised, are much more important when it comes to being able to take on more debt," Razia Khan, London-based Africa economist at Standard Chartered Bank, said before Tuesday's announcement.

With a population of about 44 million people, the new GDP figure implies economic output per capita stands at more than \$1,200. That would push Kenya onto the bottom rung of middle income states, according to the World Bank's \$1,045 to \$12,746 band.

A higher income ranking means it might not benefit from some aid designed for the poorest countries, economists say.

Conversely, investors may be more attracted to a nation with a population that has more cash to spend, although many investors have already factored that into their calculations.

"If you look at the kind of investment flow already attracted by Kenya, the implicit assumption is that investors already treated it as a middle income country," said Ms Khan.

The new status and a bigger economy have no direct impact on the lives of ordinary Kenyans, who are frustrated by poor roads and services. "The potholes are still there," said analyst Mr Shaw. (Reuters30-09-2014)

LA DECENTRALISATION EN PANNE EN AFRIQUE

Un rapport provisoire sur le bilan de l'aide internationale française à la décentralisation et à la gouvernance locale, qui sera remis en octobre au ministre des Affaires étrangères Laurent Fabius, dresse un bilan catastrophique de l'évolution de la décentralisation en Afrique.

Comment se développe la décentralisation en Afrique ? Très mal. C'est le constat alarmiste d'un rapport provisoire sur "l'évaluation thématique de l'appui de la France à la décentralisation et la gouvernance locale", réalisé par le Centre international pour le développement local (Ciedel), basé à Lyon, pour le compte de la direction générale de la mondialisation, du développement et des partenariats (DGM) du ministère des Affaires étrangères et du Développement international (MAEDI), le Quai d'Orsay.

"La plupart des pays où se concentre l'aide de la France [les pays du sud de la méditerranée et d'Afrique subsaharienne francophone, ndlr] ont connu une période d'enchantement en matière de décentralisation à la fin de années 1980 et au début des années 1990. Elle s'est traduite par la mise en place d'un cadre de décentralisation et de collectivités territoriales", souligne Christophe Mestre, qui pilote le rapport. Deux décennies plus tard, le contexte a radicalement changé. *"Selon les pays, on constate un arrêt, un recul ou une pause de la décentralisation, à l'exception de la Tunisie",* déplore l'expert du Ciedel. Dans bien d'autres pays, le processus est *"en panne"*. Il suffit de lire les nouveaux textes de loi sur ce sujet au Maroc, au Sénégal ou à Madagascar pour s'en convaincre.

Un bilan sans concession qui ne surprend pas sur le continent. La décentralisation ne figure plus parmi les priorités des États. D'autres enjeux se jouent aussi en coulisses, entre le pouvoir central et local. *"La décentralisation est un processus long et complexe. Et surtout, elle met en place de nouveaux canaux qui remettent en cause le contrôle de l'État et des politiques et engendre une perte sur la rente que constitue l'aide",* analyse Boubacar Bah, vice-président du Conseil des collectivités territoriales de l'Union économique et monétaire ouest-africaine (CCT-Uemoa), président de l'association des municipalités du Mali et maire de la commune 5 de Bamako.

Remotiver les décideurs

Dans ce contexte difficile, l'aide française à la décentralisation et à la gouvernance locale ne brille pas par ses performances. Entre 2008 et 2012, selon l'OCDE, elle a été en moyenne de 4,7 millions d'euros par an, ce qui a représenté 0,05 % de l'aide publique au développement (APD) qui s'est élevée à plus de 9 milliards d'euros. Une enveloppe que les auteurs du rapport évaluent plutôt entre 14 et 15 millions d'euros chaque année (0,15 % de l'APD).

Plus que la modestie des sommes en jeu, c'est leur utilisation qui pose problème. *"Le système est l'un des plus importants qui existe, mais les actions sont excessivement fragmentées",* insiste Christophe Mestre. Le rapport suggère plusieurs réformes pour redynamiser le dispositif français.

Les expériences de coopération doivent être *"repérées, capitalisées"* pour *"développer une expertise nationale"* et *"régénérer"* la volonté des décideurs. Il faut augmenter la décentralisation pour rebattre les cartes du pouvoir afin d'accroître les services aux citoyens. Pendant vingt ans, la priorité a été donnée à l'amélioration du cadre institutionnel, il est nécessaire aujourd'hui de donner les moyens de fonctionner aux collectivités territoriales. Enfin, il n'existe pas de modèle unique – y compris de modèle français –, il convient de voir ce qui se fait ailleurs et d'instaurer des réponses adaptées aux territoires : la décentralisation peut aussi être asymétrique.

"Pour cela, il faut un portage clair et affirmé. C'est à la DGM qu'incombe la responsabilité de porter ce processus en s'inscrivant dans une logique de projets de longue durée, de dix à quinze ans, contre trois à cinq ans aujourd'hui. Ce qui apportera une plus grande visibilité à l'action", assure Christophe Mestre.

Risques pour la paix et la sécurité

Or le temps presse. *"Le recul de la décentralisation, la restriction du peu d'autonomie locale concédée aux autorités locales et la diminution ou la stagnation des transferts de ressources sont autant de*

facteurs qui vont dans le sens de la rupture du contrat social entre les acteurs locaux et l'État. Ils portent en eux le germe d'un éloignement des citoyens de la chose publique, d'une montée des mouvements sociaux, voire de l'adhésion de certaines personnes ou groupes à des idéologies extrémistes ou à des mouvements terroristes", alerte le rapport. Et de lancer aux décideurs : "Il n'est plus temps de se poser des questions du bien-fondé de la décentralisation... On est condamné à réussir ces processus dans la perspective d'une contribution à la paix et à la sécurité."

Le rapport final sera remis courant octobre à Laurent Fabius, le ministre français des Affaires étrangères. Sans doute tiendra-t-il compte du conseil de Jean-Pierre Elong Mbassi, secrétaire général de Cités et gouvernements locaux Unis-Afrique (CGLU Afrique) : *"Il faut réfléchir à la décentralisation du futur en fonction des enjeux du futur : le développement durable, les femmes, les jeunes."* (Acteurs Publics 24-09-2014)

ZIMBABWE FINANCE MINISTER SAYS STATE WAGE BILL UNSUSTAINABLE AS IMF STARTS AUDIT

The wage bill for Zimbabwe's state employees is embarrassing and unsustainable, its finance minister said on Tuesday, echoing criticism from the International Monetary Fund (IMF) as the country looks to regain access to international credit lines.

More than three quarters of the southern African country's revenue goes to paying salaries of more than 250,000 civil servants, leaving little money to pay down debt and to rebuild crumbling public infrastructure such as roads, schools and hospitals.

"I am embarrassed that our wage bill is some 76% of whatever revenue we receive. It's not good, it's not sustainable," Patrick Chinamasa told business leaders.

President Robert Mugabe raised salaries for government workers by 14% early this year, making good on promises made in the run-up to last year's election, and moves to roll back the hike would not go down well.

"As to the solution... we have to create the necessary political climate, build consensus in order to tackle the issues. I can assure you that we are working on this issue," Mr Chinamasa said without elaborating.

Starved of foreign investment and donor funding, Zimbabwe's economy has sluggish since accelerating at near double-digit rates between 2009-12, when it emerged from a decade of recession.

The public wage bill has been a source of friction with the IMF, which sent a delegation to Zimbabwe this week to audit the nation's fiscal health.

IMF country representative Domenico Fanezzi said the bill accounted for 20% of the country's \$14bn GDP and urged the government to channel more money to infrastructure development and health services.

"The wage bill is plainly unreasonable. I don't think Zimbabwe can afford such a high wage bill," said Mr Fanezzi, the first IMF head of mission to Zimbabwe in a decade.

The country has since last year been on an IMF monitoring programme aimed at helping it clear or push back repayments of about \$9bn in external debts, which would give it access to much-needed international credit.

"This is exactly what we are trying to do, where we are trying to get the support from donors and development partners to agree on that and find a way in which your debts could be rescheduled," Mr Fanezzi told business leaders in Harare.

Zimbabwe has not accessed funding from the IMF and other multilateral institutions since 1999 due to policy differences with Mr Mugabe's government. The IMF said in a July report Zimbabwe's performance under the staff programme had been "broadly satisfactory". (Reuters 23-09-2014)

ECOWAS MINISTERIAL GROUP WANTS REGIONAL SECURITY FORCES TO BOLSTER EBOLA FIGHT

The ECOWAS Coordinating Ministerial Group for the implementation of the Regional Operational Plan on the fight against the Ebola Virus Disease (EVD) has called for an urgent mobilization of the Armed and Security Forces of Member States to strengthen the regional response and interventions against the disease.

In a communiqué issued after its meeting in Accra, Ghana, on Friday, the Group, chaired by Ghana's Health Minister, Dr. Kwaku Agyeman-Mensah, recommended that the Armed and Security Forces should provide, among others, medical personnel and logistics as well as mobilize the support of Military Engineers regiments in setting up Ebola treatment centres in member countries.

The Ministerial Group, which considered the report of the just-ended, two-day meeting of the ECOWAS Technical Monitoring Surveillance and Group on Ebola response, also called for the provision of adequate financial incentives to National Health personnel already on ground in member States.

The communiqué called for the finalization of the Ebola Regional Operational Plan and its submission to the President of ECOWAS Commission.

In addition, the group called for the immediate deployment of a delegation of the West African Health Organization (WAHO), the specialized health institution of ECOWAS to the Ebola-affected countries to support national coordination in the fight against the epidemic.

The group recommended the organization of High-level Missions to nations bordering the Ebola-affected countries to ensure effective implementation of interventions for the prevention of the epidemic as well as case management where necessary.

Multi-sectoral missions should also be organized to Côte d'Ivoire and Senegal to discuss immediate implementation of humanitarian, economic and health corridors, in accordance with rules adopted by the Technical Monitoring and Surveillance Group.

The ministerial group also recommended that harmonized sensitization and information messages should be developed and disseminated, targeting populations as part of efforts to stop the spread of the epidemic.

Speaking at the closing ceremony, the Ghanaian health minister reiterated the statement by the Chairman of the Authority of ECOWAS Heads of State and Government, Ghana's President John Dramani Mahama, that the Ebola scourge will be defeated through coordinated regional response "to avoid countries engaging in panic behaviour".

"ECOWAS has a major role to play and if we all work together we will defeat Ebola through the sharing of information and ideas," the minister added.

In his remarks, the WAHO Director General, Dr. Xavier Crespin, also stressed the need for all hands to be on deck to rein in the Ebola epidemic, which has claimed close to 3,000 lives from the more than 6,000 cases reported in the region.

The West African Health Ministers Extra-ordinary Assembly held in Accra last August, set up both the Coordinating Ministerial Group and the Technical Monitoring and Surveillance Group to coordinate the multi-sectoral regional responses and interventions against the disease.

The Technical Group's meeting, chaired by the WAHO Deputy Director General, Dr. Laurent Assogba, was attended by representatives of Ebola affected countries – Guinea, Liberia, Sierra Leone, Nigeria and Senegal – as well as Cote d'Ivoire, officials of ECOWAS Commission led by the Commissioner for Telecommunications and Information Technologies, Mr. Isaias Barreto de Rosa, WAHO, and representatives of development partners.

The meeting reviewed, among others, the Terms of Reference (TORs) for the mobilization and deployment of human resources to affected countries; Modalities for setting up humanitarian, economic and health corridors; National and Regional coordination mechanisms, and also fine-tuned the Ebola Regional Operational Plan. (Pana 29/09/2014)

MALI'S ECONOMY REVS UP AS SECURITY SITUATION NORMALISES

After its zero growth in 2012 due to the insecurity crisis, Mali's economy is returning to its normal growth path, with an increase in real gross domestic product (GDP) of 5.8%, the International Monetary Fund (IMF) has confirmed. Following the Fund's mission that visited Bamako for discussions with the country's authorities, from 11-25 September, IMF said late Friday that projections for 2015 are for real growth to continue at 5.5% and inflation to remain well below the central bank's 3% target.

According to IMF mission leader, Christian Josz, a poor harvest in 2013 kept growth at only 1.7%. Currently, inflation remains low at 1% after -0.6% last year.

In a statement, sent to PANA here Saturday, the mission said it welcomed the strengthening of structural reforms in Mali, notably those aimed at improving tax administration, expenditure control and debt and treasury management.

While in Bamako, the mission had discussions with various Malian leaders, including President Ibrahim Boubacar Keïta and Prime Minister Bouaré Fily Sissoko on preparation for the first and second review of the government's economic programme, supported under the IMF's Extended Credit Facility (ECF) which was approved in December 2013.

'The mission welcomes the budget the Government intends to present to the National Assembly in October,' Josz said, explaining that the proposed budget, which will be the basis for the ECF programme in 2015, targets a global deficit of 4.4% of GDP.

Three quarters of the budget deficit would be financed with donor support, and the rest would come from the regional financial market, the IMF statement indicated.

'The government will soon submit a new supplementary budget to the National Assembly to regularize the about CFA 30 billion in extra-budgetary spending which occurred in 2014 to be financed in the regional financial market,' said the statement.

'This will bring the overall budget deficit to 5.8% of GDP, compared to 5.2% in the supplementary budget approved in August.'

Meanwhile, the IMF mission reached an agreement that will permit 'going forward' with both the first and second reviews of the ECF arrangement. The reviews will be presented to the IMF Executive Board for approval in December 2014.

According to the mission's statement, a resolution was found for issues raised by the extra-budgetary spending - on a presidential plane and a military contract - which delayed the first review, originally scheduled for June 2014.

The resolution includes: publishing the two independent audit reports on these transactions; reporting on the sanctions process; redressing the overbilling in the military contracts; subjecting future military procurement to stringent controls; incorporating all extra-budgetary spending in the budget, and stopping such practices in the future. (Pana 29/09/2014)

NIGERIAN BANK PARTNERS AFRICAN INSURANCE FIRM TO BOOST REGIONAL TRADE

One of Nigeria's leading financial institutions, United Bank for Africa (UBA) Plc, has signed a partnership agreement with the Pan African Trade Insurance Agency (ATI) to ease the flow of credit to clients engaging in regional and international trade. The bank said in a statement made available to PANA Wednesday in the commercial city of Lagos that the agreement was signed in Kenya.

Bank Chief Executive Officer Kennedy Uzoka and his counterpart from ATI George Otieno signed the agreement in the Kenyan capital, Nairobi.

“UBA is keen to boost inter and intra-African trade because of its capacity to accelerate development and integration across the continent.

“Over the years, we have supported our customers to grow their business network across Africa and internationally in pursuit of a more prosperous Africa. UBA’s partnership with ATI will ease the flow of credit to our customers and help them expand their businesses across the continent,” the statement said.

Under the agreement, ATI will provide insurance cover for eligible UBA Group transactions with its unique range of political risk and trade credit insurance products.

The risk mitigation services will provide an alternative to collateral for UBA’s corporate clients, who may otherwise face financial constraints in obtaining credit, while also protecting them against cross-border trade risks and a broad range of investment risks.

Intra-Africa trade is estimated to be one of the lowest globally at just 10% of total trades on the continent.

This is low when compared with Intra-trade among the EU-27 at 70%, 52% for Asian countries, 50% for North American countries and 26% for South American countries.

Africa’s commodities boom, natural resources and related government spending to revive infrastructure development are estimated to have generated 32% of Africa’s recent GDP growth.

The remaining growth came from sectors such as transportation, telecommunications and manufacturing.

These are all the sectors which UBA believes will benefit from expanded credit.

UBA Group Plc is one of Africa's leading financial institutions offering banking services to more than 10 million customers across over 700 business offices in 19 African countries.

On its part, ATI is a Pan African insurer owned by African countries, regional and international corporate partners.

The company was launched in 2001 with the support of the World Bank and later the African Development Bank (Pana 25/09/2014)

ZAMBIA DENIES RUMOURS OF PRESIDENT'S DEATH — AGAIN

Zambia on Friday denied rumours that President Michael Sata had died during a visit to New York after he failed to make a scheduled speech to the UN general assembly.

"The health of the president is entirely normal. I spoke to the president this morning," Vice-President Guy Scott told parliament.

He also denied international reports that the president had been hospitalised.

"He has not received any emergency or specialist medical treatment," Mr Scott said.

This is the second time in a week that the Zambian government has had to deny that the ailing president had died.

The first time it was Mr Sata himself who made a rare public appearance on September 19 to tell parliament: "I am not dead."

Mr Sata, 77, who took power in 2011, is rumoured to be seriously ill, an allegation his office denies. Scott gave parliament no explanation of why Mr Sata failed to make his scheduled address to the general assembly on Wednesday night.

Mr Sata's son Mulenga, who called a news conference to also deny reports of his father's death or hospitalisation, said the president would issue a statement in New York.

Zambian Foreign Minister Harry Kalaba was scheduled to speak to the assembly on Friday.

Despite repeated denials that the president is ill, analysts say a power struggle is already under way behind the scenes for Zambia's top job. (Sapa-AFP 27-09-2014)

EBOLA'S WORST EFFECT MAY BE ON STRUGGLING NATIONS' ECONOMIES

On A trip to Monrovia a few years ago I stayed in a newly opened hotel — the first to have been built in Liberia in decades. The manager told me that when interviewing people for service jobs he found not only were the required skills almost nonexistent, many applicants had never seen an electrical appliance before as they had grown up with no power.

Liberia's once functioning grid was destroyed by 14 years of civil war and a decade after the end of the conflict, still less than 1% of the population has access to electricity. The example highlights just how fragile Liberia's economy remains despite years of slow recovery.

The situation in Sierra Leone is not dissimilar. Vital infrastructure was destroyed during a decade of civil war up to 2002 and the rebuilding process has been slow. In Guinea, years of military rule and poor governance have resulted in pervasive poverty that continues to undermine the fabric of this troubled state.

These three countries at the centre of the Ebola crisis are also among the poorest in the world, languishing in the bottom 10 out of 187 countries measured on the 2013 United Nations Human Development index.

Sierra Leone, recently one of the fastest-growing economies in the world, has cut this year's growth forecast from 11.5% to 7%. The government says revenues have plummeted by \$60m in recent months as the fallout from Ebola's spread affects mining. Tourism, which attracted more than 60,000 people last year, has dried up.

Optimistic projections are that Guinea's growth rate this year will be almost halved to 2.4%, while Liberia is projected to grow 4% instead of the expected 5.9% this year. These are likely to be revised downwards again in the next few weeks.

One of Liberia's biggest investors, mining company ArcelorMittal, recently declared force majeure on a project that would have tripled its iron-ore production. London Mining has cut its iron ore output forecast in Sierra Leone.

But the more serious concerns are at a much lower level. The disruption of agricultural supply chains has been one of the biggest economic casualties of the crisis. Food shortages and surging inflation are new challenges in these isolated countries.

The only solution African country offered was to shut their borders to their afflicted continental counterparts. The African Union (AU) did little more than urge its members to open the borders, a call that could only create more centres of disease and economic distress.

Terrifying predictions of whole nations collapsing in the wake of the contagion finally got the world to act. Teams of medical workers, money and equipment are finally being mobilised from countries outside and inside Africa. Even the AU managed to rustle up a team to travel to West Africa to assist.

With warnings that more than half a million people could be infected by the end of the year without decisive intervention, the focus is obviously on tackling the spread of the disease.

The long-term fallout will be evident only once the contagion is brought under control. As the international nongovernmental organisation, International Crisis Group, warned recently, the outbreak could spark a political crisis that could unravel years of efforts to stabilise West Africa. (BD 20-09-2014)

BURKINA FASO: 'CONSULTATION FRAMEWORK' ON NATIONAL SITUATION

Burkina Faso President Blaise Compaoré has launched a framework for dialogue and consultation with all members of the political class, presently divided over a possible referendum to change the constitution in a bid to lift the limitation on presidential tenure.

The meeting on Tuesday in the capital city of Ouagadougou, which brought together the majority, the political opposition and the Republican Front (a movement claiming to represent about forty political opposition and majority parties), was held as the country is strongly divided over the planned referendum.

The talks began with a political majority composed of representatives from the ruling Congress for Democracy and Progress (CDP) and those of their allies of the Alliance for Democracy and Federation/African Democratic Rally (ADF/RDA)

At the close of the meeting, the representative of the presidential majority, Assimi Kouanda, who is also CDP executive secretary, said the debate focused on the current political issues in the country.

President Compaoré, who assumed office in 1987 after a coup, is about to end his second five-year term, after two seven-year terms.

In December 2013, he raised the issue of referendum over the term limit, sparking anger within the opposition and the civil society.

'We listened to President Compaoré and we will back his will to build a nation of peace,' said Mr Kouanda, adding that the majority "welcomes" the initiative.

But the opposition has increased its protest against the referendum, accusing President Compaoré's supporters of seeking to make him a life President through the referendum.

The party of resident Compaoré and his allies of the Republican Front had in mid-September handed Parliament a document related to the amendment of the constitution.

NEW GUIDEBOOK TO HELP SOUTHERN MEDITERRANEAN CITIES DEVELOP SUSTAINABLE ENERGY ACTION PLAN

The European Commission has published a guidebook on 'How to develop a Sustainable Energy Action Plan (SEAP) in South Mediterranean Cities'. The purpose of this guidebook is to make energy efficiency and climate change mitigation measures relevant, achievable and compelling to local authorities in the southern Mediterranean context.

The guidebook is adapted to the South Mediterranean context from the Joint Research Centre's (JRC) guidebook "How to develop a Sustainable Energy Action Plan", developed in 2010 to support the implementation of the Covenant of Mayors (CoM) initiative in European cities. Through the project 'Cleaner Energy Saving Cities in the Mediterranean' (CES-MED), the European Union has opened the CoM initiative to local authorities of ten southern Mediterranean countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria and Tunisia).

Ultimately, this publication aims to enhance the competitiveness of municipalities and ensure their economic development while reducing dependence on energy imports and fossil fuels through the implementation of energy efficiency, renewable energy and other well-planned climate change mitigation actions at the local level.

The guidebook provides detailed, step-by-step guidance to local authorities in southern Mediterranean countries to develop an effective Sustainable Energy Action Plan (SEAP). The process has four phases: initiation, planning, implementation, and monitoring and reporting. The choice and sequence of actions can vary according to the policies and measures already in place. This flexibility allows local authorities to develop a SEAP coherent with and effective for their local circumstances and objective (EU Neighbourhood Info 22-09-014)

MOZAMBIQUE HIRES CONSULTING FIRM TO STUDY SALE OF NATURAL GAS

The government of Mozambique has launched an international tender to hire a consulting firm to evaluate the potential sale of natural gas in the domestic and regional markets, according to an announcement from the Ministry of Mining Resources.

Placed in state newspaper Notícias, the announcement advises that those interested have until 8 October 2014 to submit their proposals.

The consultancy services include valuation of potential markets for natural gas in Mozambique and Southern Africa, economic analysis of the construction of a pipeline, applications for the extracted gas, socioeconomic impact and risk analysis.

The contractor will be paid through a grant of US\$50 million that the World Bank granted Mozambique under the Technical Assistance Project for Gas and Mining.

Mozambique already exports natural gas to South Africa through a gas pipeline built and operated by a partnership between Mozambican state company Companhia Moçambicana do Gasoduto and South African group Sasol.

The transported gas is extracted in the Pande and Temane gas fields, in Inhambane province, to Secunda, South Africa, through an 865-kilometre pipeline. (30-09-2014)

MUGABE DENOUNCES 'EVIL MACHINATIONS' BY US, EU IN ZIMBABWE

Zimbabwean President Robert Mugabe told the United Nations on Thursday his country is the target of "evil" actions that are hurting its economy and people as the West seeks to oust him.

Mr Mugabe said Zimbabwe "has become a victim of the evil machinations of Western countries, namely the United States of America and the European Union (EU), who continue to apply unilateral and illegal sanctions" as a tool to achieve regime change.

The US and EU sanctions imposed on Zimbabwean state firms, as well as travel restrictions on Mr Mugabe and dozens of his associates, were initially a response to a violent 2000 election and sometimes violent seizures of white-owned commercial farms for black resettlement.

Mr Mugabe overwhelmingly won re-election last year but his main rival, Morgan Tsvangirai, denounced the poll as a "huge fraud".

Mr Mugabe, 90, has ruled Zimbabwe since independence from Britain in 1980.

"Regime change is a diabolical illegal policy of interference in the domestic issues of my country," Mr Mugabe said in his annual address to the 193-nation assembly.

"No good can come from undermining our economy, or depriving our citizens of the necessities of life."

Mr Mugabe, southern Africa's most prominent surviving liberation hero, was not invited last month to a Washington summit of African presidents hosted by US President Barack Obama that looked to rekindle US-Africa ties.

Britain and the US tried unsuccessfully to persuade the UN Security Council in 2008 to expand the US and European sanctions on Mr Mugabe and other officials by making them binding for all UN member states. But Russia and China, backed by South Africa, used their veto to block it. (Reuters 26-09-2014)

PORTUGUESE BUSINESSMAN SELLS STAKE IN ANGOLA'S BANCO BIC

Angolan businesswoman Isabel dos Santos and Fernando Teles, the chief executive of Angolan bank Banco BIC, bought the 25 percent stake owned by Portuguese businessman Américo Amorim in the bank, Portuguese daily newspaper Público reported.

The deal also involved a change in the shareholder structure of Banco BIC Portugal, as António Ruas, another shareholder, sold his 10 percent stake in the bank also to Isabel dos Santos and Fernando Teles.

Banco BIC was set up in Angola and later expanded to Portugal with the same ownership structure, with Isabel dos Santos and Américo Amorim with 25 percent each and Teles with 20 percent and António Ruas with 10 percent as the bank's main shareholders.

Following this deal Isabel dos Santos has 42.5 percent of the bank, which is one of the largest in the Angolan market and has had a significant presence in Portugal since it acquired Banco Português de Negócios (BPN) from the Portuguese state and Fernando Teles' stake has risen to 37.5 percent.

Businesswoman Isabel dos Santos is Angola's largest investor in Portugal, after the state-run oil and gas company Sonangol.

She controls the NOS company in partnership with the Sonae Group, through a company, ZOPT, which holds a 50.01 percent stake in NOS. Santos is also the second largest shareholder of Portuguese bank Banco BPI, in which she holds 18.6 percent (via Santoro) and has an indirect stake in oil and gas group GALP Energia, which is controlled by Américo Amorim. (30-09-2014)

SOUTH AFRICA, ZIMBABWE TO SEND LARGEST OBSERVER CONTINGENTS TO MOZAMBIQUE

South Africa and Zimbabwe will have the largest observer contingents during Mozambique's elections on October 15, with at least 100 observers each, Miguel de Brito of the Electoral Institute for Sustainable Democracy in Africa (Eisa) said on Thursday.

The ruling party, Frelimo, is in pole position to extend its unbroken grip on power since independence in 1975. But its share of the vote for the presidency and parliament was unlikely to reach the 75% announced in 2009, election experts said.

"If I was betting on the results, I would predict 55% for Frelimo and 45% for the combined opposition," Mr De Brito, the country director in Mozambique for Eisa told a briefing in Johannesburg.

The prize for victory will be control of billions of dollars in future oil and gas revenues. Barring extraordinary events, two names look certain to be engraved on the winner's medal: those of Frelimo and its new candidate, Filipe Nyusi.

Observer missions from China and Vietnam will be in Mozambique for the polls, flanking groups from the African Union, the European Union, the Commonwealth, the community of Portuguese-speaking countries and, most important, the Southern African Development Community (SADC).

As head of SADC's politics, defence and security organ, SA would lead the 15-nation group's observer mission, to be deployed throughout Mozambique on October 4, SA's Deputy Minister of International Relations and Co-operation Luwellyn Landers said on Thursday.

Frelimo, whose historic leader was the late Samora Machel, is one of the core southern African liberation movements which have already run their countries for 20-40 years and show no sign of making way for opposition parties.

Relations with the African National Congress are old and close. Mr De Brito said Frelimo's candidate, Mr Nyusi, had secured the backing of the ruling parties of SA, Angola, Namibia, Tanzania and Zimbabwe during a recent regional tour.

His opponents are Afonso Dhlakama, the ageing leader of Renamo which fought a long bush war against Frelimo, and Daviz Simango of the MDM group of former Frelimo loyalists.

If no candidate secures an absolute majority there will be a run-off between the top two. Voters will also be electing members of the 250-seat parliament and provincial assemblies.

Political scientists do not consider the few opinion polls conducted this year to have the methodological integrity to be reliable forecasts of how Mozambicans will vote. But there is no doubt about the height of the stakes involved as revenues from large investments in gas, oil and coal are expected to start flowing into government coffers within the next 10 years.

"Whoever loses these elections may not have another chance to get into power for years to come," Mr De Brito said, because of the leverage the incumbent government would enjoy in terms of wealth distribution, social programmes and employment. (BD 26-09-2014)

ANGOLAN BANK BANCO SOL WANTS TO EXPAND INTO PORTUGAL AND BRAZIL

Angolan bank Banco Sol plans to expand to Portugal and Brazil, said the bank's chairman, for whom the immediate priority is to launch operations in Namibia in the first half of 2015 and then in Mozambique.

"We are considering opening a representative office in Portugal and then in Brazil, since the bank wants to follow the growth of the Angolan economy and its internationalization process," said Coutinho Nobre Miguel Friday in Luanda.

The official was speaking on the sidelines of the presentation of the 9th edition of the Angolan study "Banking under Analysis," by Deloitte, positioning Banco Sol as the eighth largest in Angola, in terms of net profit, with 3.465 billion kwanza (US\$35.2 million) in 2013.

Banco Sol appears in 9th place in terms of loans to customers, with a market share of 2.8 percent, equivalent to US\$152 million dollars and a ratio of defaulted loans of 5.2 percent.

In Angola Banco Sol has 154 branches, serving 620,000 customers. (30-09-2014)

NAMIBIA'S MILITARY ENTERS CONSTRUCTION BUSINESS

Namibia's military has created a construction company that will compete for contracts with the private sector, part of a growing commercial network that has drawn criticism.

"We want to compete with others," the firm's first MD, Col John Namoloh, told AFP, saying the company would not limit itself to army contracts.

The firm, dubbed August 26 UBM Construction and inaugurated earlier this week, is the ninth subsidiary of the military's commercial wing, which also has interests in the defence, textile, satellite, catering, logistics and insurance sectors.

The creation of the firm has sparked criticism from business and from those who suspect the Namibian army may be trying to mimic its Egyptian counterpart, which has gained power and wealth through a vast network of businesses.

The Namibia Chamber of Commerce and Industry's CE, Tarah Shaanika, questioned why the military wanted to become involved in a sector that has adequate private investment.

"The economy is too small to have strong state players as well as strong private players," said Mr Shaanika.

"In general, the construction, logistics and telecommunications industries have been adequately serviced by the private sector.

"This can create a monopoly ... there is a danger of unfair preference when the state company competes for a contract with private companies," he warned.

Mr Shaanika suggested the government should instead invest in sectors such as agriculture, energy and manufacturing. (Sapa-AFP 26-09-2014)



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Monique Giskens - Vlisco Group
- Berry Marrtin - Board Member Rabobank
- Miquel Pestana - Vice President Unilever
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