INSIDE AFRICA

Now is the time to invest in Africa

30 June 2017

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In-depth:

Confronting Africa's Water Challenge

Water is essential for life, and yet it is scarce in many parts of the world. Owing to the effects of climate change, Africa is experiencing its worst drought since 1945, especially in Southern Sudan, Somalia, Ethiopia, and Northern Nigeria.

These fragile areas now need the global community's support. We need to build resilient systems to ensure access to potable water for all people, and to improve water-delivery and sanitation provisions in Africa's rapidly growing urban areas.

We should begin by expanding Africans' capacity to harness wastewater. With investment and proper management, wastewater can become a sustainable source of wealth for many Africans, with added benefits for human health, agricultural productivity, and environmental sustainability.

Over the past six years, the African Development Bank has invested $3.3 billion in projects to expand access to water and improve sanitation, with around $2.2 billion of that going to urban services that reach at least 17 million people.

The AfDB supports an integrated urban water-management model (IUWM) that, in keeping with United Nations Sustainable Development Goal 6, enables communities to derive a sustainable income from management of urban liquid and solid waste.

IUWM efforts require a significant initial investment, and come with steep capital and operational costs. Only a few African cities collect and treat any more than 20% of the wastewater generated through centralized wastewater-management systems. The remaining 80% constitutes a huge untapped source of potentially valuable liquid and solid waste. With the right investment, foresight, and commitment, this underappreciated resource can create jobs and deliver sustainable growth.

Wastewater management is thus a central feature of the AfDB's strategic priorities, known as the High 5s, which aim to improve Africans' quality of life, boost public health, achieve gender equality, create jobs, and increase communities' resilience to the effects of climate change. Water will also play a key role in reaching the High 5s' industrialization and sustainable-farming objectives.

In Yaoundé, Cameroon, the AfDB helped to protect some 300,000 people and their property by reducing the frequency of floods from 15 incidents per year to just three. And with a $40 million sanitation project, the AfDB helped to lower the proportion of the city's malaria-afflicted population from 16% to 12%.

In Abidjan, Côte d'Ivoire, the $23 million AfDB-funded Gourou Basin Integrated Watershed Management Project significantly reduced flooding throughout the Gourou Basin, and improved 2.8 million inhabitants' livelihoods.

In Zimbabwe, after 4,300 people died in the 2008-2009 cholera pandemic, the AfDB and other donors supported the $43.6 million Urgent Water Supply and Sanitation Rehabilitation Project, which made emergency repairs to wastewater systems in urban areas, helping 2.5 million people.

All AfDB-supported wastewater-management systems follow sustainability strategies to ensure that they enhance economic gains, benefit local communities, and remain affordable. These projects also help countries to harness and use waste flows, by converting sewage to biogas and fertilizer.

Meanwhile, the AfDB's African Water Facility (AWF) complements its project-finance work by attracting downstream investments in water infrastructure. In February, flooding and strong winds from Tropical Storm Dineo devastated the coast of Mozambique and had a severe impact on the local population. But just a few weeks later, the AWF launched a feasibility study to improve livelihoods and climate-change resilience throughout Mozambique's Inhambane Province, where the storm struck.

In collaboration with the Global Water Partnership, the AWF is implementing IUWM systems in five African cities, including Kinshasa in the Democratic Republic of Congo and Marondera in Zimbabwe. In the DRC alone, IUWM systems can be expected to improve water delivery and sanitation for 17 million people by 2030.

The Bill & Melinda Gates Foundation is also tapping into the AfDB's expertise, by providing an $18 million grant to fund Phase II of the AfDB's Urban Sanitation Program. This effort will help to develop business innovations for affordable and sustainable sanitation services in Africa, which could reach two million urban dwellers directly and another six million people through subsidiary projects.

Africa's wastewater-management challenges are substantial and complex. But the AfDB is determined to provide opportunities that pay dividends for African communities – in public health, improved sanitation, economic development, and environmental protection.

Improving the quality of life for all Africans will require political commitment, public-private partnerships, and robust public involvement. With the High 5s framework, the AfDB is working to bring these three ingredients together.

All stakeholders – in Africa and internationally – must redouble our efforts to ensure clean, affordable water for all, and to support African countries suffering through a historic drought. We have a moral obligation to do so. After all, water means life.

(By Akinwumi Adesina is President of the African Development Bank, Project Syndicate)

The Power of Mini-Grids

Despite impressive economic development in recent years, Africa still lags far behind on energy, with almost two-thirds of the continent's citizens lacking access to electricity. While getting more power to the people is an important goal, extending electricity grids is expensive and slow. Meanwhile, off-grid options may not be sufficient to meet people's energy needs. Fortunately, there is a third approach that can help fill in the gaps: mini-grids.

Mini-grids are essentially localized electricity networks that supply several users, whether households or businesses. They can be grid-connected, but they do not have to be. And, as a new report from the Africa Progress Panel (of which one of the authors is a member) shows – and as another report by the Rocky Mountain Institute underscores – mini-grids are an important piece of Africa's energy puzzle.

Mini-grids can have a major competitive advantage over grid extension in rural and remote areas, because they can provide electricity more quickly and at much lower cost. Because mini-grids require less capital investment than grid expansion, it can be easier to secure financing for them, meaning that they can electrify communities that might have to wait years for a grid connection.

Mini-grids also have a distinct advantage over off-grid systems: greater power generation. Productivity-enhancing farm machinery, for example, usually requires more power than off-grid household systems can provide.

Moreover, mini-grids can be used to increase the resilience of existing electricity systems. Power cuts on the main grid can affect a large number of businesses and households, and it can be difficult to restore services quickly. Mini-grids can ensure that consumers retain access to power when the grid suffers interruptions.

Despite these benefits, the potential of mini-grids to help address Africa's energy challenge has yet to be tapped. Reliance on mini-grids is expanding more slowly than in other world regions, with Africa being more likely to implement off-grid systems. One obstacle is the lack of proven commercial business models and adequate and appropriate forms of financing. Another is that policy frameworks often are not accommodating. And many developers and operators lack the requisite knowledge and experience.

The situation is ripe for change. With the United Nations sustainable development agenda ambitiously targeting universal access to energy by 2030, policymakers are paying more attention to electrification, and development-finance institutions and partners are making more funding available. Meanwhile, the cost of renewable energy is falling; energy efficiency is improving, both for generating equipment and for the machines to be powered; and innovative digital technologies are facilitating the management of electricity services.

A flexible solution like mini-grids is well suited to this context. As it stands, mini-grids in Africa are mostly diesel or hydropower systems. Yet mini-grids can – and increasingly do –take the form of solar PV and hybrid systems, with hybrid systems being particularly promising. Diesel systems face the risk of fuel-supply disruptions or cost increases, while renewable-energy generation can vary according to weather and season. Hybrid systems that combine diesel with solar or wind power mitigate these risks.

Mini-grids are flexible in other ways, too. Mini-grids may or may not be connected to the national grid. They can be operated privately, by utilities, on a community basis, or according to a public-private model. And they can sell electricity to retail consumers, utilities, or both.

So how can African governments use the potential of mini-grids to help expand energy access? As recent experience in the United States has shown, early adoption of technical innovations, particularly of digital management tools, could enable mini-grid business models to become more cost-efficient. New technologies could even enable mini-grid providers to develop entirely new organizational models for electricity systems that are more effective and resilient than the conventional utility-based approach.

Experience in the US, as well as in Asia, also underscores the importance of favorable government policy and regulations, including capital subsidies. The challenge, of course, will be for each African government to design a mini-grid strategy around the options and models that work locally. That means setting appropriate tariffs and establishing a coherent framework of technical, financial, and procedural regulations. It also requires building up the necessary skills and capacities in the labor force.

In developing their electricity systems, most African countries will have to consider and combine many different models and options. For many, mini-grids can play an important role. If African governments embrace diversity in the way electricity is generated and distributed, they could provide modern energy to millions of people, while placing the continent at the forefront of a global energy transformation.

(By **Strive Masiyiwa**, a member of the Africa Progress Panel, is the founder and chairman of Econet Wireless. He is also the co-Chair of GROW Africa, and Chairman of the Board of the Alliance for a Green Revolution in Africa. And By **Richard Branson**, founder of the Virgin Group, is an investor and philanthropist. Project Syndicate)

IMF, WORLD BANK & AFRICAN DEVELOPMENT BANK

AfDB approves US$ 15 million equity investment in Shore Capital Fund to support inclusive growth in Africa

The Board of Directors of the African Development Bank (AfDB) has approved a US$ 15 million investment in Shore Capital Fund III, a multinational Private Equity Fund which promotes financial inclusion by supporting financial institutions serving Africa's low income and emerging middle-class communities.

With a target capitalization of US$ 150 million, the Fund will provide growth capital and capacity building to inclusive financial institutions such as Small Business Banks (SBBs), microfinance institutions (MFIs), insurance providers, leasing companies, housing finance companies and financial technology providers.

ShoreCap III will focus exclusively on Sub-Saharan Africa (SSA), and intends to invest in 15 financial institutions with an average ticket size of US$8 million. The ultimate objective of the fund is to expand access to affordable and responsible financial products and services for the underserved market as well as institutions looking at significant business and geographic expansion through the use of innovative technologies.

The Fund Manager, Equator Capital Partners has a 13-year track record of investing in the financial sector with a focus on inclusiveness. ShoreCap III is Equator's 3rd generation and 1st Africa focused fund. The Manager will operate from its offices in Abidjan, Nairobi and Johannesburg. The fund proposes an innovative model in which it involves at early stages a capacity building service provider – CapPlus Exchange. In addition to providing long term finance, the model strengthens institutions' operational performance and develops innovative SME finance solutions to increase their effectiveness, scale and profitability.

ShoreCap III is in line with the Bank's Ten-Year Strategy (2013-2022) as it contributes directly to achieving the Bank's inclusive growth vision. It is also aligned with the High 5s: it improves the quality of Life for the people of Africa by enabling financial inclusion and furthers access to finance; and integrates Africa through its support to financial institutions expending regionally and using Fintech to deliver cross border services.

ShoreCap III further promotes the Bank's Private Sector Development Strategy (2013-2017) by developing socially responsive enterprises. The Fund by growing the number of bank branches, loan portfolio and customer base is also aligned with the Bank's Financial Sector Development Policy and Strategy (2014–2019) which priority is to increase access to finance to the underserved and to deepen the financial market. Ultimately the Fund is expected to generate about 3,500 new jobs thus contributing to the Bank's Jobs for Youth strategy (2016-2025).

Zimbabwe Economic Update: The State in the Economy

- *Economic growth fell from 1.4 % in 2015 to 0.7 % in 2016 continuing the recent decline in per capita income growth. Growth should recover in 2017 because of good rains.*
- *Fiscal imbalances combined with a large volume of domestic borrowing in 2015/16 weakened the financial sector and are at the core of Zimbabwe's ongoing cash shortages.*
- *Conservatively estimated at roughly 50 % of Zimbabwe's GDP, total public spending—including expenditures by the central government, local authorities, and state-owned enterprises and parastatals—is exceptional compared to other countries of similar income levels and size.*

HARARE, June 21, 2017—Fiscal imbalances lie at the core of Zimbabwe's ongoing financial crisis: the central government's fiscal cash deficit moved to 10% of GDP in 2016, up from 2.3% the previous year. The deficit was largely financed from domestic financial markets as external arrears prevented Zimbabwe from gaining access to international capital markets. Cash shortages followed, financing for imports dried up, and the current account deficit narrowed dramatically.

The fiscal expansion in 2015/16 boosted short-term growth but depleted resources to support long-term development. Growth remained positive in 2016 at 0.7% and is set to rebound to 2.8% in 2017. However, cash shortages are projected to depress Zimbabwe's medium-term growth prospects as they limit investment for an ongoing structural transformation. Growth rates for 2018/19 are being revised down to less than 1 %, sharply negative in per capita income terms.

Fiscal adjustment is key to growth but complicated by the absence of consolidated public accounts. The size of the public sector is difficult to determine, precisely. A conservative estimate puts total public spending—including expenditures by the central government, local authorities, and state-owned enterprises and parastatals—at roughly 50 % of Zimbabwe's GDP.

Such scale and scope of a public sector are exceptional for a country of its population size (about 16.3 million) and income level, and the state's extensive role in the economy could be a significant obstacle to growth.

Local services delivery needs more stable funding

Chapter 2 of the latest Zimbabwe Economic Update examines the role of Local Authorities (LAs) in the Zimbabwean public sector, with a focus on urban councils. Key challenges regarding the stability of intergovernmental transfers, own-revenue mobilization, and local financial management systems limit the capacity of LAs to provide adequate public services and undermine the fiscal stability of the government as a whole.

Local authorities are recommended to establish systems to manage spending better, control deficits and debt levels, improve revenue collection, and rationalize their wage bills in order to ensure that adequate resources are available for operations and maintenance.

Meanwhile, the government should accelerate implementation of Constitutional provisions on revenue-sharing with local authorities.

Oversight is key to improving state-owned enterprise performance

Chapter 3 of the Update focuses on state-owned enterprises and parastatals (SEPs) and their role in the Zimbabwean economy and public sector. Zimbabwean SEPs drive investment and job creation in key sectors, provide vital public services, and implement public policies. But SEPs are a major source of fiscal risk.

Most SEPs operate at a loss and require public subsidies to remain solvent—and some have accumulated significant tax arrears. The sector is a net drain on public finances. And, although a number of institutions are responsible for SEP governance and oversight, accountability and monitoring have been weak.

The government has, however, prepared a new draft law on SEP corporate governance and is taking steps to strengthen financial reporting and operational accountability.

IMF Approves $666 Million Extended Credit Facility for Cameroon

The International Monetary Fund has approved an extended credit facility of $666 million for Cameroon.

The three-year program is expected to help the West African nation restore external and fiscal sustainability and lay the foundations for sustainable, private sector-led growth, the Washington-based lender said in an emailed statement.

State revenue in the oil producer has plunged due to a fall in commodity prices since 2014 and attacks by Boko Haram in the northern parts of the country. While the government forecasts economic growth of 4.9 % for this year, the IMF projects expansion will slow to 4 % from 4.7 % in 2016. “The Cameroonian economy is now facing decelerating growth, declining fiscal and external buffers, and rapidly-rising public debt,” IMF Deputy Managing Director Mitsuhiro Furusawa said in the statement. “The authorities’ fund-supported program appropriately aims at addressing Cameroon’s large balance of payments need and restoring fiscal and external sustainability.” About $171.3 million will be available immediately and the remainder will be disbursed over the duration of the program pending semi-annual reviews, the IMF said. (By Divine Ntaryike Jr, Bloomberg)

African Development Bank approves 2016 African Water Facility annual report and 2017 work plan and budget

The Board of Directors of the African Development Bank Group (AfDB) has approved the 2016 Annual report and 2017 Work plan and budget of the African Water Facility (AWF), with particular reference to the use of an amount up to €1.925 million for the administrative budget of AWF out of the Special Water Fund for 2017 activities.

The fund will contribute to meeting the challenges of the activities in 2017, including: Resource mobilization; Operations; Strategic review; Documenting and disseminating results and knowledge emanating from AWF operations. The activities also comprise, Human resources; Enhancing communications, visibility and outreach through greater use of social media tools, and participation in key international water events. The AWF will also continue to fully engage with AMCOW and other development partners to better coordinate and harmonise its activities.

Board members also underscored progress made by the AWF in spite of the funding challenges, urging other facilities facing similar contests to learn from it.

At its Annual meeting in December 2016 in Abidjan, the AWF Governing Council approved the long-term strategy 2017 to 2025. But the Facility continues to face human resources and core funding challenges. Also, the level of funding in the Water Fund has now reached critical levels, with the AWF unable to ensure continuity of operations beyond 2017. However, there is light at the end of the tunnel with pledged funding from Canada and ongoing discussions with Austria, NDF and BMGF to replenish their funding to the AWF Special Fund.

The Vice-President in charge of agriculture, human & social development, Jennifer Blanke, remarked that AWF has achieved a great work in preparing to finance projects and increasing the delivery capacity of implementing agencies in member countries. "*The AWF has the framework to increase our delivery capacity in water related operations beyond what we are doing currently. We will need the Bank's continued financial support to make this leap in the AWF operations,*" she said.

For his part, the Bank Group Senior Vice-President, Charles Boamah who chaired the Board meeting expressed support for the idea of cost recovery mechanism being introduced in AWF's new strategy and recommended closer collaboration with African Legal Resource Facility which has made some progress on the same issue. It would be recalled that the Annual report provides an account of activities undertaken and results achieved by the Facility for the year under review. The reporting is made against the priorities established in the AWF Strategic Plan 2012-2016 and its Results-Based Logical Framework (RBLF).

Benin Gets World Bank's Support to Improve Energy Services

A $60 million credit is approved to help the country improve the performance of its power distribution utility and expand electricity access in targeted peri-urban areas.

The World Bank today approved a $60 million IDA* Scale-Up Facility credit to help the Republic of Benin improve energy services through the improvement of the operational performance of its national distribution utility, SBEE, the expansion of electricity access to peri-urban areas of Cotonou, Porto-Novo, Parakou and Natitingou, and the promotion of community-based management of forest resources.

"The new project responds to the government's pressing needs to improve the reliability of electricity services and to its longer-term goal to develop the energy sector in a sustainable manner," said Pierre Laporte, World Bank Country Director for Benin. While past and ongoing projects funded by the World Bank have placed a greater emphasis on expanding the transmission network and rehabilitating the medium voltage distribution network, the new ESIP will focus on improving the performance of the distribution network and its critical importance for the financial viability of the overall power sector.

Most specifically, the ESIP will help (i) improve SBEE's operational performance by contributing to reduced commercial and technical losses, (ii) maintain positive momentum on the biomass subsector, and (iii) provide a roadmap for gradual and sustainable power sector development, while strengthening the capacity of key stakeholders.

Households and small businesses in the targeted areas will receive additional daily hours of electricity and a better voltage that will enable adequate running of their electrical equipment. Men and women living in the communes of Bassila, Bantè and Djidja will implement community-based forest management plans covering 300,000 hectares, while the communes of Djougou, Ndali and Pèrèrè will develop new plans covering 150,000 hectares. This will help the beneficiary communities engage in income generating activities from their forestry resources. SBEE will be able to reduce losses in the electricity distribution, collect increased revenues resulting from the implementation of a revenue protection program and the regularization of informal electricity users. And other key power sector stakeholders will benefit from technical assistance and capacity-building activities; these include: (i) the ministry of energy, water and mines; (ii) the rural electrification agency (ABERME – Agence béninoise d'électrification rurale et de la maîtrise d'énergie); (iii) the national power sector regulation authority (ARE - Agence nationale de regulation du secteur de l'électricité); and (iv) the renewable energy agency (ANADER – Agence nationale de développement des énergies renouvelables).

The ESIP is fully aligned with the Government Action Plan adopted in December 2016, highlighting the strong need to improve the performance of power distribution operations and SBEE's governance and operational performance. It is also consistent with the World Bank's Country Partnership Strategy for Benin which focuses, inter alia, on sustainable growth,

competitiveness and employment. The project complements interventions from other development partners, including the Millenium Challenge Corporation (MCC) and the Agence Française de Développement (AFD).
* The World Bank's International Development Association (IDA), established in 1960, helps the world's poorest countries by providing grants and low to zero-interest loans for projects and programs that boost economic growth, reduce poverty, and improve poor people's lives. IDA is one of the largest sources of assistance for the world's 77 poorest countries, 39 of which are in Africa. Resources from IDA bring positive change to the 1.3 billion people who live in IDA countries. Since 1960, IDA has supported development work in 112 countries. Annual commitments have averaged about $19 billion over the last three years, with about 50 % going to Africa.

INVESTMENTS

Angola: Hygiene product factory unveiled in Cacuaco

A factory with production capacity of 450 units of diapers and 700 of sanitary towels per minute was inaugurated in Cacuaco, Luanda, by Secretary of State for Industry, Kiala Gabriel. Located in the urban city of Sequele, the factory called "Jóia Industrial", has three installed production lines, in a total of 10 that will be assembled soon. Dedicated to the manufacture of hygiene products such as baby diapers, sanitary towels, napkins, toilet paper and other related products, the plant employs 200 Angolan and 16 foreign workers. According to the company's CEO, Hermon Fukur, the construction of undertaking lasted 18 and cost USD 6.5 million. Addressing the press, the State Secretary for Industry, Kiala Gabriel, predicted that the undertaking will generate over 600 jobs. (Angop)

Italians invest in ship repair and canned fish in Angola

A group of Italian business people plan to invest in the construction of a shipyard for assembly and repair of fishing vessels in the municipality of Soyo, in Angola's Zaire province, the director of **Italian company Ac Enterprises** said.
Orazio Omata also told Angolan news agency Angop news that the investment will be made in partnership with the Angolan company Pele Angola.
Omata said that **a shipyard is a project of major importance, as it makes it possible to assemble and repair fishing vessels to operate in the region and the re-launch of the fishing sector in the province.**
Alongside the shipyard the company plans in August to start building a factory to process fish in the city's industrial hub.
The project, a partnership between Italian and national business owners, will be implemented in an area of 5,000 square metres, and materials for its construction, as well as equipment, will arrive in Soyo later this month from Italy. Pele Angola's director, Joaquim Alberto, said that the cannery should start supplying the domestic market with fish fillets by February 2018, "after which we will start thinking about exporting the product." (Macauhub)

Angolan company invests in private hospital in Luanda

Construction of a private hospital is due to begin next September in Luanda under a private investment contract signed by Angolan company Tchittue Living One Business and the Technical Unit for Private Investment (UTIP).
The Medi-One Primary Medicine Clinic, the name of the private hospital, represents an investment of US$120 million, to be built on a 21-hectare site in the municipality of Viana, and the construction is estimated to take 18 months.
The investment contract signed, in addition to the hospital of conventional and natural medicine, includes construction of a medical school, a haemodialysis building, laboratory for preparation of cosmetics and food supplements, as well as a residential area. José Tchiambula Tchitue, a partner at

Tchittue Living One Business, said the haemodialysis centre will have about 300 monitors to support Angolan and foreign patients, according to Angolan news agency Angop. (Macauhub)

Cabo Verde intends to include more areas in EU partnership agreement

The Cape Verdean government will negotiate the inclusion of three new areas in the partnership agreement it signed a decade ago with the European Union (EU), Cabo Verde's Foreign Affairs Minister Luís Filipe Tavares said in the Assembly of the Republic in Lisbon.

The Cape Verdean minister, who is also the Defence minister said the country wants to extend the partnership agreement to the areas of "investment, growth and job creation; the problem of managing the oceans and maritime economy and institutional reforms, at both a central and local level," and requested Portugal's help, as a member of the European Union, for this purpose.

The Cape Verdean minister, who was at a joint hearing of the Foreign Affairs and European Affairs committees to discuss the partnership between Cabo Verde and the EU, also stressed the "real increase in funds" which the country has benefited from under the latest multiannual frameworks of the European Development Fund.

These funds amounted to 51 million euros and an additional 3 million euros for the victims of the volcanic eruption on the island of Fogo on the X EDF for the 2008-2013 period and 55 million euros for the National Indicative Programme and an additional 7 million euros to control the effects of torrential rains on the island of Santo Antão under the Eleventh EDF for the 2014-2020 period. (Macauhub)

Africa's Biggest Company to Start Funding Roadshow in U.S. and U.K.

- Naspers spends about $500 million a year on M&A, CEO Says
- Naspers pay-TV business able to add subscribers despite woes

Naspers Ltd. will approach investors in the U.S. and the U.K. next week about a bond issue as Africa's biggest company by market value continues its acquisition-hungry quest to expand its internet businesses.

The proceeds for the bond will shore up the company's balance sheet for future growth opportunities and will also be used to refinance some of its current debt, Naspers Chief Executive Officer Bob van Dijk said. While Naspers spends about $500 million on mergers and acquisitions a year there is no set target and decisions depend on finding the right businesses and opportunities, he said. The Cape Town-based company reported full-year earnings. "We are focusing on building online businesses and bringing them to scale," Van Dijk said. Naspers is looking to invest further in its classifieds, e-commerce and online payment businesses where revenue growth is accelerating, the CEO said.

Naspers, the market leader in classifieds in most of the emerging markets that it operates in, entered the U.S. last year and now competes with well-established businesses such as Craigslist. The company is seeking to grow outside of a 33 % stake in Chinese internet company Tencent Holdings Ltd., which contributes the bulk of Naspers's $1.8 billion profit and is worth more than the South African company's market value of about $90 billion. "We are quite excited about our growth in our Letgo business in the U.S.," Van Dijk said. "Since we consolidated with Wallapop, we have become the leader in the number of daily-active users in the mobile app space," he said, referring to the merger of two of the company's classifieds businesses.

The owner of Africa's biggest pay-TV service has been able to add subscribers over the past year even as the business struggles with sluggish economic growth and the arrival of competitors including Netflix Inc. "Sub-Saharan Africa has had a tough few years and our business there also had many challenges," the CEO said. "So far it has turned out to be a viable business, whether that will change in a number of years we will have to see," Van Dijk said. Naspers shares rose 2.6 % to 2,638.61 rand, extending the year's gain to 31 %. The stock is the best performer on the FTSE/JSE Africa Top40 Index. (By Loni Prinsloo, Bloomberg)

Germany touts Africa investment as signature issue

A new approach to foreign investment and aid in Africa by the world's richest nations is being called for by Germany's chancellor, before she hosts a meeting of the world's 20 wealthiest nations next month. The so-called "Merkel plan" calls for more investment in Africa, as a way of stemming African migration to Europe.

Last week, German Foreign Minister Gerd Muller said he fears 100 million African refugees might come to Germany if nothing is done.

So, **Chancellor Angela Merkel has vowed to invest some US$335m to attract foreign investors to Africa, and will try to convince the other 19 nations attending the G-20 summit to show greater commitment to the continent's struggling economies.**

Germany has identified four countries as its focus: Ivory Coast, Morocco, Rwanda and Tunisia, but has also had discussions with other African leaders.

Talitha Bertelsmann-Scott heads the Economic Diplomacy Programme at the South African Institute of International Affairs, and says Germany has worked hard to overcome its violent African colonial past and emerge as a business leader. "Germany has given so much, has been very inspiring in terms of how it emerged after the Second World War as this leading manufacturing powerhouse," she said. "And Africa is really looking towards ways they can industrialise. And Germany does give leadership here." But she said she has some reservations about the plan outlined by Germany's Finance Ministry, which she says did not involve consultation with African nations.

German business: All in the family

Marc Zander leads business consultancy Africon, a German-based company that focuses on helping businesses set up in sub-Saharan Africa He says German companies are looking to make serious, long-term investments and more are looking each day. "A lot of German companies are still family-owned so their approach to the African region might be on the one side be very cautious, but on the other side, a lot of German companies do properly work on the the strategies and also think-long term," he said from Stuttgart, Germany.

Christoph Kannengiesser, CEO of the Berlin-based German-African Business Association says 600 German companies are already working on the continent and he expects that number to grow. The continent's booming population and growing consumer base make it an attractive business destination, he says. "The new German approach to Africa is first of all to accept and to take into consideration much more that Africa is a political and economic factor, and that Germany should strengthen the ties to Africa and build up more and more intensive relations to Africa in general and to important African countries," he said. "And I think the second aspect is that we recognise Africa as a continent of economic opportunities and that we should engage as well." The two-day summit will be held July 7 and 8 meet in Hamburg. (By Anita Powell, How we made it in Africa)

Kenyan President Pledges Investment Plan in Hunt for Votes

- uling party asks voters for second term to complete projects
- Kenyatta vows to offer free education, boost job creation

Kenya's ruling Jubilee Party pledged to transform East Africa's largest economy into a middle-income nation by 2022 by boosting investment in public infrastructure and technology and offering increased financing for small businesses.

President Uhuru Kenyatta's party also said it will increase the number of poor and elderly receiving free health-care and offer free education to some primary and secondary public-school students. The number of elderly receiving state grants would be doubled to 1.4 million, and the government would create 1.3 million jobs every year, the party said in a manifesto for Aug. 8 elections posted on its Twitter account. The economy generated 832,900 jobs last year, 85,600 of them in the formal sector, the Kenya National Bureau of Statistics said April 19.

Kenyatta's administration pledged to "maintain a stable macro-economic environment and sensible policies that will support strong economic growth, ensure price stability, maintain debt at sustainable levels, create wealth and reduce inequalities," according to the document.

Kenyatta, 55, is seeking a second term in a race against 72-year-old former Prime Minister Raila Odinga, whose five-party opposition coalition is scheduled to release its manifesto. Kenyan elections are fractious times for investors because of violence that engulfed the nation in three of the past five votes. In a disputed December 2007 ballot, ethnic violence left 1,100 people dead and forced 350,000 more to flee their homes. The Jubilee Party plans to raise revenue collection to 27 % of gross domestic product from about 19 % currently. It will also establish a sovereign wealth fund to hold proceeds from anticipated oil production, it said. Kenya's economic growth may slow to 5.5 % in 2017 from 5.7 % in 2016 as the worst drought in more than three decades decimates output from its rain-fed farming industry, Treasury Secretary Henry Rotich said on June 8.

Railway Line

The ruling party is highlighting a $3.8 billion railway from the coastal city of Mombasa to Nairobi, the capital, as the hallmark of its achievements. The standard-gauge railway line is Kenya's biggest public investment since attaining independence in 1963 and was financed by loans from China Export-Import Bank.

The line is being extended by 120 kilometers (75 miles) to Naivasha, a floriculture hub northwest of Nairobi. The government also pledged to complete 7,000 kilometers of roads and build a six-lane highway between Mombasa and Nairobi.

If re-elected, Kenyatta's government will establish a Kenyan Exim Bank and an Industrial and Commercial Development Bank to provide long-term financing for small businesses, according to the manifesto. It will also create a public housing program to build at least 500,000 affordable units for low-income earners, it said. The government would also double fertilizer subsidies to farmers and complete construction of 57 large-scale dams. (By Felix Njini, Bloomberg)

BANKING

Banks

AfDB calls on credit providers to increase lending to meet demand by African MSMEs

The African Development Bank (AfDB) has called on financial markets to increase affordable loans and provide more diverse and innovative financing instruments to Africa's micro, small and medium sized enterprises. Industrialization is one of the **High 5s** priority areas of the African Development Bank.

Credit providers need to increase their lending by at least US $135 billion in order to meet demand by African Micro, Small and Medium-sized Enterprises (MSMEs).

In a statement to mark the United Nations' Micro, Small and Medium-sized Enterprises Day, June 27, AfDB noted that firms with fewer than 20 employees and less than 5 years' experience provide the most jobs in Africa's formal sector. "The entrepreneurial culture is vibrant with about 80% of Africans viewing entrepreneurship as a good career opportunity. The continent has the highest share in the world of adults starting or running new businesses, but often in sectors where productivity remains low. New industrialization strategies should focus on leveraging this dynamism and targeting the continent's fast-growing private enterprises which have potential to create quality jobs," said Akinwumi Adesina, President of the African Development Bank Group.

According to the UN, micro, small and medium-sized enterprises represent around 90 per cent of global economic activity and are on the front lines of embracing transformative technologies and new business models.

In 2016, the AfDB provided financial services to 156,000 individual owner-operators and micro, small and medium enterprises through financial intermediaries, addressing a key constraint to starting up and growing businesses.

The AfDB also worked with USAID, the Fund for Africa Private Sector Assistance and the International Labour Organisation to build the capacity of small and medium enterprises (SMEs) in Zambia and enable national financial institutions to become efficient at lending to smaller business.

The Bank is also launching a number of new programmes that are designed to help move Africa toward its industrialization goals.
In 2016 the Bank launched **Fashionomics** (the economics of fashion) initiative to increase Africa's participation in the global textile industry supply chain. **Fashionomics** is an AfDB initiative to support the development of micro, small and medium-sized businesses (MSMEs) operating in the textile, apparel and accessories (TA&A) industry in Africa, with a focus on women and youth empowerment.
Given Africa's potential for increased involvement in this sector, AfDB is also increasing its efforts to promote access to finance for entrepreneurs to create start-ups and expand existing businesses.
But a holistic policy approach is needed to strengthen entrepreneurship for Africa's industrialization and tackle the multitude of constraints.
The first is improving skills of entrepreneurs and of workers in general and aligning them with labour market needs. While governments can promote learning, engaging the private sector is necessary. The second policy area relates to grouping firms in business clusters, such as industrial parks and special economic zones. Clustering can support start-ups and increase existing firms' productivity and growth, assuming adequate infrastructure is available.
Many African countries need to improve women's rights to make decisions about their own lives and enterprises with adequate, flexible and affordable financial services and business education.
According to the **2017 African Economic Outlook**, many women entrepreneurs find financial services inaccessible due to high interest-rates and inflexible repayment schemes.
Women entrepreneurs face additional constraints which affect their firms more than those of men. Often women endure harassment and discrimination in the market place and from government and financial institutions. In Uganda, 28% of women own land compared to 53% of men; but only 10% of female landowners can use land as collateral compared to 95% of male.
African governments in July 2016 endorsed the African Development Bank's (AfDB) Industrialization Strategy for Africa 2016-2025. It identifies "competitive talents, capabilities and entrepreneurship" as a key driver of the strategy. The AfDB's fourth flagship programme aims to realise the strategy's objectives by focusing on "Promoting and Driving Enterprise Development", particularly small and medium-sized enterprises (SMEs).
The African Guarantee Fund for Small and Medium-sized Enterprises (AGF) provides a successful example of the financial viability of a credit guarantee scheme. AGF was set up in 2011 by the AfDB, the Danish international development agency (Danida) and the Spanish Agency for International Development Cooperation; the Agence Française de Développement (AFD) joined more recently.
By the end of 2015, USD 230 million worth of guarantees had been signed. Commercial banks increased this amount, by leveraging the USD 230 million in guarantees to lend out USD 460 million to SMEs. The credit guarantee scheme has benefited more than 1,300 SMEs, generating over 11,000 jobs. The fund operates in 35 African countries, with 54% of the credit guarantee capacity spent in West Africa and 22% in East Africa. After only three years of activity, the fund became profitable and reached break-even point. Revenues quadrupled between 2013 and 2015, from USD 2 billion to USD 9.1 billion.
The Boost Africa Initiative - a joint collaboration between the AfDB, the European Investment Bank and the European Commission- is expected to help create and grow 1,500 innovative businesses, create 25 000 direct jobs and 100,000 indirect jobs, and improve environmental, social and management practices in African youth-owned SMEs.
The Boost has an initial budget of EUR 150 million to deliver innovative, additional and long-term financial capacities in Africa; provide business advisory services and skills transfer for youth entrepreneurs to help them grow in an efficient and sustainable way; and improve knowledge, information, and networks regarding the development of entrepreneurship and of small and medium-sized enterprises (SMEs) in Africa.

Youth entrepreneurs are prioritised for support in sectors with development impact, including healthcare, education, agriculture/agribusiness, manufacturing and climate mitigation. Indeed, micro, small and medium sized enterprises are vital in achieving the Sustainable Development Goals, in particular in promoting innovation, creativity and decent work for all. But better policies are required to help micro, small and medium-sized enterprises to help increase productivity and income via microfinance programmes and education in Africa. The continent also needs to validate skills acquired in the informal sector through certification. (AfDB)

Credit Suisse Disputes Fees Shown in Kroll Mozambique Audit

- Debt investigation shows $500 million in unexplained loans
- IMF says probe necessary to start negotiating new aid program

Credit Suisse Group AG, which helped arrange the majority of the $2 billion in Mozambique state-backed loans that plunged the country's economy into crisis, disputed that it received more than $160 million in fees for arranging the financing.

The bank was responding to Kroll LLC's audit report into the loans that said it and Russia's VTB Bank PJSC were paid almost $200 million in arrangement and contractor fees. The investigation showed that Mozambican state companies failed to account for about a quarter of the proceeds of $2 billion in loans being investigated, according to the Kroll report. "The reporting that Credit Suisse realized $100 million or more in 'arranging' fees is incorrect and misleading," a spokesman for the lender said in an emailed statement. "Banking fees for Credit Suisse totaled $23 million –- roughly 2.3 % of the total financings and is in line with comparable emerging-market financing transactions."

The summary of the audit into three government loans could help pave the way for restructuring talks with owners of the debt and mend relations with the International Monetary Fund. The fund halted payments to the world's ninth-poorest nation in April last year, when the government revealed it guaranteed two previously hidden loans by state-owned companies totaling more than $1 billion.

Contractor Fees

According to Kroll's report, Credit Suisse received a combined $23.8 million in banking fees for loans to state-owned companies ProIndicus and Ematum. On top of that, the Swiss bank deducted almost $141 million in so-called contractor fees from the loans. They "were introduced to allow the lending banks to achieve a return at an interest rate more accurately reflecting Mozambique's risk profile," Kroll said. The contractor fees were effectively passed on to other lenders, the investigator said, citing Credit Suisse. **VTB was paid $35 million in banking fees for a loan to Mozambique Asset Management and didn't deduct a contractor fee.**

'Information Gaps'

The IMF, which has said the probe was necessary for it to resume funding to the country, noted "information gaps" on how the money was used but otherwise welcomed the release of the audit. "These documents constitute an important step toward greater transparency regarding the loans," it said in a statement. The Finance Ministry announced in October it can't afford to service its commercial dollar debt, and defaulted on its $727 million Eurobond at the start of the year. It's also missed payments on two state-guaranteed loans. Arrears for all three loans total about $490 million. **Mozambique's $727 million Eurobonds that the Ematum loan was converted into last year were little changed at 75.11 cents on the dollar by 10:33 in London.**

Palomar Role

Palomar Capital Advisors Ltd., another financial advisory company that helped arrange some of the debt, called the report "flawed and incomplete." Kroll didn't request any information from Palomar regarding the audit, the Swiss company said in an emailed statement.

"Notwithstanding Palomar's offer to meet with Kroll, at no time prior to the finalization of the report did Kroll request any information or seek assistance from Palomar," it said. "As a result, the report is flawed and incomplete, and contains a number of materially inaccurate and misleading statements."

Kroll said the Swiss company had received $3.8 million for advising the government on the restructuring of a $850 million loan taken out by Ematum, a tuna fishing company. It also said Palomar was paid $7.8 million in "running fees" for helping to restructure a loan to ProIndicus. Palomar said wasn't involved in arranging the ProIndicus and Ematum loans in 2013, and was an unpaid co-arranger of a loan to MAM. VTB won't comment on the Kroll audit until the Moscow-based lender has completed a detailed review of the report, according to a statement from the press office. (By Matthew Hill, Bloomberg)

Ivory Coast's NSIA Banque to launch IPO on July 3

Ivory Coast's NSIA Banque will launch an initial public offering (IPO) of stock ahead of a planned listing on West Africa's regional BRVM bourse in the first week of September, company officials said. The bank, formerly called BIAO-CI, is part of the NSIA financial group, which owns another bank in Guinea and is a leading insurance provider in 12 countries across West and Central Africa. Stock worth 34.53 billion CFA francs ($58.77 million) will be sold at 9,000 CFA francs per share to private investors and at 6,750 CFA francs per share to bank employees from July 3 to 13, with a possible early closure of the IPO. Some 4,011,500 shares will be sold. Jean Kacou Diagou, chairman of NSIA Group, told reporters at a news conference in Abidjan that the bank was looking to expand. "We want to buy banks in other African countries to sell financial products," he said. NSIA Banque recorded a net profit of 17.12 billion CFA francs last year, up from 14.29 billion CFA francs in 2015, its managing director Philippe Attobra said. ($1 = 587.5000 CFA francs) (By Loucoumane Coulibaly, Reuters)

Markets

Governor of the National Bank of Angola denies currency devaluation

The governor of the National Bank of Angola rejected the possibility of devaluing the country's currency – the kwanza – in the next few months, at the end of the joint session of the Economic Commission and the Commission for the Real Economy of the Council of Ministers, in Luanda.

Valter Filipe da Silva pointed out that inflation has been falling for a few months, so that the general level of consumer prices has been reduced, "thus there is no need to touch monetary policy instruments." The governor recalled that it is an obligation of the central bank, through the instruments at its disposal, to protect the purchasing power of Angolan families, particularly the most vulnerable. Silva, quoted by Angolan news agency Angop said the central bank is adopting a monetary policy of financial stability and control over inflation, exchange rates and interest rates, in order to control and reduce the general level of inflation. This financial stability measure also aims to protect net international reserves, which are considered to be a pillar of the country's financial stability. (Macauhub)

Liquid Telecom to issue $700m bond

Pan-African internet provider, Liquid Telecom, said it plans to launch a $700 million bond and a long term financing package. The two fundraising processes will help the group reduce its debt and support its growth strategy. It is Liquid Telecom's finance arm, Liquid Telecommunications Financing Plc, which will carry out the operations.

Since last June 23, firms selected by Liquid Telecom have been meeting with investors in Europe, US and Asia. "Today is another important step for Liquid Telecom as we continue our journey to bring high-speed connectivity to more of Africa. Through additional funding, we hope to be able to continue this period of accelerated growth for the group, enabling us to extend our network footprint across more of the continent," said Nic Rudnick, CEO of Liquid Telecom.

The firm currently owns more than 50,000km of optic fiber which it says to be Africa's largest independent fiber optic network. Present in 13 countries, Liquid Telecom, hopes, through its upcoming investment programme, to improve relations with its partners which are carriers and retailers. (Ecofin Agency)

ENERGY

Rwanda – Renewable Energy Fund
IDA Credit: $27.5 million equivalent
Maturity: 40 years, **Grace**: 10 years
Strategic Climate Fund Scaling Up Renewable Energy Program Grant: $21.4 million equivalent
Project ID: P160699
Project description: This project will help to increase electricity access in Rwanda through off-grid technologies and facilitate private-sector participation in renewable off-grid electrification.

China wants to support São Tomé and Príncipe to replace fossil fuels with renewable energy
China is willing to help São Tomé and Príncipe replace the use of fossil fuels with renewable energy, such as wind and solar, in order to preserve the environment and with the aim of promoting tourism in the archipelago, the new Chinese ambassador said in São Tomé.
Wang Wei said in an interview with Macauhub that at an early stage the costs associated with this change may be higher, but added that in the long term "the use of renewable energy will turn out to be more economical than the production of electricity using fossil fuels." "São Tomé and Príncipe can count on China's help in the energy sector, because energy is fundamental to increase the country's productive capacity," said the diplomat, who called for, "promoting São Tomé and Príncipe's sustainable development," as one of the essential areas of cooperation between the two countries.
The ambassador restated Beijing's willingness to participate in the construction of the deep-water port and the modernisation of the international airport and gave assurances that "China does not rule out any kind of financing, which will ultimately depend on economic feasibility studies as well as on the priority given to such projects."
Welcoming the São Tomé government's decision to grant facilities for entry visas to Chinese citizens, Wang Wei said that China has already started the exchange of professionals from sectors in which São Tomé e Príncipe has potential, given its "geostrategic location" in the Gulf of Guinea.
Asked about **aid announced for the archipelago estimated at about US$146 million**, the new Chinese ambassador said that "we are not going to limit ourselves to this amount and the support may be higher, depending on the projects to be approved by both parties."
The diplomat also said that China's funding to São Tomé e Príncipe could take the form of investment loans or grants, adding that it could be provided by, "banks or by companies and public-private partnerships." He also noted that "We are working expeditiously to approve and implement the projects that were deemed feasible." Following the reestablishment of diplomatic relations last December, São Tomé and Príncipe and China signed a general cooperation programme in April in Beijing in the economic, scientific and cultural fields, as well as a number of specific agreements in the areas of energy, tourism, health and technical assistance. (Macauhub)

Soventix and Gentec EPC partners to develop solar projects across Nigeria
Germany-based solar developer, Soventix, and Gentec EPC, a pioneer in the Nigerian energy industry, have together formed a joint venture to develop solar projects across Nigeria. Called Soventix Hybrid Limited, the first phase of the joint venture will focus on industrial rooftop solar applications that will synchronize with existing generators or grid power systems. This will allow industries have additional sources of power generation at a lower price and at the same time reduce emissions significantly. The Phase 2 would also aim to develop national solar parks.

"*Given the significant shortfall of reliable power across Nigeria, at a residential, industrial and national grid level, solar energy is well positioned to play a major role in Nigeria's energy mix. The beauty of solar energy is that the tariffs are fixed over a 20-year period, given there is no fuel input and hence, industries can effectively plan their long-term energy costs. Moreover, solar energy is already more competitive against fossil fuels with regard to pricing per kWh,*" the companies said in a statement.

According to the statement, with the rising competitiveness of solar energy over fossil fuels, analysts see Nigeria as one of the key solar growth markets across Africa. Although **Nigeria has 12.5 GW of installed generation capacity, only about 4, 000MW is available. USAID has estimated that 95 million Nigerians (approximately 55% of the population), do not have access to electricity.** (By Anita Fatunji, Ecofin Agency)

Nigeria eyes $5bn loan from World Bank to boost electricity

Nigeria is looking to raise $ 5 billion from the World Bank to be channeled into the power sector in order to boost electricity availability in the country. This came after an official visit by a Nigerian delegation to Washington on April 25, 2017 to discuss possible assistance to the national energy sector, the bank said.

At the end of the meeting, the Multilateral Investment Guarantee Agency (MIGA), an arm of World Bank Group, promised to deploy a set of instruments that will help mobilize investments directly from the private sector and through private sector guarantees, to resolve Nigeria's energy crisis. Nigeria at the end of the first quarter of 2017, had an external debt of $ 13.81 billion, of which $ 6.93 billion was contracted with the World Bank, according to the Debt Management Office, (DMO).The Nigerian energy sector is currently experiencing a chronic crisis. Although the country has 12.5 GW of installed generation capacity, it currently produce only about 4, 000MW. (By Anita Fatunji, Ecofin Agency)

INFRASTRUCTURE

Government of Angola takes on bank financing for project in Huila province

The Angolan Finance Minister welcomed the fact that it was possible to use the country's financial system to raise all the necessary financing for construction of an integrated infrastructure project in the city of Lubango, capital of the province of Huíla. The project is estimated to cost 35 billion kwanzas (approximately US$212 million) and its financing was guaranteed by Banco de Fomento Angola (BFA), one of the largest banks in the country. Archer Mangueira, quoted by newspaper Jornal Mercado, was speaking at the signing of the contract by the Ministry of Urban Development and the consortium formed by Omatapalo, a Portuguese-owned construction company based in Huíla, and local contractor Imosul. The work will take 36 months and include a road network of 100 kilometres of integrated infrastructures, which will include a ring road, dredging of water lines, improvements in energy supply, water distribution network and construction works, as well as landscaping The minister of Urbanisation, Branca do Espírito Santo, stressed that this is one of the structuring works in her portfolio and added that she was now awaiting the authorisation of the Ministry of Finance to award the contract. The financing provided by the Angolan Development Bank was obtained by issuing public debt, an operation set up by the Debt Management Unit, an entity under the supervision of the Ministry of Finance. (Macauhub)

South African bank manages departures hall at Mozambique's main airport

The First National Bank (FNB) of South Africa will start managing a new departures hall at Maputo International Airport for the next five years, with an additional five-year renewal option under a partnership established with National Aviation Services (NAS), the bank said in a statement. The FNB, which is present in Mozambique through FNB Moçambique with 16 branches, also reported that it in 2016 it was awarded the tender to manage the new "platinum" room that will serve the business passengers and passengers from other airlines. The room is 250 square metres, can accommodate up to 80 passengers and has a dining area, a fully equipped business centre, smoking area and a children's playground. With Maputo joining its network, NAS, one of the fastest growing aviation service providers in emerging markets, now operates in 31 airport lounges in 12 countries. NAS also manages the ground services of seven of the top ten airlines in the Middle East, India and Africa and is certified by the IATA Safety Audit for Ground Operations (ISAGO). (Macauhub)

Profit-making idea: Potential for construction companies along Mozambique's Nacala corridor

Profit-making idea is a series of short posts, each with a piece of information that we think you might find useful: for investment, for growing your company or to start a new business. Companies in the construction sector should consider exploiting opportunities along Mozambique's Nacala corridor – a railway and port project linking the coal deposits in the Tete Province (situated in the west of the country) with the north-eastern port city of Nacala. According to the African Development Bank (AfDB), small- and medium-sized enterprises (SMEs) should take advantage of the business opportunities provided by infrastructure projects associated with the Nacala corridor. **The AfDB recently approved a US$1m grant to improve the competitiveness of local construction-related companies.**

The Nacala corridor comprises the building and rehabilitation of a 912km railway from the Moatize coal mine in Tete, through the southern part of Malawi, to a new coal port terminal in Nacala-a-Velha. The railway will also be used to move general freight and passengers destined for Zambia and Malawi. "The port of Nacala in the north of Mozambique unlocks the economic potential of northern Mozambique, and offers an economic supply corridor to neighbouring landlocked countries," commented Drikus Kotze, general manager of Engen Petroleum's international business division, in an earlier statement announcing that the company has appointed a new distributor in Nacala. (By Jaco Maritz, How we made it in Africa)

Government of Mozambique ratifies loan to build road to Tanzania

The Mozambican government has ratified a financing agreement signed with the African Development Fund for the first phase of the Mueda-Negomano road construction project in the northern province of Cabo Delgado, a stretch of about 100 kilometres connecting Mozambique to Tanzania, said the Council of Ministers spokeswoman. Ana Comoana recalled that the financing, **the agreement for which was signed last February, includes a loan and a donation, the first in the amount of US$69.7 million and the rest as a donation.**

The African Development Bank announced in December 2016 it had approved US$74.9 million in financing for the construction of the road between Mozambique and Tanzania, with the amount divided into a loan of US$71.8 million and a donation of US$3.1 million. The spokeswoman for the Council of Ministers and Deputy Minister of Culture stressed the importance of the road, which links the neighbouring countries via the National Unity Bridge, which was inaugurated in 2010 by the presidents of Mozambique and Tanzania. Car traffic on the bridge has been relatively low, mainly due to the poor road conditions between Mueda and Negomano, at the confluence of the Rovuma and Lugenda rivers, according to the Mozambican press. (Macauhub)

MINING

Banks Balk at Risk of Funding South Africa Mining Charter Deals

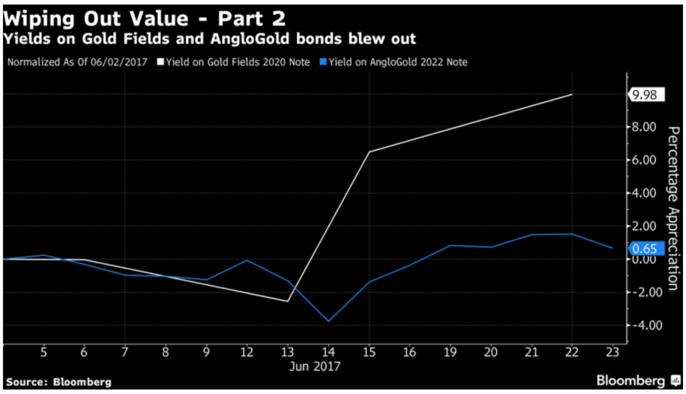
- Rules proposed by minister being challenged by industry
- Banks wary because growth at mines is expected to slump

South Africa's plan to force mining companies to give the black majority a bigger stake in the nation's mineral wealth faces a major obstacle: convincing banks to back billions of dollars of fresh deals in an industry in decline. Mineral Resources Minister Mosebenzi Zwane said on June 15 that local mines should be at least 30 % owned by black people, up from the previous requirement of 26 %. The mining companies need banks to help fund transactions that transfer the stakes to black investors who often don't have the capital to invest due to their marginalization during white rule. Companies often use dividends or divert cash flows to pay off the debt on behalf on the black empowerment partners, which means full ownership only vests years later. "The charter will have an effect on our ability to finance the mining industry in South Africa," said Ursula Nobrega, a spokeswoman for Investec Plc, one of South Africa's five biggest banks. "We already exercise caution as to who and what projects we finance." South Africa is pushing to increase black ownership as it seeks to redress economic imbalances caused by apartheid. The introduction of the latest charter triggered a selloff in mining stocks and a drop in the rand amid concerns that the new rules will deter investment when the country is already in recession.

The sector, once the economy's bedrock and the foundation on which Johannesburg was built, now accounts for only 7.3 % of gross domestic product, while fixed-investment into the industry shrank, hitting a 10-year low last year, according to the Chamber of Mines, which represents the biggest producers. South Africa holds the biggest reserves of platinum, chrome and manganese and mining companies operating in the country include Anglo American Plc, Glencore Plc and AngloGold Ashanti Ltd. The new rules don't give credit for deals already concluded and from which black shareholders have since divested. They also impose a community-development tax equal to 1 % of revenue and expand quotas for buying goods and services from black-owned companies. The Chamber of Mines said it will challenge the new rules in court, while Deputy President Cyril Ramaphosa called for the charter to be reconsidered and the ruling African National Congress said the legislation may cause job losses. With mining companies using diminishing cash flows to finance empowerment deals, "there could be fewer bankable transactions" Sandile Mbulawa, head of resource finance for Rand Merchant Bank, said in an interview. If the charter is implemented in its current form, fewer companies would meet RMB's predetermined measures for funding approval, said Business Development Director Henk de Hoop.

Moody's Investors Service said the proposals are credit negative for mining companies because they will likely require miners to use cash or raise debt to facilitate the equity transfer. "We expect that current shareholders are unlikely to support a further dilution of their equity interests," Moody's said in a report on June 21. The industry is, to many, symbolic of the country's ongoing inequalities with its highly paid, mainly white, male executives overseeing hundreds of thousands of workers laboring in some of the world's deepest and most dangerous mines. Yet critics say many earlier deals have mainly created a politically connected elite and, in some cases, deterred foreign investors.

By 2014, all member companies of the Chamber of Mines had complied with legislation requiring them to have 26 % black ownership, according to the organization. At that stage, black investors held stakes equivalent to 38 % of the mining industry, according to the chamber. "The availability of bankable opportunities will determine whether our exposure to the sector will grow or shrink," Mike Brown, chief executive officer of London-based Old Mutual Plc's Nedbank Group said. While Nedbank remains committed to funding the South African mining industry, it will "carefully assess the risks of every client and transaction." President Jacob Zuma said last week in parliament that he supports the charter. The current version of the charter is "clumsy, inconsistent and lacks clarity," Brown said. There's going to be a lengthy legal process and a long period of uncertainty, all of which is "bad news for the mining industry and investment, growth, jobs and the South African economy." (By Renee Bonorchis, Bloomberg)



Burkina Faso: West African Resources to raise C$15 million to advance its Sanbrado project

Dual-listed West African Resources inked a deal to raise C$15 million (about $11.3 million) to advance its Sanbrado gold project in Burkina Faso. The deal was signed with Sprott Capital Partners which will act as the lead underwriter for the purchase of 46.8 million ordinary shares at a $C0.32 per share. According to the terms of the agreement, the underwriters will have the option to acquire up to 7 million additional shares for C$2.25, thus bringing the amount raised to C$17.25 million (about $13 million). Total proceeds will be used to advance exploration drilling at Sabrando, updated resource study, revised feasibility study and for more general uses and working capital funds. The Sanbrado project is fully owned by West African Resources which obtained mining licence last January. It holds an indicated mineral resource of 9.8 million tons, grading 2.1 g/t gold (670,000oz) and inferred resource of 10.7 million tons grading 2g/t Au (695,000oz). (By Louis-Nino Kansoun, Ecofin Agency)

Ghana Signs $10 Billion Bauxite Project Agreement With China

- Memorandum of understanding includes refineries, railways
- Two countries in talks over terms of a final agreement

Ghana signed an agreement with China that may culminate in the development of a $10 billion bauxite venture that will include the construction of alumina refineries and railway infrastructure, according to a senior government official.

The two countries agreed to a memorandum of understanding in which China will provide funding for the project to exploit the West African nation's 960 million metric tons of bauxite deposits, Gideon Boako, an economic adviser for Ghanaian Vice President Mahamudu Bawumia, said in a broadcast on Accra-based Citi FM. "We have a lot of mineral resources, so we want to build the railways and refineries to get the bauxite out of the ground," Boako said. "If we refine the bauxite, that alone is going to generate an export value of around $460 billion." The parties agreed to the memorandum during last week's visit to China of a Ghanaian government delegation that Bawumia led, Boako said. The countries are in talks over the final terms of a deal, he said.

President Nana Akufo-Addo won December's election against former leader John Mahama on campaign pledges to create jobs and encourage the mining of bauxite. China's plans to develop bauxite sources in Ghana follow after Guinea surpassed Australia as the largest supplier to the world's biggest producer of alumina. Bauxite is refined into alumina, which is then smelted to produce aluminum. Ghana produced 827,000 tons of bauxite and 40,000 tons of aluminum in 2013, U.S. Geological Survey data show. (By Ekow Dontoh, Bloomberg)

Tanzania laws would allow govt to tear up mining, energy deals

The Tanzanian government submitted three bills to parliament that would allow it to force mining and energy companies to renegotiate their contracts, the latest in a string of moves that have alarmed foreign investors. It was not immediately clear how the proposed renegotiation of contracts would affect a planned $30 billion gas project, or the troubled mining sector, which generates about 3.5 % of Tanzania's gross domestic product. Businesses have complained that they feel President John Magufuli is unfairly squeezing them through a strict interpretation of tax laws, increased fines and demands they rapidly list on the local stock exchange. Magufuli says the reforms will increase transparency and revenues and that the companies have not been paying their fair share of taxes, charges they strongly deny.

The bills, expected to be fast-tracked, will affect multinationals and follow the recommendations of a committee investigating the East African country's gold industry. The committee called for an urgent overhaul of the country's mining, gas and fiscal codes. The three bills cover natural resources contracts, sovereignty and amend existing laws and would allow the government to renegotiate or dissolve contracts. Companies that could be affected include BG Group, part of Royal Dutch Shell, Exxon Mobil, Statoil and Ophir Energy. They plan to build a $30 billion liquefied natural gas (LNG) export terminal in partnership with state-run Tanzania Petroleum Development Corp.

The bill on natural wealth and resources reads: "Where the government has served notice of intention to renegotiate the arrangement or agreement ... and the other party fails to agree to renegotiate the unconscionable terms or no agreement is reached ... such terms shall cease to have effect and shall be treated as having been expunged." It defines "unconscionable terms" as anything that is "contrary to good conscience and the enforceability of which jeopardises the interests of the people" of Tanzania.

The parliamentary session has been extended for several days to allow lawmakers to study the bills and approve them, National Assembly Speaker Job Ndugai said.

Tanzania is Africa's fourth-largest gold producer and has made vast natural gas discoveries but remains one of the poorest countries in the world.

Mining companies that could be affected by the proposed law changes include AngloGold Ashanti, Acacia Mining Plc and Petra Diamonds. Acacia, which has most of its operations in Tanzania, has been a particular target of Magufuli's ire. Its share price has nearly halved since March 3, when the government banned it from exporting minerals in a row over taxes. Acacia and AngloGold said they were studying the legislation. Acacia also said talks with the government on the export ban were "yet to begin". (By Katharine Houreld, Reuters)

OIL & GAS

Angola and oil companies reach agreement on tax payments

Angola’s Finance Ministry has signed agreements that it describes as “historic” with major oil companies operating in the country, which put an end to over 10 years of disputes related to tax payments, according to a statement issued in Luanda. The statement said the disputes, which have led to several lawsuits filed with the Angolan courts, are “definitively and totally resolved” by paying certain sums to the State, which ensure full compliance with the fiscal situation of the largest oil companies in Angola. The Ministry of Finance welcomed the conclusion of the agreements that put relations between the General Tax Administration and oil companies back to normal. The companies include Total, Chevron, ExxonMobil, ENI, BP, Statoil and the agreement boosts confidence in the country, while opening up the way for increased investment in the oil sector. (Macauhub)

Finance Ministry signs deals in oil sector

Luanda - T**he Ministry of Finance has recently signed agreements with the oil companies of Total, Chevron, ExxonMobil, ENI, BP and Satoil, which have brought to an end the 10-year litigation regarding the liquidation and payment of the tax charges applicable to oil activity.**

According to a press release that reached Angop, with these deal, the payment of certain amounts to the State is definitively and totally settled, thus ensuring full regularization of the tax situation of the largest oil companies in Angola.

According to the note, the Ministry of Finance welcomes the conclusion of this agreement, which normalizes the relations between the General Tax Administration (AGT) and the oil companies, reinforcing the confidence in the country and opening doors to the growth of investment in the oil sector.

In order to conclude the agreement, it was fundamental the willingness and flexibility of the parties, highlighting the companies, with a view to the stability and effective regularization of the operation of the oil industry, with solid foundations, guarantee of security between operators and institutions. Under this process, other legal and regulatory procedures will be established in the coming days, in order to determine the taxable amount and implementation of the agreement. (Angop)

Libya's oil production rises above 900,000 bpd

Libya's oil production stands at about 935,000 barrels per day (bpd) this week after touching as high as 950,000 bpd late last week, Libyan oil sources said.

The National Oil Corporation (NOC), which is targeting 1 million bpd by the end of July, received a boost this month when it reached an interim agreement with Germany's Wintershall to resume production amid a contract dispute. Libya, a member of the Organization of the Petroleum Exporting Countries, has been exempted from OPEC-led supply curbs as it tries revive its battered oil industry. It had produced more than 1.6 million bpd before a 2011 uprising. Omran al-Zwai, a spokesman for Arabian Gulf Oil Company (AGOCO), an NOC subsidiary, said output had been as high as 950,000 bpd in recent days, rising from about 885,000 bpd at the start of last week. Production has remained volatile in a nation that has suffered years of violence and political chaos.

One Libyan oil source said NOC was repairing several leaks in pipelines that connected to the Es Sider and Zueitina export terminals. The leaks were due to prolonged shutdowns caused by political rows, blockades by protesters and armed conflict. Officials from Sirte Oil Co, another NOC subsidiary, said tests were being carried out at Laheeb oil field, which had been shut for maintenance, with a view to reopening the field. Laheeb previously produced 8,000-10,000 bpd. (By Ahmad Ghaddar and Ayman al-Warfalli, Reuters)

BRIEF-GE Oil & Gas, Eni East Africa sign long-term partnership to develop gas resources offshore of Mozambique

General Electric Co:

* GE Oil & Gas and Eni East Africa sign long-term partnership to develop gas resources offshore of Mozambique
* General Electric Co - agreement comprises a multi-year contract to supply subsea production systems, ancillary equipment and services
* General Electric Co - agreement also covers area 4 future potential upstream projects

ENI Group hires GE Oil & Gas for natural gas project in Mozambique

GE Oil & Gas, a subsidiary of US group General Electric, has entered into a multi-year contract with ENI East Africa, a subsidiary of Italian group ENI, for the supply of natural gas extraction solutions and equipment in northern Mozambique, the GE group said in a statement.

This contract focuses on the Coral Sul FLNG project and represents the first phase of the development plans developed by ENI East Africa to explore the natural gas deposits in the Rovuma Basin Area 4 block.

The agreement reached between the parties covers future projects and includes a separate contract valid for five years for the maintenance of the undersea infrastructure, plus an option of another five years and five three-year extensions.
The Coral Sul FLNG project involves a floating platform with an annual processing capacity of 3.4 million tonnes of natural gas, powered by six subsea wells that are expected to produce up to 5.0 trillion cubic feet of gas, with the start of operations scheduled for mid-2022.
The GE group said this is Mozambique's first deepwater natural gas extraction project, "which should provide economic benefits through the creation of jobs and energy production that the region needs." ENI East Africa is the operator of the Area 4 block, with a 70% stake and its current shareholders are ENI with 71.43% and China National Petroleum Corporation with the remaining 28.57%. The ENI group recently agreed with the ExxonMobil Group to sell half of its stake in ENI East Africa, and the deal is still pending approval from several regulators in Mozambique and abroad. (Macauhub)

Nigeria's state oil company agrees $700 mln joint venture: NNPC
Nigeria's state oil company said it had agreed a joint venture to cover the more than $700 million cost of developing new oil fields in its southern Niger Delta energy hub. The Nigerian National Petroleum Corporation (NNPC) said it had a tripartite agreement with local energy firm First Exploration and Petroleum Development Company and international oil services company Schlumberger to develop the Anyala and Madu fields under Oil Mining Licence (OML) 83 and 85.
The OPEC member state has been seeking investment to increase its crude oil reserves to 40 billion barrels by the year 2020, up from the current proven reserves of 37.2 billion barrels. NNPC, in an emailed statement, said under the agreement Schlumberger would provide the $700 million investment in developing the fields, which would add 193 million barrels of crude to current reserves.
The state oil company said it would also add 800 billion cubic feet of gas to Nigeria's proven gas reserves. Nigeria has the world's ninth largest gas reserves, at 187 trillion cubic feet (tcf). "In terms of daily production, the fields will yield 50,000 barrels of crude oil per day and 120 million standard cubic feet of gas per day by early 2019," NNPC spokesman Ndu Ughamadu said in the statement. The state oil company said OMLs 83 and 85 were located in shallow waters 40 km (25 miles) offshore. NNPC said it held a 60 % interest in the licences, while First Exploration and Petroleum Development Company, operator of the joint venture, held the remaining 40 %. (By Alexis Akwagyiram, Reuters)

TELECOM

South Africa's Blue Label Telecom to buy mobile device supplier
South African telecommunications firm Blue Label Telecoms said it would buy a mobile device supplier for 1.9 billion rand ($148 million) to expand its existing business in that field.
Blue Label, the largest distributor of pre-paid voice and data airtime in South Africa, said it would buy shares in unlisted 3G Mobile Proprietary Limited in two stages with its subsidiary, The Prepaid Company Proprietary, initially acquiring 47.37 % for 900 million rand followed by 52.63 % to be acquired for 1 billion rand.
Blue Label said 3G Mobile would be used to expand into the financing and supply of mobile devices, handsets and allied products to distribute into the low cost smartphone market. "Both of these functions supplement Blue Label's strategic objectives to provide value added services to both Cell C and its own customer base. 3G Mobile provides the ideal platform to consolidate Blue Label's low cost and certified pre-owned mobile handset divisions into a consolidated group," the company said in a statement.
South Africa's third largest mobile phone company, Cell C, and its creditors agreed a deal where Blue Label would pay 5.5 billion rand for a 45 % stake in the debt-laden mobile firm.

The deal will give Blue Label a share of profits on a product it distributes as well as a major stake in a company facing a consumer backlash due to slow network speeds. 3G Mobile, which is one of Africa's largest distributors, and financiers, of mobile devices and handsets, operates in 8 African countries. (By Tanisha Heiberg, Reuters)

AGRIBUSINESS

Zimbabwe secures $478 million funding for agriculture

Zimbabwe's government has signed a $478 million agreement with an energy company and three banks to finance the 2017/18 summer farming season in a push to improve food security, a state-owned newspaper said.

The southern African nation has since 2001 relied on imports and foreign donors to meet demand for the staple maize. Drought, lack of financing and President Robert Mugabe's seizures of land from white farmers that hit commercial agriculture have been blamed for low grain production over the years.

The Herald newspaper reported that the government and local energy company Sakunda Holdings had signed an agreement that would see three banks provide the capital to mainly fund production of maize and soya.

Sakunda, which imports and distributes fuel, runs a logistics business and operates a 200 megawatt diesel power plant, will work with CBZ bank, Barclays and the local unit of Ecobank to provide the money. The newspaper did not give details on the funding. CBZ Chief Executive Never Nyemudzo and Sakunda boss Kudakwashe Tagwirei did not answer their mobile phones when contacted. Officials from Barclays and Ecobank could not be reached for comment.

After a devastating drought last year, Zimbabwe received above normal rains during the 2016/17 farming season and expects to produce 2.1 million tonnes of maize, its highest since 1996, according to official figures.

The Herald said the government would start delivering seed, fertiliser and crop chemicals to farmers around the country between July and September, ahead of the planting season that begins in November. Farmers would be required to sell their crop to the state grain agency as repayment. Nearly 70 % of Zimbabwe's population is rural and survives on agriculture. (By MacDonald Dzirutwe, Reuters)

Guinea-Bissau discusses new fisheries agreement with the European Union

Representatives of Guinea-Bissau and the European Union (EU) are meeting in Brussels for a new round of negotiations on the next fishing agreement the EU will have with the country, according to the local press. This new round is the fourth since the end of March that the parties have held without reaching an understanding on the format of the new agreement.

Guinea Bissau's Fisheries Minister Orlando Viegas said at the end of the third round earlier this month that the differences of opinion in the process lie in the model each party intends to give to the new agreement, according to the report published in Jornal de Angola.

The proposals put forward by the Guinean authorities require an increase of rates compared with what the EU has been paying for the rights to explore the Exclusive Economic Zone's fishing resources.

With these demands, Guinea-Bissau is trying get the same treatment from the EU as accorded to the least developed countries, especially in West Africa, when it comes to fisheries exploration agreements, with the example of the fisheries agreement signed with Mauritania in 2016. The third meeting, held on 1 and 2 June in Lisbon, ended without any agreement between the parties. In the event of the signing of a new agreement, this agreement will become effective as of November and be valid for five years, compared to the three years initially expected. (Macauhub)

Caála, Cachiungo and Ecunha included in national beekeeping platform

The municipalities of Caála, Cachiungo and Ecunha of the central Huambo province are included in the national beekeeping platform for the implementation of measures to boost the honey production through the consolidation and structuring of an agents network for the collection and sale of the product. This was said in Huambo province by the chairman of the platform, Frederico Maurício, during the first meeting of national beekeepers, underlining that these municipalities were selected due to their potentials for the honey production.
The platform is integrated by a total of 24 municipalities of several provinces such as Huambo, Bié, Cuando-Cubango, Moxico, Huíla, Malanje, Lunda Norte and Lunda Sul.
The official also explained that the national policy and strategy for relaunching and developing beekeeping includes the trainings, with emphasis on the handling of honey bees that fit into the beekeeping exploration, in view to protecting and preserving them.
It also includes, among others, the raising of financing to ensure the relaunch of the beekeeping business, the establishment of honey production plants, the conversion of the traditional beekeeping into sustainable modern, the promotion and organization of the commercial grid of this product. He recalled that during the agricultural season 2017/2018, several measures will be implemented for the creation of cooperative associations for local beekeepers, as well as the strengthening of the existing private initiatives with allocation of beehives and their professional training. (Angop)

Benguela: Ganda gains two honey extraction plants

Ganda - Two honey extraction plants were inaugurated in the communes of Ebanga and Casseque, Ganda municipality, Benguela province, as part of the integrated project for the protection and development of the Angolan coastal forests.
The project, designed and implemented by the Italian NGO for Cooperation and Development for Emerging Countries (Cospe) in partnership with the Forest Development Institute (IDF) since 2014, has already enabled 104 community agents of Katanda (Ebanga) and Dende (Casseque) in beekeeping activities as an alternative income and sustainable forest management. The inaugurated plants each have three compartments for collection and modern equipment and technologies for the processing, extraction and sale of honey. Since the implementation of the project in 2014, about 126 populated hives have been installed in the forest.
The project aims to produce quality honey for sale in the domestic and foreign markets.
The communal administrator of Ebanga, Cessario Chimbolo, defended, at the time, greater use of the initiative that opens new opportunities for youths. On his turn, the first secretary of the Italian embassy in Angola, Ruben Caruccio, stressed the importance of the project for the country's development. He defended the strengthening of production associations through the follow-up of practical training and promotion of an alternative income to coal, which involves improving agricultural production and raising poultry in communities. According to him, the Italian agency invested around 500.000 euros for the implementation and execution of the projects in the areas of Katanda (Ebanga) and Dende (Casseque) in Ganda municipality (Benguela). He said that the project has extension in Cela municipality, Cuanza Sul province, where two communities are developing the beekeeping activity. (Angop)

South Africa's Omnia looks at acquisitions to spur growth after profit drop

South African diversified chemicals maker Omnia Holdings' full-year profit dropped 7 % as a tough economic environment hit its mining and chemicals divisions, the company said.
Headline earnings per share (EPS), the main profit measure in South Africa that strips out certain one-off items, fell to 881 cents for the year ended March 31 from 944 cents in the previous period.
The fertiliser, chemicals and mining explosives maker said its profit after tax was down 8 % to 592 million rand ($46 million) following lower operating profit. "The slowdown in global economic activity remains a key driver for the demand of the various commodities and therefore, the inability for a sustained increase in prices for Omnia's products to materialise in the short to medium term," said Omnia in a statement.

Group revenue dipped to 16.3 billion rand on a weaker performance from the Mining and Chemicals divisions. The mining unit saw revenue fall 4 % to 4.4 billion rand following a challenging year for the mining industry, with lower volumes due to mine closures in South Africa and business lost in Botswana and Namibia, the company said. Revenue in the agriculture division remained relatively flat at 8.2 billion rand, with record sales volumes for speciality fertilisers both locally and internationally. ($1 = 12.8608 rand) (By Tanisha Heiberg, Reuters)

World's Biggest Black-Tea Exporter Targets 20% Output Growth

- Kenya expects 500,000 tons by 2020 from 412,000 tons this year
- Expects boost from new trees, shipments from small exporters

Kenya, the world's biggest exporter of black tea, expects production of the leaves to rise by about 20 % by the end of the decade, as farmers harvest from new bushes, according to the industry regulator. **Output is projected to jump to 500,000 metric tons in 2020 from a projected 412,000 tons this year, after a drought damaged plants in most growing areas**, said Samuel Ogola, head of the Tea Directorate. Most regions in Kenya received below 75 % of their seasonal long-term average between March and May, according to the nation's Meteorological Department. "There is a lot of replanting of tea by farmers, which could see us hitting 500 million in no time, most probably by 2020," Ogola said in an interview in the capital, Nairobi. Farmers have been replacing old bushes with higher-yielding clones, he said.

Tea is Kenya's second-biggest source of foreign-currency earnings after remittances from citizens living abroad. The East African nation ranks as the world's third-largest producer of the leaves, behind India and China, and hosts the biggest auction of the crop, in the port city of Mombasa. Unlike India and China, it doesn't consume most of its output. Production is expected to decline from 2016 because of the worst drought in three decades, which has curbed farm output. The nation grew a record 473,000 tons in 2016, which earned the country 120 billion shillings ($1.16 billion) of export revenue.

Processing, Packaging

To encourage more production, the Kenyan government is facilitating the participation of small processing and packaging companies at international trade shows, Ogola said. Ten such companies have been licensed and three are already processing and shipping to customers overseas.

Last year, 30 small- and medium-sized enterprises exported 50,000 tons of tea, about 10 % of overall shipments, according to the Tea Directorate. Most Kenyan exports are handled for multinational companies such as Unilever Plc through the Mombasa auction. The company, known for its Lipton brand, is also one of the nation's biggest growers. A fifth of the companies trading at the Mombasa auction, mainly multinationals, account for 80 % of the business, according to Edward Mudibo, managing director of the East African Tea Traders Association. The average price at the weekly sale increased by almost a quarter to $2.85 per kilogram at the latest sale, compared with a year ago. The nation's Export Promotion Council is "aggressively promoting" tea, alongside agro-processing, flowers, leather and textiles to boost exports. Kenya needs to increase shipments by 14 % annually to help halve its trade deficit by 2030, according to Chief Executive Officer Peter Biwott. (By Samuel Gebre, Bloomberg)

Côte d'Ivoire: Arrivals of cocoa cargoes at main ports rise 19% at June 25

Volumes of cocoa that arrived at the ports of San Pedro and Abidjan soared 19% as compared to the year before standing at 1,689,000 tons on June 25. This was reported by Reuters citing estimates of cocoa exporters. It should be however noted that from June 19 and June 25 this year, the roads leading to the San Pedro port were blocked due to heavy rains. This, according to data, caused a slight decrease in volumes of cocoa sent to the ports, knowingly 19,000 tons over the period, against 20,000 tons last year. Besides causing roads to be blocked, the rains also damaged some farms in the cocoa belt, at Daloa, Soubré and Divo namely, thus fueling fears about a smaller production for the intermediate harvest from April to September. (Ecofin Agency)

UPCOMING EVENTS

4th Mining on Top- Africa Summit (MOTA) 6th -7th July 2017 Frankfurt Germany
http://ametrade.org/miningontopafrica/

Public Private Partnerships (PPP) - Financing, Projects & Contracts 21-24 August 2017 Johannesburg, South Africa
www.infocusinternational.com/ppp/

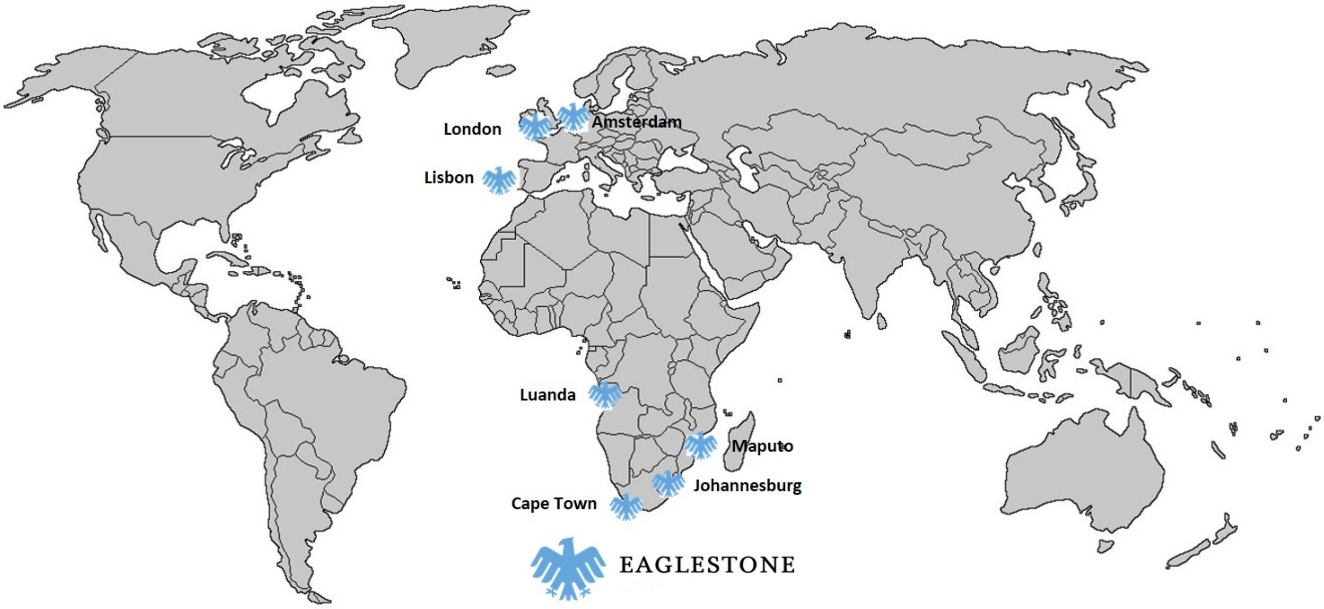
Africa Property Investment Summit & Expo 24-25 August 2017 Sandton Convention Centre - Johannesburg, South Africa
www.apisummit.co.za

Africa Hotel Investment Forum 11-12 October 2017 Radisson Blu & Kigali Convention Center – Kigali, Rwanda *www.africa-conference.com*

24th Africa Oil Week 23-27 October 2017 Cape Town International Convention Centre - Cape Town
www.africa-oilweek.com

Africa Impact Investing Leaders Forum 2017 17-19 December 2017 London, UK
www.aiilf.com

Workshop on Sustainable Rural Biofuel Strategy in Africa 2018 - Workshop to be held at 21st Session of the African Forestry and Wildlife Commission, in early 2018 (TBC) - In cooperation with the World Agroforestry Center (ICRAF) and Japan International Research Center for Agricultural Sciences (JIRCAS)



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Disclosures

Eaglestone was founded in December 2011 with the aim to be a committed partner for the development of businesses located primarily in Sub-Saharan Africa and to support the development of renewable energy projects on a global basis.

The company has three business activities - financial advisory services, asset management and brokerage - and currently has offices in Amsterdam, Cape Town London, Lisbon, Luanda and Maputo

Eaglestone is committed to operating and behaving according to the highest standards of corporate governance. Its subsidiary in the United Kingdom is authorized and regulated by the Financial Services Authority. The first of its six Luxembourg based funds has received approval from la Commission de Surveillance du Secteur Financier.

Eaglestone operates with a clear vision and mission to act on behalf of and in the best interests of all its stakeholders, whether they are investors, employees or users of its services.

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