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INSIDE AFRICA

Now is the time to invest in Africa

EAGLESTONE SECURITIES

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In-depth:
Is philanthropy taking off in Africa?

Kenyans on Twitter just raised more than $60,000 for man with a brain tumour in two days – six times the amount requested.

Emmanuel Jadudi tweeted that he was “overwhelmed” and did not know how to thank them for the money raised. Kenyan blogger Jackson Biko urged Kenyans to donate money to help Jadudi fly to India for a fourth brain operation. Might this indicate that African charity, and fundraising, is about to explode?

Africa’s billionaires have already been giving to charity in ways never seen before.

Jadudi’s case is remarkable, because just eight months ago, we published this article wondering how long the continent would take to get to this:

These countries lacked the adequate resources and personnel to keep up with the rate of infections and so three local health organisations – Public Health Initiative Liberia, 50/50 Group from Sierra Leone and the Coalition of women and girls of Guinea for Dialogue COFFIG from Guinea – came together and launched the campaign in October.

Since then the Facebook page for the group has received only 648 likes and the page’s administration issued posts which say “Share, Comment, Like but most importantly, GIVE” – a clear sign that the donations aren’t rolling in fast enough despite interest in the posts.

The problem here is that although African philanthropy has been mushrooming on the continent as a result of improved infrastructure, a larger donor base – Africa has the fastest growing middle class in the world – and better communications, pan-African philanthropy is not going to happen any time soon. This is because when there is money to give Africans will give at home before they look elsewhere.

This happens for a variety of reasons. Firstly, that Africans, like many people around the world, are more likely to help their fellow countrymen before others and, due to incompetencies in government or a lack in government funding, come together to deal with specific issues. In Africa there are three broad ways that define the way in which money is donated; a high net worth individual makes a donation to an institution or cause, a local organisation continuously raises resources from a range of sources towards denied charitable aims or where a community pools resources to tackle their own challenges. All of these approaches are local, aimed to deal with local problems of which there are plenty and which makes Africans less likely to give to a pan-African cause.

Money stays at home

Africa’s high net worth individuals give approximately $7 billion every year – but this is mostly in response to local needs. A clear example of this is Nigeria’s 2012 Flood Relief Fund. Here at least three of Africa’s wealthiest people; Aliko Dangote (President of the Dangote Group), Jim Ovia (Founder of the Zenith Bank) and Tony Elumelu (Chairman of Heirs Holdings) donated over $22 million to the fund. They are all Nigerian and rallied to a Nigerian cause. This could be because they are philanthropic by nature but it could also be that their corporate social responsibility inclines them to help causes in one way or another.

These high net-worth individuals are also more likely to create foundations that will continue philanthropic efforts “at home”. For example, Francois van Niekerk, the South African founder of Mertech Group who gave 70% of his equity to his Mergon Foundation, which funds education, health and skills-building initiatives or Theophilus Danjuma, Nigeria, the chairman of South Atlantic Petroleum who gave $100 million to set up the TY Danjuma Foundation, a grant-making organisation that partners with NGOs in education, health, policy and poverty-related fields.

Giving across borders

There are high-net worth philanthropists who donated across borders but this happens rarely and is more likely to stick to the region. For example Ashish J. Thakkar the Ugandan CEO of the Mara Group who spent $1 million funding the Mara Foundation, which sponsors renovations for dozens of Ugandan high schools, funds building workshops for teachers across East Africa and offers scholarships to hundreds of destitute students of East African origin in addition to offering free mentorship to startup entrepreneurs.

Giving however is not limited to high net-worth individuals. In South Africa the annual “Casual Day” is the country’s largest fundraising event which includes the participation of approximately 4,500 companies, 100 hundred schools and 400 organisations. The campaign invites participants to dress differently for a day to raise funds and raise awareness of persons with disabilities – to earn the right to dress up this way, participants make a donation of $1.

In Kenya, the “Kenyans for Kenya”, is an example of how a community will pool resources towards a cause and is one of the country’s most successful fundraisers. It started in July 2011 and aimed to raise approximately $5.28 million – in one month; that target was reached in 10 days. This money was raised from ordinary Kenyans and organisations who donated whatever they could.

Lining pockets

One reason why this was a successful fundraiser is because Kenyans had faith in the organisations who initiated it – Safaricom Foundation, Kenya Commercial Bank (KCB), Media Owners Association (MOA) – and the organisation that was implementing it – the Kenya Red Cross.

Africans are less likely to donate to a pan-African effort is because they may not be familiar with organisations handling the projects, or they are used to seeing the corruption that exists within local institutions and may not trust that their money will go to the right places.

After all, the continent has seen billions of dollars in aid come into the continent without much change. Donating to a cause affecting another country may seem like they'll be lining the pockets of a crooked individual or politician next door.

But even though pan-African fundraising is less likely to occur, Africans do still buy into the good neighbourly spirit but only insofar as it doesn't involve money. This is why there are so many concerts or public campaigns on social media – but unfortunately many of these result in very little pan-African action on the ground.

An example is the "Africans Act 4 Africa" campaign. In December 2011 African singers, TV personalities, activists and citizens came together to call on people across Africa to use social media in a day of action to end hunger in the continent. The campaign intended to send a message to African leaders that the crisis in the Horn of Africa at the time must be the last famine ever for the continent.

Bill Gates of Africa

When funding is needed to get a pan-African campaign going, the funders will often be external bodies. Take the "Cocoa na Chocolate" collaboration – this was one of the largest Pan-African music collaborations ever in Africa, in which 19 of the top recording artists from across the continent Africa joined forces and released a song, titled "Cocoa na Chocolate" to boost investments in agriculture. This was done by the "Do Agric, It Pays" ONE.org campaign.

While the notion of "Africans fundraising for Africa" in the fight against Ebola seems appealing to the pan-Africans amongst us – this movement is premature – citizens are less likely to donate to a pan-African cause. But all hope is not lost for pan-African philanthropy.

Even though it is a rarity, there are certain high-net worth individuals who are willing to step out for continent-wide causes.

Nigerian billionaire Aliko Dangote recently offered to assist Liberia in the fight against the spread of the Ebola virus disease. Another example is Sudanese billionaire Mo Ibrahim. Dubbed the "Bill Gates of Africa" for his philanthropic efforts on the continent. He has signed the "Giving Pledge" – a commitment by the world's wealthiest individuals and families to dedicate the majority of their wealth to philanthropy. Ibrahim will hand over half his wealth and has offered a prize of $5 million over 10 years, and a further $200,000 for life, to African leaders who excel.

Need to travel, see, and feel

African philanthropy will rise, it's just a matter of time. The issue is that African foundations are still in their infancy – once regulations are in place that allow them to develop, and citizens across borders become familiar with them, pan-African fundraising will be easier.

Another factor handicapping pan-African campaigns is that there is not enough regional travel. Being able to travel and see issues firsthand that another country or community is facing develops empathy and increases the chances of donations being made across borders. One reality affecting this are the high costs of pan-African travel due to high government taxes on fuel and tickets, and airlines are charged higher insurance premiums than established airlines in other countries.

Once these costs come down and Africans can more readily travel between states pan-African philanthropy will develop further. It will take a great deal of time, but once these hurdles are overcome, the rise in pan-African fundraising will become more of a reality. *This article is published in collaboration with Mail & Guardian. (World Economic Forum)*

How is Africa affected by the oil-price fall?

The decline in the oil price has plunged Africa's oil and gas industry into dire straits, a situation exacerbated by factors such as uncertain regulation, corruption and the prospect of political and social instability.

It is a particular burden on those economies most reliant on the industry for revenue, and could have far-reaching socioeconomic results.

The oversupply of oil has persisted since July last year, when the price of Brent plummeted from more than $110 a barrel to less than $50 in January this year, and again in recent weeks.

The price has, as expected, hurt the natural gas fracking boom in North America, with higher-cost producers going out of business. According to the oil-fields services company, Baker Hughes, on August 7, there were 1 024 fewer rigs in operation in the United States than in the previous 12 months. The current US rig count is 884.

Africa's oil and gas industry is not immune to the effect of the global oversupply. The recently published PwC Africa Oil and Gas Review 2015 found that respondents to the survey were suffering because of the reduced prices, and were plagued by issues such as regulatory uncertainty and corruption.

But it is the price of oil and natural gas that is having the biggest effect on the industry, with more than 70% of respondents saying it will affect their business over the next three years.

From June 2014 to June this year, the price of crude dropped about 48%, and the price of natural gas 31%.

In recent years, Africa's oil and gas sector had played a crucial role in the economic growth and development of the continent, PwC said.

And sustaining growth and development on the continent hinged on the ability of countries to monetise their natural resources.

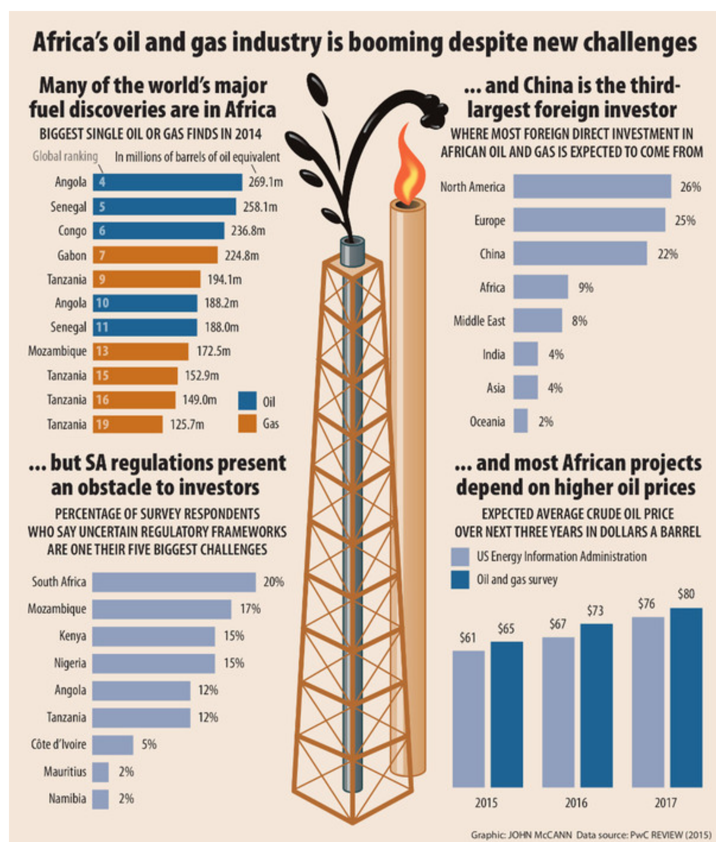
Oil revenues also make up a significant part of the gross domestic product of many African countries. In 2014, Africa produced 8.2-million barrels of crude oil a day, and more than 76% of it came from Nigeria, Algeria, Egypt and Angola. PwC said those whose economies were not well-diversified, such as the Republic of Congo, Gabon and Angola, would be hit hardest and they might have to adopt austerity measures and revise their budgets.

For example, the African Develop-ment Bank expects Angola's economic growth to decelerate from 4.5% in 2014 to 3.8% in 2015. All of the PwC report's respondents from Angola, where oil accounts for 70% of all revenue, rated the price of oil as having the biggest effect on business over the next three years. "The risks to the Angolan economy are not just limited to the implementation of austerity measures. A reduced budget could mean the government is not able to pay civil servant salaries and a reduction in the provision of social services. This could increase the risk of social instability," the report warned. The lower gas price has negatively affected gas producers, in particular the fledgling East African economies looking at monetising their assets in the next three to five years.

Legislation

Apart from the volatile resource price, African oil and gas players in Africa rate regulatory uncertainty as the biggest hurdle expected to affect their business in the coming years.

"Roads and pipelines can be constructed. Local content can be managed. People can be trained and developed. Clear and attractive legislation and regulation, however, can only be influenced," PwC said."Without it, companies are willing to simply walk away in favour of working in other regions of the world that do offer this fundamental prerequisite … Almost every aspect of the business comes with uncertainty. Legislation cannot be one of them."



Yet in many African countries it currently is. More than 80% of Tanzanian respondents regarded regulatory uncertainty as the top challenge facing the industry. In Nigeria, Kenya and Angola, more than 50% of respondents saw it as a significant impediment to growing the business in Africa.

Although 53% of respondents said that local content and regulatory policies had no effect on their project investment decisions – similar to the survey findings from previous years – an increased number of companies had to revise their project specifications because of local content requirements, recording a 5% increase from 2014. The largest number of respondents who listed regulatory uncertainty as one of their top five concerns when it came to the development of the oil and gas industry was in South Africa.

"Investment in South Africa has stalled for another year as lawmakers work to approve amendments to the Mineral and Petroleum Resources Development Act [MPRDA]," PwC said."Companies have put spending on hold until there is clarity on the Act, which included a new clause which entitles the state to a 20% free carry in exploration and production rights, and an uncapped further participation clause enables the state to acquire up to a further 80% at an agreed price or under a production sharing agreement."

South Africa's shale gas resources are considered to be among the top 10 largest in the world and it is reconfiguring its policy to position itself as a powerful energy player. Apart from the MPRDA, this policy includes the Gas Utilisation Master Plan and the Competitive Supplier Development Programme.

"South Africa's uncertain regulatory framework for the oil and gas industry is largely the result of unclear and overlapping mandates between the government and government departments," PwC said."[In Africa] the stricter regulation could stimulate growth within countries by providing structure and clarity but, overall, they could also inhibit Africa's growth and development."

Corruption

Concern about the effect corruption has on the oil and gas industry remains in the top five challenges identified by the respondents. More than 43% said fraud and corruption would have a severe effect on their businesses over the next three years.

"Government officials continue to be implicated in a number of fraudulent activities across the continent. Bribery and procurement fraud remain some of the top types of economic crimes in the broader energy, mining and utilities sectors,

as revealed in the PwC Global Economic Crimes Survey 2014. Worryingly, a considerable portion of these are systematic corruption and fraud," the report stated.

But there appeared to be some progress on that front, PwC said. For example, the Democratic Republic of the Congo last year became Extractive Industries Transparency Initiative (EITI) compliant.

"The fragile political situation in North Africa continues to have an impact on production levels, which saw another year-on-year decline in oil production in the region of 22%. Libya alone, in the throes of civil war, saw production decline by almost 50%," PwC reported.

"Despite continued insurgency in South Sudan, production has increased by just over 60% compared to 2013", although it was still a far cry from pre-2013 production levels following damage to infrastructure.

Activism, instability and political events ranked fourth in the hierarchy of concerns in Africa's oil and gas industry. This is the highest ranking since PwC conducted its first industry review five years ago. "Respondents from South Africa, Mozambique, Nigeria and Kenya, in particular, expected community/social activism/instability and unstoppable political events to have a significant impact on their business," the report said.

Emerging agility

More than 90% of the respondents expect the oil price to increase gradually over the next three years and estimated the price would remain in the range of $60 to $70 in 2015, and will reach $80 to $90 by 2017.

But most of those in the industry have modelled their projects on the assumption of an oil price higher than $80 a barrel. And many of the recent large discoveries are offshore in deep water, which adds complexity and cost to recovery.

Deflation in the oil price over the past 12 months, and the expectation of a slow upturn, has limited the potential for exploration as companies seek to cut costs. More than two-thirds of the respondents said they would look at some level of formal cost reductions over the next three years. Of those, 82% wanted to reduce costs by 10% or more.

Producers, including BP, Shell and Total, have already made moves to reduce capital expenditure through a range of measures such as instituting pay freezes, reducing headcounts, deferring or abandoning investment and even changing business models.

PwC said cost-cutting was often a knee-jerk reaction to a depressed price and warned companies against cutting in the wrong places, such as in research and development. The dire state of Africa's oil and industry does present opportunities for some.

A few respondents said the lower oil price would enable increased exploration and development because contractor and rig costs were lower. PwC said these lower costs were being factored into models to identify the commercial viability of new ventures, which could provide an area for growth in the industry over the next few years. "It is clear through our interactions that many companies are taking a different perspective on the challenges they face. They are being looked at as realities that can and must be dealt with if they wish to enter African markets," the report said. "This lull in activity is giving the industry a moment to make plans for the execution of large-scale projects while also formulating a strategy that will make them more competitive for the future in the new African market. "While the industry is in a fragile state, we at PwC envision that the players who survive the downturn in prices the best will emerge as agile machines with well-thought-out plans." *This article is published in collaboration with Mail & Guardian. (World Economic Forum)*

IMF, WORLD BANK & AFRICAN DEVELOPMENT BANK

Fitch affirms African Development Bank at 'AAA'; Outlook stable

itch Ratings has affirmed the African Development Bank (AfDB)'s Long-term Issuer Default Rating (IDR) at 'AAA' with a Stable Outlook. The Short-term IDR has been affirmed at 'F1+'. A full list of rating action in respect of AfDB can be found at the end of this rating action commentary.

The ratings are underpinned by strong support from AfDB's shareholders and by the bank's intrinsic strengths, in particular its solid capitalisation, high liquidity and conservative risk management policies.

KEY RATING DRIVERS

The ratings and Stable Outlook reflect the following key rating drivers:

AfDB enjoys strong support from its 80 member states, which comprise 26 non-African countries with high average ratings. Callable capital from 'AAA'-rated member states fully covered the bank's net debt at end-2014, which demonstrates shareholders' exceptionally strong capacity to support. The propensity of member states to support the bank in case of need is illustrated by on-going capital increase since 2010. Given the bank's important role in the financing of the region, Fitch believes support would be forthcoming if needed.

AfDB is one of the most highly capitalised regional MDBs, with an equity-to-adjusted assets ratio of 27.5% at end-2014. Leverage is well below peers', at 243.5% at end-2014. Capitalisation was boosted by a 2010 capital increase, the payment of which is spread over eight years (12 for low-income countries). However, given rapid growth in lending operations, the equity-to-adjusted assets ratio is expected to decline over the medium term.

The bank's operations are growing rapidly, with a 10% increase in outstanding loans and equity participations at end-2014, and will continue to rise at the same pace in coming years. Growth will be particularly strong for private sector lending, which will account for one third of operations in 2018, compared with 23.3% in 2014. Private sector loans are not protected by preferred creditor status, and exhibit a fairly high impairment rate (4.7% in 2014).

The average rating of loans is 'BB', reflecting the overall weak credit quality of African sovereign borrowers, and the rapid increase in private-sector operations. In addition, since 2014, AfDB's Board of Directors has allowed the bank to extend loans to poor countries, such as Congo (B+/Outlook Stable) and Cameroon (B/Outlook Stable) that were previously only eligible for concessional loans from African Development Fund; this will place pressure on asset quality in coming years. In Fitch's opinion, the expected deterioration in the risk profile of borrowers will translate to an increase in impaired loans (3.1% of total loans at end-2014) over the medium- to long-term.
Liquidity is solid, with treasury assets covering 465% of short-term liabilities at end-2014, well above other 'AAA'-rated MDBs'. The credit quality of treasury investments is high with 93.9% of treasury assets rated 'AA-' and above.

RATING SENSITIVITIES

Pressure on the ratings would arise from the combination of the following factors:
-A joint downgrade of the rating of two of the largest 'AAA' rated shareholders (the US (6.6% of capital), Germany (4.1%) and Canada (3.8%)),
-A rapid increase in lending to the private sector or to sovereign borrowers with low credit quality (rated in the 'B' category or below), in line with or in excess of AfDB's projections, without commensurate capital injections.

KEY ASSUMPTIONS

Fitch assumes that highly rated shareholders would honour their commitment to pay callable capital if required.
The full list of rating actions is as follow:
Long- and Short-term IDR affirmed at 'AAA'/'F1+'; Outlook Stable
Senior unsecured debt affirmed at 'AAA'/'F1+'
Market-linked securities affirmed at 'AAAemr'
Subordinated debt affirmed at 'AA+'
Commercial paper affirmed at 'F1+'

AfDB to ‘crowd in’ private sector billions

Harnessing the power of the private sector is central to the AfDB’s strategy. African Banker spoke to Kodeidja Diallo, director of the bank’s private sector department, to hear more -

How are you finding your new role?

It is very exciting and important because it’s a unique opportunity to turn around the private sector business of the bank, in the sense that the portfolio of the private sector has grown significantly from $200-$300m to $2.1bn. The growth momentum is there, the demand is there, our shareholders are calling us to do more in the private sector business and more in the real private sector.
For infrastructure, the financing gap is $48bn. The African Development Bank (AfDB) has a great role to play. However, we cannot do it alone, therefore we have a new approach to bring more to Africa. Our private sector philosophy is anchored around leveraging partnerships with other development actors in the continent, other multilaterals. The second is crowding in – with every $1 we bring into the continent, we want to crowd in $6 from private sector. It’s a completely new strategy to bring more. We are doing more with less.
In order to do this, we have to work together, with other Development Finance Institutes (DFIs). We also have a new approach called mutual reliance – we want to do more and better together and to be a driving force.

Are there enough projects out there to fund?

It’s true that the issue is not liquidity. Liquidity exists, from short-term financing by commercial banks to long-term financing by DFIs or other institutional investors. The problem is bankability of projects – we don’t have sufficient critical mass of bankable projects.
So what we are doing? The bank has created a vehicle called Africa50 that is doing project development and also fundraising financing in order to have bankable projects. The private sector department also has a specific vehicle called the Project Development Company. We started with one company and, borrowing from the experience of Exim Bank in India, we take projects and the project company that we fund will develop the project and sell it to the bank or others.
It will make sure we do things better, more effectively and efficiently because we don’t have time to do all the project preparation – they will do everything up to bankability. We are replicating this experience because it’s a very positive experience.

Is the motivation for backing projects a development one or a commercial one?

For any private sector project in Africa, we have two basic criteria – financial viability and development impact. If the project has no development impact, we don’t go in. If the project has high development impact, we try to enhance the profile of the project to make it bankable and make sure it yields development results.
We have to crowd in other private sector investors and we have to address the risk-reward incentive. For that we have to have financially viable projects that are sustainable in the long run and resilient, because there is a lot of volatility in the operating environment of private sector business.

Do you target a particular time frame for investments?

We have average maturity of 15 years for infrastructure. In general, infrastructure projects are long-term projects. However, for some specific growth and transformational projects that have long-term returns we can go exceptionally for 20 years, which nobody will finance except DFIs.

Is there a lot of patience within the bank for long-term investments?
The transformational projects are large infrastructure and integrated projects, meaning you have a mine, a railway or transport corridor, a deep-sea port or industrial zone, for example. These kinds of projects are very transformational all along the line – they are more sustainable. The risk appetite at the institution for these projects is very high, and the bank employes the necessary diligence.
Is there an advantage to private sector infrastructure projects over public sector?
They are swifter in delivery, more effective because they are delivered on time and on budget, which everybody is looking for, and they tend to manage the procurement process well. The maintenance and management and operation when they are privately led are more effective and efficient.
Is it important for the AfDB to maintain strong credit ratings? What are the challenges to lending?
The private sector is not only a growth anchor but also a great contributor to the financial sustainability of the institution. For every dollar invested in the private sector you will bring four times the return in the public sector. So for the Bank's revenue to grow, we need to boost the activities of the private sector department. Private sector projects are more risky and not backed by government guarantees, so we have to support private sector development with quality projects that will not become non-performing loans.
How often do you have to speak to the risk department of the bank?
No deal will pass through the board without the approval and endorsement of the credit risk committee of the bank. We have 54 African countries and some of them are post-conflict transition countries. Projects in these countries are very high risk by nature. We take this risk because the development impact is very high – however it has to be vetted by the credit risk committee.
With a personal background in risk, are you quite conservative?
Being in risk and coming to the private sector is complementary, I have to bring another perspective of resilience and long-term sustainability, so not going for volume but going for quality and volume combined. I have to make sure that the structuring is right and the risk dimension is mitigated, because we are there to take risk but we have to take calculated risks.
What do private sector businesses get from engagement with the AfDB that they can't get elsewhere?
Commercial banks usually do not go beyond seven years. At AfDB they go 10, 15, even 20 years. You cannot get a 20-year loan at Libor plus 150 or 200 in the market. Nobody will take this long term. As a development finance institution, also for the country, we have the shareholder relationship. In addition to that, AfDB enjoys a preferred creditor status which grants us preferential treatment so all exchange risk and exchange control are not applied to our projects. *(African Business)*

AfDB's support for countries underscored at the Global Entrepreneurship Summit
Africa Development Bank's Vice President, Solomon Asamoah, represented the Bank at the just concluded Global Entrepreneurship Summit that took place July 25th- 26th 2015 in Nairobi, Kenya.
Now in its sixth year, the event was co-hosted by US President, Barack Obama, and his Kenyan counterpart, Uhuru Kenyatta. The two highlighted among others, Kenya's potential for growth, with Kenyatta describing the country as a 'hot bed' for investments.
Asamoah, who is in charge of Infrastructure, Private Sector and Regional Integration, participated in two panels at the Summit. He emphasised the Bank's strong involvement in promoting entrepreneurship in Africa.
As a moderator in a session on Intra-Regional Entrepreneurship and Trade, Asamoah highlighted trade barriers that needed to be addressed in order to drive economic growth and development. The session explored measures to be considered in removing these barriers, as well as cited experiences of countries that had successfully tackled barriers to trade.
Inspiring the Next Generation of Agricultural Entrepreneurship was another session in which Asamoah participated as a panelist. He underscored the importance of agriculture, and expressed why agriculture as a sector was lagging behind. The Vice president's contribution focused on agricultural innovations in food security and nutrition, agronomy and technology, including post-harvest losses, pest control, and connecting farmers to markets. He talked about financing the sector and creating jobs for young people. The session brought to the fore unique solutions for 'agripreneurs', and how they can be communicated and adapted to inform entrepreneurs.
President Obama stated: "Today, we can see that the future for Africa is on the horizon, but some tough choices need to be made." In light of this, Asamoah reiterated the AfDB's readiness to accompany African countries in the drive for change.
The Global Entrepreneurship Summit is an annual event that provides an opportunity to celebrate entrepreneurs from across the world. It serves as a platform for exchanging ideas on innovative startups, exploring ways of bringing these ideas to life with an objective of driving economic growth and improving human welfare.

AfDB Road Investment in Cameroon cuts Journey Time by Half – New Evaluation Shows
A recent evaluation conducted by the Independent Development Evaluation (IDEV) department of the African Development Bank (AfDB) has revealed that the Bank's substantial investment in road infrastructure in Cameroon from 2004 to 2013 resulted in time savings and a 40-% drop in transportation costs.

According to the evaluation, between 2007 and 2013, journey time fell from 15 to 7 days between Douala and N'Djamena in neighbouring Chad and 10 to 5 days between Douala and Bangui in Central African Republic. In addition, AfDB investments also boosted trade. "On the northern corridors in the direction of N'Djamena and Bangui, for example, there was a 17% increase in trade between 2007 and 2011," the report says.

Cameroon's 2010-2020 Growth and Employment Strategy Paper (GESP) places a great premium on infrastructure development as a catalyst for economic and social growth. Infrastructure (transport and energy) represents 86 % of the overall AfDB portfolio during the period. The evaluation further found that construction of the Dibamba and Kribi Power Plants through public private partnerships benefited the population and economy in the following ways (a) reduction in power outages, (b) positive impact on the well-being and economic activities of households, and (c) boosting the development of the aluminium industry in Cameroon.

Initiated in June 2014, this evaluation examined the Bank Group's assistance to Cameroon from 2004 to 2013 as well as its contribution to the country's development. The key objective of the evaluation is to provide lessons to improve future Bank engagement with Cameroon.

While the Bank's overall performance is rated favorably in the infrastructure sector, it is less so in the area of governance. "This poor result, reflected in the country's weak governance indicators, is mainly due to a lack of political will, the compartmentalization of ministries, insufficient consideration given by the Bank to the country's capacity to absorb reforms and, more generally, ineffective policy dialogue," the evaluation concludes.

The AfDB and Cameroon mutually agreed to tackle the following areas related to good governance: public finance management, administrative reforms, legal and judicial reforms, public contracts, decentralization, institutional capacity building, and combating corruption. The evaluation argues that reforms in the governance sector did not gain the needed traction in part because "administrative procedures for decision-making are cumbersome, resulting in a considerable lapse of time between the preparation of reforms by the technical administrations and the decision to effectively start to implement the reform."

Sustainability Remains the Critical Factor

The improvements made in the transport, energy and other priority sectors could be eroded without proper maintenance schemes and rigorous management arrangements. For these reasons, the evaluation has identified the need to "strengthen infrastructure management, especially in the transport sector, through an efficient road maintenance fund… to ensure the sustainability of investments." While the evaluation is of the view that sustainability of projects financed in the energy sector is almost guaranteed because they are economically viable and the structures are operated and maintained by professionals, it raises concerns in the governance sector where it found that lack of ownership makes sustainability unlikely. With regards to the water and sanitation sector and the Yaoundé Sanitation Project in particular, the evaluation says that there is a risk of repeated flooding as a result the dumping of solid waste in the Yaoundé Canal. "In rural areas, the sustainability of the structures depends on government support and the management capacities of local councils," concludes the evaluation.

Background

Cameroon's engagement with the African Development Bank Group (AfDB) dates back to 1972. In over 40 years of cooperation, both parties have worked together to tackle some of Cameroon's critical development priorities. The partnership was further strengthened in 2007 with the opening of the Bank's field office in Yaoundé.

AfDB and regional member countries mutually identify priority areas based on their strategic interest through a framework known as country strategy paper (CSP). In the case of Cameroon, specifically since 2004, the priority areas are infrastructure, governance, energy, public service reforms, and improvement of the business environment. Overall, the portfolio comprises of 25 operations estimated at valued at US$ 912 .13 million.

AfDB's support to tax reforms leads to improved revenues in Togo

Togo is among the first countries in the world that have improved tax services following reforms in its tax systems, thanks to efforts by the government and the African Development Bank (AfDB).

The reforms, operationalised in 2014 led to establishment of the Togo Revenue Authority (OTR). This has seen tax cash revenue increase by 26 % to reach US $766 million after OTR's first year of operation. Due to the reforms, the country has improved its score by four percent with regard to its business climate, and is among ten countries around the world that have made the most progress, according to "Doing Business 2015", a World Bank flagship publication.

The idea for reforms was born in 2008 when the AfDB President, Donald Kaberuka, and President of Togo, Faure Gnassingbé, met to discuss risks associated with the reduction of official development assistance (ODA) in the context of the international financial crisis. After reviewing best practices, the two concluded that transformation of the tax administration into a Revenue Authority would lead to an effective, transparent and impartial application of tax laws.

Throughout the process of designing the OTR, the AfDB provided advisory support to the government. It also guaranteed the quality assurance function in study reviews and official documents, as well as mobilized commitment by other bilateral and multilateral institutions to the reforms.

The process of creating the OTR began with merging specific services to be shared between customs and taxes commissioners (administration, communication, finance, anti-corruption, IT, human resources, auditing and taxpayer

services). By integrating these services, administrative duplication was reduced, and the impacts of the "law of diminishing returns" were significantly decreased.
Like in the private sector, members of the supervisory board and the OTR board will be appointed, in order to legally reclaim some responsibilities that should be taken from the Ministry of Economy and Finance. The two Managing Directors (customs and taxes) who had a coercive power and were appointed by decree were replaced by commissioners recruited on a competitive basis, and are accountable to taxpayers.
A key focus has been transparency and traceability of state revenue. The OTR has since established a system of direct collection of tax revenue based on removal of accounting and tax cashier positions, instead, entrusting banks with tax collection transactions. “This has led to an overall reduction in delay of goods, and disappearance of long queues previously experienced when paying taxes”, said Sossadema Pelei, OTR’s Direct of Studies and Strategic Planning.
To combat fraud and corruption, the OTR was the first institution in the country to introduce a system of disclosing its agents’ assets. It has also set up a hotline and an email to receive taxpayer complaints.
The AfDB has continued to support the OTR. In 2013, the Bank allocated US $3 million to strengthen OTR’s capabilities. A proposed E-Tax project, financed by the AfDB is expected to be approved in October 2015. It will cost nearly US $21 million. The project will enable real-time information sharing through computerised interconnection among taxpayers, tax services and the Treasury. Some 20 countries in Africa have reportedly adopted the revenue authority model leading to sound fiscal administration, increased revenue, and economic growth.

INVESTMENTS

South Africa's Ascendis to buy 49 pct stake in Spain's Farmalider
Ascendis Health will pay 210 million rand ($16.58 million) for 49 % of Spain's Farmalider, the South African pharmaceutical company said. Ascendis aims to increase the revenue it earns outside Africa's most advanced economy to 30 % in the medium term from 9 % reported in its results for the six months to December 31, it said in a statement. "Farmalider serves as a strategic platform for Ascendis to further expand into Europe," the company said. The South African group will have an option to up its stake in Farmalider to 80 % by the end of 2018 and to buy the rest of the Spanish company's shares by the end of 2020. ($1 = 12.6656 rand) *(Reuters)*

Dangote to double Zambia cement investment to $900 mln
Dangote, Nigeria's largest cement maker, plans to double investment in Zambia to around $900 million by building a second cement plant, the company's vice-president said. Dangote has already built one cement plant at a cost of $450 million in Masaiti, some 500 km (300 miles) north of Lusaka that is expected to produce 1.5 million tonnes of cement annually when it reaches full capacity by the end of this year. "That's also in progress and it will soon come up for commissioning," Dangote group vice-president Sani Dangote told reporters, referring to the new plant. "It will be of the same capacity as this plant," Dangote said, without giving a time frame. The power problems facing Africa's second largest copper producer would not affect Dongote's production because the company had built its own 30 megawatt power plant, he said. Zambian power utility Zesco Ltd is limiting supplies after water levels at its hydro-electric plants dropped due to drought. *(Reuters)*

President Filipe Nyusi invites businesspeople from India to invest in Mozambique
The President of Mozambique invited Indian businesspeople to invest in Mozambique, preferably through partnerships with local companies during the Mozambique/India Business Forum, Mozambican daily newspaper Notícias reported. Nyusi gave the businesspeople assurances that his government would do everything to ensure stability and consolidate peace, through the effective exercise of democracy and respecting the values of reconciliation, dialogue, tolerance and respect for difference. “In Mozambique we can invest both in public-private partnerships and entirely private businesses, either individually or through partnerships with local businesses,” he said. The President said Mozambique was a vast country with more than 35 million hectares of arable land and a favourable climate for production of several food and cash crops, many of which, if not almost all, are produced in India. Later, at the end of a meeting between Nyusi and the Indian Prime Minister, Narendra Modi, it was stated that the two countries converge on the need to intensify mutual cooperation in various areas, particularly maritime safety and security, since Mozambique and India are linked by the Indian Ocean. The President of Mozambique said that this visit to India made it possible to analyse the level of implementation of several memoranda previously signed by the two countries and streamlining their implementation. “We analysed business opportunities and we were given the idea that India is interested in participating in the oil and gas industry in Mozambique,” Nyusi said, noting that there was increasing need to capitalise on marine resources. During this meeting, the Indian Prime Minister reiterated the invitation to Mozambique to take part in the III India/Africa Summit to be held next October in New Delhi, which Mozambique accepted. *(Macauhub)*

Italian airline announces flights to Pemba, Mozambique
Italian airline Meridiana announced it will start offering charter flights to Pemba, the capital city of Cabo Delgado province in northern Mozambique on the border with Tanzania.

Pemba Airport only receives aircraft from the cities of Beira, Nampula and Maputo, domestically, and the airports of Dzaoudzi, Dar es Salaam, in Tanzania, O.R. Tambo, Johannesburg, South Africa and Jomo Kenyatta, Nairobi, Kenya .
According to the ItaliaVola blog, the service to Pemba will start from 21 December this year and will run from Malpensa airport in Milan, and the flight carried out using a Boeing 767-200 (ER) aircraft. Air Italy, which was acquired by Meridiana in October 2011 and whose brand disappeared in March 2013, announced a similar plan in 2012, which was abandoned when the Renamo opposition party threatened to return Mozambique to civil war. *(Macauhub)*

Sub-Saharan Africa gets first direct Japan flights
As Japan's ambassador to Ethiopia, Kazuhiro Suzuki finds that briefing Japanese businesspeople seeking opportunities in Ethiopia is becoming a daily occurrence. From April, the flow of visitors could grow, after Ethiopian Airlines started the only direct flight between sub-Saharan Africa and Japan. -
The service has been a decade in the works, but it comes at an opportune moment, as Japan ramps up its investment in Africa.
While China's interest in the continent has dominated headlines for the past decade, Japan has quietly been building its position. Japanese companies and government agencies actually invested three times as much in project finance deals over the last 10 years as their Chinese counterparts. Currently most Japanese investment is outside Ethiopia but those such as Suzuki say it's a matter of time, especially with the new flight, before Ethiopia gets more attention."
Almost every businessperson I meet coming to Ethiopia is surprised – they don't realise the level of the booming economy," Suzuki says. "Currently Ethiopia's needs are more low-tech but sooner or later it will need more high technologies, so I'm optimistic about the role for Japan."Previous Japanese travellers to Africa have flown via European airport hubs or through the Middle East, typically connecting in Dubai. Such journeys usually take between 21 and 23 hours, whereas Ethiopian Airlines' new service will take about 15 hours."A big selling point is how Tokyo business staff could catch an evening flight after work and arrive in Addis the next morning and start work," Suzuki says. "Or they could catch a connecting flight to another African country and be working there by afternoon."
For Japanese businesses already operating in Ethiopia, the new flight using the ultramodern Boeing 787 Dreamliner aircraft will make it easier for headquarters staff and specialists to visit and bring their expertise."
Currently, due to the longer flight time it's difficult for them to arrange schedule-wise," says Noriyuki Murabe, senior deputy general manager for Addis Ababa-based Marubeni Corporation, which trades in coffee, construction machinery and aeroplane components. "Also, psychologically many Japanese think Ethiopia is very far from Japan, and may be more likely to come with a quicker flight."Murabe says the flight should trigger strengthening connections between Japan and Ethiopia: "Ethiopian businesses are adopting the Japanese business philosophy Kaizen, and if Japanese businesses see this for themselves here that could encourage investment."
The flight should also benefit tourism between the countries."It's very exciting news," says Miyuki Koga, with Addis Ababa-based tour operator Elmi Tours, whose clientele is between 30% and 40% Japanese tourists. "Already we're getting more requests for quotations from Japanese tour companies preparing for the new service."Koga explains that Japanese workers' limited holiday allowances makes visiting distant locations, such as Ethiopia, difficult; the reduced flight time could make enough of a difference to facilitate squeezing in an Ethiopia-bound trip, or elsewhere in Africa. "Ethiopian Airlines has an excellent network throughout Africa, so if people make the effort to fly all the way to Ethiopia it makes sense to try other countries," Koga says. She notes, however, that the airline may have its work cut out to match Japanese expectations: "They'll be coming from a country where service is taken incredibly seriously – Japanese expect excellent service."
While tourism may take time to develop, business is a more immediate prospect. During the last five years Japanese investors increased project finance commitments in Africa by a "staggering" 576%, according to the global law firm Linklaters. This culminated with $3.54bn invested in 2014, mainly through a large focus on energy and infrastructure projects in Morocco. "Japan has taken a much quieter and below the radar approach than China but has made significant inroads, particularly in countries such as Nigeria and Mozambique," says John Maxwell, head of the Japan office for Linklaters."At the heart of this are Japanese investors' needs to diversity their portfolio of projects. Just looking at the energy sector, part of the drive could be down to a desire to seek stable energy supplies, moving away from nuclear energy. Coupled with Prime Minister Shinzo Abe's announcement in 2013 for a total of $32bn in public and private funding for Africa, including $14bn in development assistance and $6.5bn for infrastructure projects, the African continent is well and truly on Japan's radar."
Such numbers illuminate the Ethiopian government's enthusiasm to place Ethiopia on that radar too, building on a relationship going back much further than Ethiopian Prime Minister Hailemariam Desalegn's 2013 visit to Japan when he re-raised the possibility of a direct flight service. Ethiopia was the first African country to cement diplomatic relations with Japan in 1930, and they both share long imperial legacies; current Japanese Emperor Akihito visited Ethiopia in 1960 while he was crown prince. Amid the fanfare observers note that the thrice-weekly direct flight between Bole International Airport and Tokyo Narita International Airport will have to refuel at Hong Kong. Others question whether passenger demand for the flights will be adequate.
"Ethiopia still isn't the focus for many Japanese businesses," says a general manager for a major Addis Ababa-based Japanese trading company, who couldn't identify himself due to corporate media rules. He says Japanese businesses

carefully assess opportunities across all of Africa, gauging numerous economic, political and sociological factors, before committing. Many are deterred by Ethiopia's heavy import duties, especially when they can invest instead in the likes of Kenya, Uganda and Burundi with free-trade agreements."Japanese businesses are very different to Chinese ones," says Kana Fukuda, who works for the Japan International Cooperation Agency in Addis Ababa. "They are very cautious with new frontiers, focusing more on quality over speed. They still view Ethiopia as risky with a more complicated business environment compared to other East African countries."
Ambassador Suzuki acknowledges how such preconceptions can hinder while noting research undercutting them. For example, he says, the World Bank's rankings for ease of business place Ethiopia at 132, above countries such as Kenya, Uganda, Nigeria and India. Also, Suzuki points out, Ethiopia's per capita income of $500 is substantially lower than the regional average and will take 10 years – even if Ethiopia achieves annual double-digit growth – to match rates in countries like India and Vietnam. "That offers huge comparative advantage in terms of labour costs," says Suzuki, who will take the inaugural 21st April light from Addis Ababa to Tokyo. "Better to come earlier to invest – that way you will get more fruit." *(African Business)*

China's diplomacy focuses on preferential loans for infrastructure
The review that China is making to its development aid model should strengthen cooperation with multilateral agencies, keeping preferential loans for infrastructure central, according to an analysis by the Brookings Institution.
Yun Sun, an analyst at Brookings who has studied the role of Africa in China's diplomacy, said in his latest work on the subject that loans with preferential terms (or subsidised loans), similar to those that have been granted to Angola and Mozambique are already the largest component of Chinese foreign aid, accounting for almost 56 % of the total between 2010 and 2012.
In relation to Africa in the "near future" the "bulk" of the aid is likely to be granted through preferential loans, which together with development aid are a set of "highly valuable financial resources for (Africa's) vast infrastructure development needs," said Yun Sun.
In the next few months the Chinese Foreign Ministry is expected to issue a set of guidelines for external aid to frame the high growth figures expected in the coming years, in line with those recorded in the recent past.
Between 2010 and 2012, China's aid reached 90 billion yuan, nearly a third of the total since 1949, becoming a "formidable alternative to Western aid," according to Yun Sun.
Some analysts in China have been advocating a reduction in the weight of preferential loans and infrastructure projects, but this seems to clash with the current priorities of the Chinese government, which include establishing links, particularly along the "New Silk Route." Sun Yun said that in coming years preferential loans for infrastructure "will be considered favourably within Chinese foreign aid."
In Africa, Angola and Mozambique are among the main beneficiaries of these loans – China is already the biggest bilateral creditor of Mozambique, where major investments are being prepared with Chinese capital after increasing funding to the country by 160 % since 2012. With a new loan of US$400 million announced last month, the weight of funding from China to Mozambique is expected to grow almost 50 % over the current level. The new loan is for construction of a 600-kilometre power transmission line between the Mozambican provinces of Zambézia and Nampula, according to the Mozambican government.
In the case of Angola, the two countries established a strategic partnership in 2010, with China providing credit lines and Angola repaying them with oil, which led to two-way trade increasing over 2000 % between 2002 and 2012.
The level of support for Angola was such, and as the aid scheme so effective, that it was eventually extended to other countries under the name "Angola Model" – financing agreements with low interest rates for African countries, guaranteed with the supply of raw materials.
For African countries, this support came at a time when they had great difficulty in accessing financing.
The Chinese foreign aid budget supports the difference between market interest rates and subsidised interest on loans, enough to increase demand for this financing, which also secures contracts for Chinese companies and helps ensure a market for natural resources, said the analyst at Brookings, an American private institution.
Yun Sun also said that the future of Chinese support would involve further multilateral funding, with joint initiatives of the Asian Infrastructure Investment Bank, led by China, the World Bank and Asian Development Bank. *(Macauhub)*

Angola and China are a priority to diversify Cabo Verde's economic relations
Cabo Verde (Cape Verde) wants to diversify its economic relations, with particular focus on the "South-South" axis and on Angola and China, to reduce dependence on European countries, according to the Economist Intelligence Unit (EIU). Because of its dependence on Portugal and Italy, countries that have experienced crises in recent years affecting the tourism sector, the Cape Verdean economy lost its momentum and the government believes it can return to it by strengthening "South-South" links. In June, Cabo Verde and Angola signed a memorandum of understanding in Luanda to expand cooperation and bilateral investment, following a wave of Angolan investment in the archipelago, in which Isabel dos Santos, the main Angolan businesswoman, had a starring role.
According to the Economist Intelligence Unit, efforts to strengthen ties with Angola and other major African economies are "essential" to reduce "dependence" of the archipelago in relation to Europe, which is the source of almost 75 % of

tourists, and therefore of foreign currency as well as foreign aid and investment. Given the difficulties in Europe, the Cape Verdean economy saw its external position "weakened considerably" and policy makers are now engaged in the diversification of the relationship. Since 2008, Angolan investment began flooding into Cabo Verde, expanding from energy into telecommunications and banking.

Last March an oil terminal opened in Mindelo, an investment by Enacol (owned by Angola's Sonangol and Portugal's Galp Energia) valued at US$1.9 million, which should provide revenue from refueling ships.

The agreement signed in June during a visit to Luanda by the Cape Verdean Prime Minister José Maria Neves, provides for expansion of partnerships to other priority sectors, including tourism, fisheries and air and sea transport. For several years there has been talk of a possible investment by Angolan airline Taag in Cape Verdean air carrier TACV, which the state intends to privatise, but the EIU believes that the current economic climate is not conducive to that.

According to the EIU, Cabo Verde intends to "benefit from the appetite" in Angola for investment as well as budget support at the same time as it "takes advantage of its privileged strategic position for transatlantic trade (…) especially with Brazil and China." These aims also extend to neighbouring West African countries, with which Cabo Verde intends to maintain existing links to develop stronger trade relations and enhance its role as a platform for the region.

In 2014, former Prime Minister Gualberto do Rosário publicly presented a plan to make Cabo Verde a "Tiger of the Atlantic" by 2023, by analogy with the "Asian Tigers" through construction of three large refineries and the installation of large US and European banks.

According to the Africa Monitor newsletter, the plan included attracting foreign investment to new sectors such as the chemical, electronics and food industries, leading to increased traffic in ports, of both passengers and goods.

The privatisation of TACV, according to the government, according to Cape Verdean weekly newspaper A Semana, was at one time followed by China's Okay Airways, while the China Road & Bridge Corporation (CRBC) has expressed interest in building a deep water port and a cruise terminal on the Cape Verdean island of São Vicente, as well as repairing the Cabnave shipyards.

Over the next few years the largest ever foreign investment in Cabo Verde is expected to come from Macau, valued at US$250 million for construction of a hotel-casino in the capital, Praia, submitted in late July by businessman David Chow. The inauguration of the archipelago's sports facility funded by China – the national Stadium – on the island of Santiago was held in 2014. *(Macauhub)*

BANKING

Banks

Digital Solutions to Steer Financial Inclusion in Africa

ICT can radically transform the market for financial products and services for poor Africans

The linkages between digital financial services (DFS) and the development agenda in Africa were discussed extensively during a panel discussion organized by the African Development Bank (AfDB) and the Making Finance Work for Africa (MFW4A) Secretariat, on the margins of the Third International Conference on Financing for Development (FfD3) in Addis Ababa. It was noted that technology-based products and services had not received enough attention within the international development community. Only four of the Sustainable Development Goals currently refer to ICT, yet the sector is considered by all participants as a major contributor to inclusive growth.

In his introductory remarks, Alexander de Croo, Minister of Development Cooperation, Digital Agenda, Telecom and Postal Services of Belgium, identified DFS as a key driver of the formalisation of African economies. Going further, the Executive Secretary of the African Capacity-Building Foundation (ACBF), Emanuel Nnadozie, noted how digital payments are central to domestic resource mobilization because they channel informal savings into the formal financial system.

There is growing evidence that digitising payments boosts transaction efficiency, reduces costs and drives financial inclusion. According to Elaine Weidman, Vice-President of CSR at Ericsson Group, DFS can be as much as 75% cheaper than traditional banking in low-income countries.

The exponential growth of mobile phone subscriptions in Sub-Saharan Africa, from 90 million to 650 million over the last 8 years, offers considerable opportunities to grow the market for mobile financial services. However several barriers continue to limit this potential, including the lack of standardisation of products, the lack of interoperability between countries and technologies, and inappropriate regulations.

In addition, the spread of mobile money services has not necessarily increased the use of financial services other than withdrawal and money transfer. In order to spur demand, mobile products and services should fit the specific needs of underserved populations. According to Danson Muchemi, CEO of JamboPay, an online payment gateway and an emerging player in the DFS market, one of the major challenges for the private sector is product relevance. "Mobile services providers have to focus on providing simple services available in the local language. This requires careful understanding of the diversified social networks underlying financial flows", he noted. "The real competitor of digital financial services is cash", added Henri Dommel, Manager of the Mobile Money Program at the UNCDF. DFS should therefore be as flexible and as easy to use as cash.

In addition to product creation and enhancement, AfDB's Director of Financial Sector Development, Stefan Nalletamby, emphasized how innovation could support reliable data collection on creditors, helping to eliminate one of the main obstacles to credit for SMEs in Africa - information asymmetry.
The role of appropriate regulations to foster sound market competition emerged as key. Participants observed that both parliaments and governments at the national level had a crucial part to play in making financial regulations compatible with DFS development. Their participation will also ensure a conducive environment for historical players (banks) as well as new entrants (mobile service providers) to operate.
Additionally, African governments can be a major contributor to digital financial inclusion by building the trust of the populations in new payment networks. In this perspective, Nalletamby highlighted the importance of supporting government-to-person (G2P) payments. This approach has the potential to accelerate digital financial inclusion, as the government can dictate how it pays its recipients, thereby providing a benchmark for other types of payments.
From the point of view of development agencies and donors, supporting the digital finance agenda can have consequences across the board. A wide range of sectors will benefit from using flexible payment platforms (SMEs, clean energy providers…). In humanitarian crises, mobile social transfers can help bypass corrupt administrative chains to directly reach beneficiaries and improve their livelihoods, according to Dommel.
Successful strategies will require a multi-sectorial approach involving policy-makers, infrastructure providers, services and payment providers, and customers. Minister De Croo noted that in Middle-Income Countries, Official Development Assistance couldn't be the only answer. "DFS should remain a commercial activity, financed by private investments", he said. In commercially-viable regions, the role of development partners will be to eliminate barriers to private sector involvement.
In least-developed countries, development partners will need to compensate the absence of private players by directly financing DFS for the poor through Official Development Assistance flows or public-private partnerships.
In his closing remarks, Nalletamby underscored that mobile money and digital financial services were key pillars of financial inclusion, and one of the strategic priorities of the Bank in the next 10 years. The cross-cutting agenda of the Bank will encompass, among others, supporting national strategies to scale-up DFS markets, influencing policy-makers through increased dialogue, spearheading data collection on DFS market opportunities, and investing in incubators or funds whose focus is on mobile solutions. The Bank will also focus on providing liquidity to mobile banking and mobile service providers, partnering with local providers for financial skills development, and participating in programs promoting digital literacy of poor households. *(AFDB)*

Angolan insurance company makes payment of premiums easier
Angolan insurance company Empresa de Seguros de Angola (ENSA) has approved the payment of the premiums in monthly, quarterly and half-yearly installments in response to the current period of difficulties caused by a fall in oil prices, the company's chairman said.
Manuel Gonçalves told state newspaper Jornal de Angola that the measure was intended as a response to difficulties in payment of premiums but said that ENSA was not being greatly affected by the current situation, "as customers continue to buy the products for loyalty to the company."
The chairman of ENSA said the company's current strategy was to adapt it to restraints and challenges of economic diversification, and with this in mind it planned to introduce marine, mining and agricultural insurance,which are essential for the country to protect against risks. "Agricultural insurance is important because it covers the entire process of the activity that starts with the act of sowing the crop," said Gonçalves, to illustrate the need for this type of insurance. In the marine sector ENSA plans to focus on hull insurance and the protection of cargo, taking into account indications that point to the prospect of mandatory insurance of goods in Angola. *(Macauhub)*

Markets

Germany launches local currency bond fund for Africa
The German KfW on behalf of the German Federal Ministry for Economic Cooperation and Development has launched the African Local Currency Bond Fund (ALCB Fund) to invest in local currency bonds in Africa. *(Africa Global Funds)*

China and Angola sign agreement for mutual acceptance of national currencies
Angola has signed a monetary agreement with China under which national currencies are now accepted in both countries, Angola's trade minister, Rosa Pacavira said in Luanda.
"The kwanza will have a value in China, and the yuan will have a value here in Angola," said the minister, quoted by news agency Lusa.
Pacavira said that this agreement would increase imports of products made in China, since it make sit possible to overcome a lack of foreign currency, including dollars, resulting from the fall in the price of oil, Angola's main export.
"No other country agreed to this, only China did, so from now on the two currencies will be accepted in both countries," noted the minister at an event held in Luanda, referring to the facilities arising from the new "monetary agreement."

Pacavira said her ministry was aware of the quality of products manufactured in China and added that "the agreement I mentioned will make quality products available in Angola." The Angolan President, José Eduardo dos Santos, visited China last June and at the time announced China's financial support for Angola would increase. (macauhub/AO/CN)

Tunisian firms prepare to issue Islamic bonds

Tunisian firms are preparing to issue Islamic bonds as the government finalises rules covering the sector, creating a new funding option for companies in an economy buffeted by labour unrest and militant attacks. Islamic finance - which bars interest payments in accordance with Islamic, or sharia, law - accounts for just 2.5 % of Tunisia's financial sector and was a low priority under autocratic leader Zine El-Abidine Ben Ali, who was toppled in 2011. But successor governments have been seeking to develop the industry, partly as a way to gain access to pools of sharia-compliant capital in the wealthy Gulf.

With the encouragement of regulators, the country's first Islamic lender Banque Zitouna - founded in 2009 by Ben Ali's son-in-law - plans to open 100 branches over the next five years and El Wifack Leasing aims to become the country's third full-fledged Islamic bank by August.

The government is preparing to issue its first sovereign sukuk - Sharia-compliant bonds - this year and has worked out rules for the sector, Amel Azzouz, Tunisia's secretary of state in charge of international cooperation, said. "We are now finalising an integrated legal framework dedicated solely to Islamic finance, to serve as a regulating mechanism," Azzouz said during the annual meeting of the Jeddah-based Islamic Development Bank Group, according to a transcript. The IDB is helping to establish an Islamic microfinance institution in Tunisia, she said. Mohamed Frad, board member at Tunis-based Best Lease, a commercial leasing firm, said finance ministry rules covering issuance of corporate sukuk were expected within months.

Best Lease aims to raise up to 30 million dinars ($15.6 million) to finance its growth, with Banque Zitouna and El Wifack Leasing also considering sukuk issues, said Frad, also general manager of United Gulf Financial Services North Africa, a Tunisian company which provides corporate finance services. "A law exists but we need the practical rules. When this is done then these financial institutions will issue sukuk," said Frad, adding aggregate issuance of Tunisian corporate sukuk could initially reach 100-150 million Tunisian dinars ($51-$76 million). "Before the end of the year, Zitouna and Best Lease will be able to issue." State-owned electricity and water utilities may follow suit, while national carrier Tunisair could tap the market later after clearing legislative hurdles, Frad added.

The Tunisian arm of Bahrain's Al Baraka Banking Group is expanding operations after it became a resident bank at the end of 2013. The Islamic lender is adding wholesale banking and investment products, which could include sukuk.

"Best Lease (sukuk) will be a good idea and we are considering this," Chief Executive Adnan Ahmed Yousif told Reuters. Since 2014, Al Baraka's Tunisian arm has launched six sharia-compliant products such as vehicle financing, and introduced pilgrimage savings schemes to the Tunisian market. It plans to launch sharia-compliant student loans this year. ($1 = 1.9689 Tunisian dinars) *(Reuters)*

National Bank of Angola sells US$2.219 billion to commercial banks in June

The National Bank of Angola (BNA) sold US$2.219 billion in foreign currency to commercial banks in June, 15.28 % less than the US$2.620 billion sold in June 2014, Angola's central bank indicated on Tuesday in Luanda.

Those sales comprised US$1.094 billion based on price auctions and US$1.125 billion via sales directed to specific sectors and priority operations.

Besides currency obtained from the BNA, the banks bought US$208 million from their respective clients in June, significantly over a billion dollars less than the figure of US$1.240 billion in the same month of 2014.

Overall, the commercial banks foreign currency purchases from the BNA and their respective clients in June 2015 amounted to 37 % less than in June 2014.

The BNA also indicated that last June US$594 million of the total US$1.125 billion of directed sales were used to reposition the banks' foreign exchange position, given problems meeting their commitments to external correspondents due to operations associated to credit cards and international payment cards.

Directed sales of foreign currency to the banks result from the BNA's need to take responsibility for intervening in the market to fulfil operations deemed priorities by the government. This is done in a context of reduced foreign exchange availabilities and high risk of foreign exchange market imbalance, lower food and raw material reserves and eventual paralysation of essential services enabling the economy to function.

Directed foreign currency sales were also carried out in June for merchandise operations (food and other), reinsurance services, oil sector service providers, state bodies, telecommunications, communication services, study grants and many other priorities. *(Macauhub)*

Mozambican central bank keeps key interest rates unchanged

The Bank of Mozambique has decided to keep its key interest rates unchanged, with the liquidity facility remaining at 7.5 % and the permanent deposit facility at 1.50 %, according to a statement from the Mozambican central bank.

The bank also said the Monetary Policy Committee decided to keep reserve requirements at 8.0 % and to intervene in the interbank market in order to ensure compliance with the monetary base in August 2015 at 60.577 billion meticais.

The statement issued in Maputo said that at the end of July the balance of net international reserves increased by US$13.6 million to US$2.6134 billion, due to disbursements of external State funds in the amount of US$91.5 million. Gross international reserves covered 3.86 months of goods and services imports after excluding the operations of major projects.
The average nominal interest rate charged by credit operations on lending over 12 month in June was 17.89 %, which was a cumulative decrease of 1.86 percentage point and an annual decrease of 2.90 percentage points.The prime rate, which is the system's average rate, increased by 30 basis points in June compared to the same month of 2014, to 14.53 %. *(Macauhub)*

Nedbank Sees Interest Rate Boost Offsetting 2016 Bad-Debt Uptick
Nedbank Group Ltd., the South African bank controlled by Old Mutual Plc, said interest rate increases in its domestic market will boost revenue and help offset any uptick in bad debts that may appear from next year.
A 1 percentage point increase in rates will add 1 billion rand ($79 million) to net interest income, Mike Brown, chief executive officer of Nedbank, said Tuesday by phone. "Given the slow growth in South Africa, we think this interest rate cycle is likely to be flatter than usual. The entire cycle is likely to only be 150 basis points of increases."
The central bank increased rates by 25 basis points last month and Nedbank is among lenders forecasting a similar move in September. The Johannesburg-based lender is targeting expansion in the rest of Africa where growth rates are relatively faster than its home market. It owns a fifth of Togo-based Ecobank Transnational Inc. and 37 % of Mozambique's Banco Unico. "In Mozambique, we will go to between 50 % to 70 % next year and we intend to pay in cash," Brown said, adding that the payment won't affect the bank's capital levels. Nedbank isn't in discussions with Ecobank to buy a stake in its Nigerian operations, he said.
The number of people using Nedbank as their main bank rose 8 % in the first half to 2.5 million customers, Brown said. Business banking took on 2,500 more small-and medium enterprise accounts and the corporate and investment unit won the account for the Durban municipality, South Africa's third-largest city, known as eThekwini.
Stock Record
Nedbank stock advanced to a record in Johannesburg Tuesday after the lender posted earnings that beat estimates. The shares climbed 5.6 % to 272.37 rand as of 11:58 a.m. in the city, the highest intraday level since the bank started trading in August 1990. The six-member FTSE/JSE Africa Banks Index climbed 2.6 %.
First-half profit rose 16 % from a year earlier to 5.3 billion rand after bad debts fell and earnings from the rest of Africa increased, Nedbank said earlier in a statement. Earnings per share excluding one-time items rose 14 % to 11.01 rand, beating the median estimate of four analysts surveyed by Bloomberg. The interim dividend increased 16 % to 5.37 rand a share. "Nedbank delivered good fee growth, ongoing improvement in the credit-loss ratio and disciplined cost management," said Neelash Hansjee, bank analyst at Old Mutual Plc's Cape Town-based investment unit. "The environment is tough, but Nedbank seems defensively positioned with the wholesale business being a bigger part of its mix versus its peers." 'Sustainable Performance' Advances and non-interest revenue are expected to increase by more than five percent in the rest of the year, the bank said in its statement. The South African economy is projected to improve slightly in 2015 off its low 2014 base. "Management have maintained full-year guidance of diluted earnings per share excluding one time items growth at around 8 %, so I think the performance is sustainable," said Adrian Cloete, portfolio manager at PSG Wealth in Cape Town. "The big banks are well diversified across corporate, retail, wealth and also into Africa. The banks are also very well run by good management teams, so it's unlikely that we get negative surprises in the current environment." *(Bloomberg)*

Botswana Bucks Trend as Africa Central Banks Tighten Policy
Botswana's central bank cut its benchmark interest rate for a second time this year, bucking a trend set by central banks across Africa that have tightened monetary policy to bolster their currencies.
The Bank of Botswana lowered its main lending rate by 50 basis points to 6 %, following a 1 percentage-point reduction in February. At the same time, Nigerian policy makers announced further restrictions on foreign-exchange trading, while Kenya's central bank Governor Patrick Njoroge indicated he may raise interest rates again.
Central banks in South Africa, Ghana, Angola, Kenya and Uganda have raised interest rates this year to rein in inflation as plunging commodity prices put pressure on their currencies. While Botswana, the world's largest diamond producer, is also facing sliding revenues, fiscal surpluses in the past and adequate foreign-currency reserves means authorities are better able to defend the pula peg. "The current state of the economy as well as the domestic and external economic outlook, including the inflation forecast, suggest that easing monetary policy is a step in the right direction," the Bank of Botswana said.
Growth in the southern African nation is slowing, while inflation is subdued, giving the bank room to cut interest rates. The economy expanded 4.6 % in the year through March, compared with 7.9 % in the previous year, the central bank said. Consumer prices rose 3.1 % in June from a year ago, close to the lower end of the bank's 3 % to 6 % target band.
Inflation 'Fever'
In Kenya, East Africa's biggest economy, policy makers surprised the market by keeping the benchmark interest rate unchanged at 11.5 % following 300 basis points of increases in the past two months. Njoroge said the bank will put

further measures in place to curb inflation expectations if needed. "The meeting indicated we are beginning to have an effect on inflation," he said. "What we need to do is to stay the course and eventually the fever will break and inflation will come down to more moderate levels." Kenya's shilling has weakened 10.5 % against the dollar this year and was trading at 101.20 as of 3:17 p.m. in Nairobi, the capital. Botswana's pula, which is pegged against a basket of currencies that includes South Africa's rand, was trading at 10.17294 per dollar. *(Bloomberg)*

Fund

The Fund for Africa Private Sector Assistance (FAPA) to support AccessBank Liberia on financial inclusion

The African Development Bank (AfDB) and AccessBank Liberia Ltd (ABL) have signed a technical assistance partnership agreement. The partnership, which is expected to enhance ABL's reach to Liberian Micro, Small and Medium Enterprises (MSMEs), is supported by a grant from the Fund for Africa Private Sector Assistance (FAPA).

While there are around 10,000 formally registered SMEs operating in Liberia, many businesses continue to operate informally. Liberia's MSMEs face a number of constraints to profitability and growth including a lack of access to finance. Without such finance, these firms face significant difficulties to expand and enhance their operations, which would allow them to employ more individuals and contribute towards Liberia's development and growth. The Ebola crisis has exacerbated the challenges faced by Liberian MSMEs, and this support will help reinvigorate the sector. It will also increase the capacity of the SME sector to provide services to the government and concessions sectors.

Commenting on the partnership, Ms. Margaret Kilo, Resident Representative of the AfDB in Liberia said: "We look forward to continuing our partnership with Access Bank Liberia, which helps address the challenges MSME faces in accessing finance. Access Bank provides loans and banking services that help develop a vibrant private sector and increase incomes and employment."

The acting CEO of AccessBank Liberia, Dusko Dimitrov, further commented, saying: "AccessBank Liberia would like to extend its deepest gratitude for AfDB's ongoing support of AccessBank and the MSME sector in Liberia. These funds will allow the Bank to extend its outreach as the only dedicated MSME lender in the country. AccessBank sees access to finance as an essential point of development for Liberia and its citizens and will continue to strive towards making banking services available to all members of society."

The partnership with ABL falls under the AfDB's overall Financial Sector Development Strategy (2014-2019), which focuses on accelerating Africa's transformation. The strategy seeks to: expand access to basic financial services; provide financial products and services to support the gradual transition to green growth of the real economy; improve financial infrastructure; enhance regional financial integration; enrich corporate governance; focus on entrepreneurship and innovation to foster private sector development; and build financial skills.

FAPA is a multi-donor thematic trust fund that provides grant funding for technical assistance and capacity building to support implementation of the Bank's Private Sector Development Strategy. The Governments of Japan and Austria and the African Development Bank are active contributors to the fund, which to date has provided over 46 Million to 57 projects in 38 countries across the African continent. The FAPA portfolio includes regional and national projects aimed at improving the business environment, strengthening financial systems, building private sector infrastructure, promotion of trade and development of Micro, Small and Medium enterprises. *(AFDB)*

Lion's Head and United Capital Asset Management Appointed Managers for the African Local Currency Bond Fund ("ALCB Fund")

Together as Fund Managers, Lion's Head and United Capital will offer unrivaled experience in African debt capital markets with substantive coverage across the continent.

Lion's Head and United Capital Asset Management have been appointed Fund Managers on the African Local Currency Bond Fund (ALCB Fund, www.alcbfund.com) established by KfW on behalf of the German Federal Ministry for Economic Cooperation and Development.

The ALCB Fund's mission is to support local African banks, financial institutions, agribusiness, and renewable energy companies to issue bonds and similar instruments in local currency. The Fund aims to improve and diversify access to long term funding in domestic capital markets for the benefit of Micro, Small and Medium-sized Enterprises (MSMEs)

Lion's Head, a merchant bank based in London and Nairobi brings capital markets expertise to development finance initiatives for frontier markets. Lion's Head advises across a broad range of capital markets and corporate finance initiatives across Africa, working with both the public and the private sector.

"The ALCB Fund is the latest innovative vehicle to have been established by the group, following similar initiatives in microfinance, agri-finance, interbank lending and foreign exchange hedging. Lion's Head is known for financial innovation and pushing boundaries in the markets in which we operate and KfW has a long track record of promoting local Financial Sector Development in Africa. We are excited to add the ALCB Fund to our asset management platform. It exemplifies our commitment to bringing about change through the use of targeted, financially viable investment strategies", said Bim Hundal, Chairman of Lions' Head.

United Capital, one of Africa's leading investment banks, has extensive experience in high profile financial executions. In 2014 the company executed the largest corporate bond issue in the Nigerian market, which was simultaneously listed on both the Nigerian Stock Exchange (NSE) and the Financial Market Dealers Quotation (FMDQ) OTC platform. Other

pioneering achievements recorded by United Capital include, completion of the first mortgage securitization for a mortgage backed bond in 2007; the first Tier 2 subordinated debt issuance through the bond market; and the largest corporate bond issuance in West Africa in 2010.
"It is an honor to be selected as Fund Managers alongside Lion's Head in the management of the ALCB Fund. This further validates our capability and service proficiency strength at United Capital", stated Oluwatoyin Sanni. Group CEO, United Capital.
Wale Shonibare, Deputy Group CEO/Managing Director, Investment Banking at United Capital added, *"At United Capital, we are focused on delivering high impact innovative investment strategies for our clients. KfW has taken the first step in establishing the Fund to invest in local currency bonds in Africa. We believe that our African market expertise will allow us to provide the necessary tailored solutions to significantly grow the Fund, and to meet KfW's development objectives*".
On behalf of the German Federal Ministry for Economic Cooperation and Development KfW has so far invested US$32 million for the initial capitalization of the Fund, out of which USD 18.4 million has been invested in seven non-sovereign local currency bond issuances.
"Having proven the concept of an African non-sovereign local currency bond fund by sourcing and implementing the first investments and managing the fund by ourselves, we are very happy to now hand over a high impact and good credit quality portfolio to experienced fund managers, to bring the fund to a truly sizable scale", stated Karl von Klitzing, Member of the Board of Directors of the ALCB Fund.
As fund managers, United Capital and Lion's Head will be expected to implement an institutional upgrade, grow the Fund to a size beyond USD 100 million in the medium term. *(Alcbfund)*

Cabo Verde government creates fund to support SMEs
The Fundo de Garantia Mútua (Mutual Guarantee Fund – CV Garante) of Cabo Verde (Cape Verde) will be provided with 50 million escudos to support micro and small business to access financing from banks, Cape Verdean weekly newspaper A Semana reported. The regulation approving the fund was published in the Official Gazette, and the Minister of Tourism, Investment and Business Development, Leonesa Fortes, gave assurances it would start operating. "Right now, the fund already has resources to operate. There were a few more instruments that needed to be created, namely the management company, which in addition to public entities, also involves private entities," said the minister.
Fortes said the maximum loan available to the companies is of around 10 million escudos and the fund offers a guarantee of 50 % of that amount. The companies that will benefit from the CV Garante fund will pay a service fee for the sustainability of the fund. Business owners who want to benefit from government support should submit the relevant projects, initially to CV Garante to assess the feasibility and risks before they are approved for access to bank loans. *(Macauhub)*

New German-backed Africa fund seeks to invest in Zimbabwe bonds
Local banks are set to boost their underwriting capacity following the launch of a $32 million fund to finance projects in renewable energy, agriculture and small to medium enterprises, the fund managers said.
The Africa Local Currency Bond Fund (ALCBF) was launched in Frankfurt, Germany and was established by the German government-owned development bank, KfW on behalf of the German Federal Ministry for Economic Cooperation and Development.
Lion's Head, a merchant bank that operates out of London and Nairobi and United Capital Asset Management, a part of United Capital — one of Africa's leading investment banks and part of billionaire Tony Elumelu's Heirs Holdings — were appointed to manage the fund.
While KfW has so far invested $32 million for the initial capitalisation of ALCBF, fund managers are expected to grow the pot to over $100 million in the medium-term.
United Capital's head of marketing, Toyin Awesu, said that Zimbabwean banks and other financial institutions qualify to apply for funding in any bond issue. "Banks in Zimbabwe and other African countries can issue local currency bonds and approach the fund to invest in their bond," she said, adding that the fund can, however, only take up to 30 % of any bond issuance. "The fund's aim is to invest in local currency bonds issued by local issuers across Africa — excluding South Africa — by providing anchor investment in bond issuances which in turn aids placement and local capacity."
With Zimbabwe facing funding constraints and the high cost borrowing on the local market, bonds are now seen as a tool for plugging funding gaps. Awesu said the fund would invest in "any bond issuance with investment grade rating where the sector focus, use of proceeds and beneficiaries are developmental in nature," said Awesu. "We are currently scouting for suitable target issuers — SMEs inclusive — that fit the profile across Africa. All administration and monitoring is done between (United Capital and Lion's Head) as we have a universal fund management platform running to ensure this is done." She said SMEs would have to work with financial advisers who can help them structure a bond. They can then issue the bond and invite the fund to invest. *(Insiderzim.com)*

Investec Property Fund acquires iconic Zenprop portfolio for R7.1bn
Transaction Highlights
- R7.1bn iconic property portfolio underpinned by real estate fundamentals and strong contractual cash flows

- Long lease profiles (WALE of 4.3 years)
- High quality tenants with strong lease covenants – 80% A grade tenants
- Majority of office and industrial properties are single tenanted with triple net leases
- Dominant regional and niche retail properties
- Opportunities for the Fund to acquire additional assets in the future from Zenprop
- Further enhances the quality, defensive nature and scale of the Fund's existing portfolio
- Transaction to be funded 50% equity (underwritten) and 50% debt
- 65% irrevocable commitments / letters of comfort in support of the transaction

Investec Property Fund (IPF) has agreed the acquisition of a portfolio of 26 properties for an aggregate acquisition value of R7.1 billion from best-of-breed developer Zenprop. The portfolio contains award winning properties with strong underlying property fundamentals consisting of 12 office properties, 11 industrial properties and three retail properties at a blended yield of 7.5%. The acquisition almost doubles the size of the Fund's existing portfolio, resulting in an increase in the asset base from c.R9.7 billion (post the Griffin acquisition which is expected to complete later this month) to R16.4 billion and introduces a high quality portfolio of income producing properties into the Fund's asset base that further enhances the real estate fundamentals of the Fund's existing portfolio. With a GLA of 397,273m^2, the portfolio acquisition increases the Fund's total lettable area by 42%.

Investec Property Fund CEO Nick Riley said: "The Zenprop transaction presented a rare opportunity for the Fund to acquire an iconic property portfolio that is unique in terms of location, quality and scale, underpinned by high quality tenants with very strong lease covenants and long term leases.

"A portfolio like Zenprop is consistent with our focus on real estate fundamentals and strategy of building a quality portfolio that optimises capital and income returns over the medium to long-term for shareholders.This strategy is confirmed through the 65% irrevocable commitments and/or letters of comfort to support the transaction received from our major shareholders."

In line with the Fund's focus on real estate fundamentals, the Zenprop properties are tenanted by a large majority of high quality national or listed tenants, with strong lease covenants, above-inflation escalations of 7.6%, a 4.3 year weighted average lease expiry (WALE) and a low vacancy rate of 0.5% across the portfolio.

The majority of the office and industrial properties are single tenanted with triple net leases which will complement and augment the Fund's existing expiry profile, while the retail properties are either dominant or niche centres, have a strong track record of performance with Newcastle having available bulk, allowing for further development. These attributes add to the quality, defensiveness and income predictability of the Fund.

The portfolio includes several iconic office buildings, including 1 Protea Place, Sandton which is majority tenanted by DLA Cliffe Dekker Hofmeyr and 3 and 4 Sandown Valley Crescent, tenanted by the likes of TBWA, Standard Chartered and Boston Consulting Group. These three properties are located in the heart of Sandton's commercial node within close proximity of the Gautrain station. The Sandton offices enjoy an average WALE of 4.7 years and are therefore well positioned to absorb the new supply coming through in the short term.

The acquisition also brings in an industrial portfolio that includes several properties located within the highly sought after Riverhorse area and tenanted by Discovery, Adcock Ingram and RTT, amongst others. The Zenprop portfolio also includes 101,332m^2 of high quality industrial properties in Elandsfontein, with close proximity to OR Tambo international airport as well as other major national arterials.

The three retail centres acquired as part of the portfolio include the Newcastle mall, a regional shopping centre in Kwazulu Natal's third most populous city and Zevenwacht Village centre, situated between Stellenbosch and Cape Town comprising 39,956m² of prominent retail trading space. Both centres derive north of 80% of income from national retailers and have less than 2.5% vacancy. Vacancies have not been paid for upfront, but rather by way of a deferred payment in the event the vacancies are filled on terms acceptable to The Fund.

The third retail property acquired is Design Quarter, a niche design and dining destination centre located off Leslie Avenue in Fourways, one of the fastest growing commercial and residential hubs in northern Johannesburg.

The Purchase Consideration of R7.1 billion will be settled as follows:

- R0.8 billion will be settled through the issue of Investec Property Fund shares to Zenprop at a price of R16.51 (ex dividend), being the clean 30 day volume weighted average price ("VWAP") up to and including 6 August 2015, being the last business day immediately prior to the signature date ("Share Consideration");
- R0.2 billion will be settled through the transfer to Zenprop of Investec Australia Property Fund ("IAPF") shares owned by the Fund at a price of R11.58 (ex dividend) per IAPF share calculated with reference to the 30 day VWAP of IAPF shares as at 6 August 2015; and
- the remaining R6.1 billion will be settled in cash and will be funded through a combination of debt and equity:

With regard to the debt, the Fund has capacity to and will raise gearing on the Zenprop portfolio of approximately 50% of the purchase consideration which equates to gearing of R3.6 billion. Following the Zenprop acquisition, the Fund will have a LTV of c.35%.

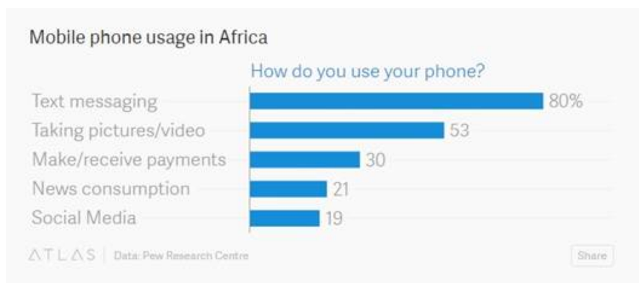
The Fund intends to undertake a fully committed rights offer of c.R2.6 billion to part fund the Zenprop acquisition at a clean rights offer price of R15.00, which represents a 9.1% discount to the 30 day VWAP up to and including 6 August 2015.

Zenprop has agreed that if the rights offer is not fully subscribed, then any shortfall will be underwritten by Zenprop through the increase in the share consideration of the purchase price by the issue of Investec Property Fund shares at the Rights Offer price of R15.00. "We are confident of a successful rights offer as the Fund has obtained irrevocable letters of undertaking / letters of comfort from key shareholders (65%) to vote in favour of the Zenprop acquisition and to follow their pro-rata share of the rights offer, with any shortfall in the rights being underwritten by Zenprop" said Riley. The transaction is subject to shareholder and Competition Commission approvals. *(Investec)*

TriLinc invests $16.6m in African SMEs
TriLinc Global Impact Fund has provided $16.6m in term loan and trade finance transactions to small and medium enterprises (SMEs) in South Africa, Zambia, Namibia, and Nigeria.

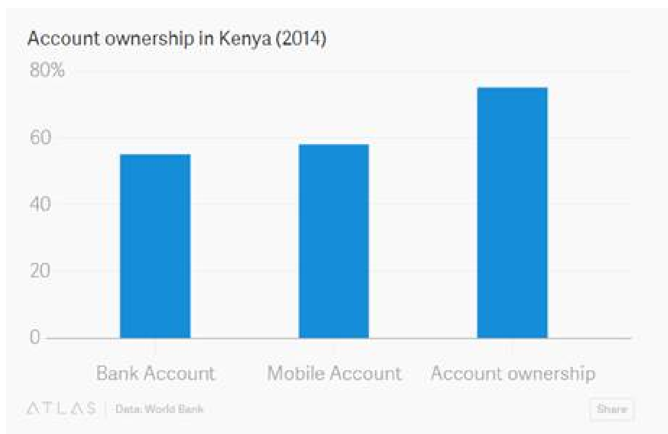
Tech

Why mobile money is big business in Africa
Another week and another bank in Africa is entering the mobile money space.
Pan-African Ecobank is partnering with Orange Cameroon to allow the telco's customers with accounts at the bank to transfer cash between the two services. The two firms are already working together in Mali and plan to introduce the service in four other African countries.
Banks partnering with mobile companies is the latest attempt by financial firms to tap into the continent's large populace of the "unbanked."
In sub-Saharan Africa, only a third of adults have access to bank accounts. Compare this to Latin America, another emerging market, the figure stands at 51%, according to the World Bank. There are a lot of people whose money simply never touches the region's financial systems.
The mobile phone revolution and the rise of mobile money, especially in east Africa with platforms such as M-Pesa, has changed this.
Mobile money is now big business in Africa. Last year, the market generated $656m in revenue and in the next four years this is expected to double to $1.3 billion, analysts say.



Until recently, financial firms ceded this space to telecom companies. But the clear growth of the sector has compelled a re-evaluation. Now banks are not only trying to compete in this space but also offer new products that promise access to banking services to those who up until this point were excluded. So in Nigeria, for example, GT Bank are getting in business with Etisalat Nigeria, the country's third biggest mobile operator, to create GTEasySavers, a savings account that can be opened via mobile phones. For the 57% of the country with no access to formal financial services, that's a small step in the right direction. And in Kenya, in 2011, only 42% of people had bank accounts. That has risen dramatically, driven by mobile money platforms.

A battle for supremacy
New mobile products coming into the market promise to deepen financial inclusion even further. Equity Bank are introducing Equitel, its telecoms unit, that will allow customers to access credit loans, perform cross border money transfers and send and receive money from other commercial banks, reports Reuters.
Equity is one of the biggest banks in east Africa and since the soft launch of Equitel in October of last year, the service has attracted a millions subscribers. The bank aims to increase that figure to 5 million by year's end. "We are removing barriers of financial inclusion, we are targeting telecoms to compete on data, SMS, voice and all levels of money transfer," James Mwangi, Equity Bank's chief executive officer said at the product's launch.



And the market is there. Mobile money transfers claim 85% penetrationin Kenya and $23 billion passed through the platforms in 2014 alone, according to Kenya's central bank–equivalent to 42% of the country's GDP.
And the dominant player in this space is Safaricom, controlling two-third market share with over 20 million subscribers generating $318 million of revenue. But with the launch of Equitel, powered by its rival Airtel Kenya, Safaricom's number one status may finally

start to get challenged. "Competition between Equitel (banks) and Safaricom (telcos) will benefit end consumers and financial inclusion in general as mobile money has a platform to reach those who are not included," Martin Warioba, a tech consultant with the World Bank, told Quartz. "As long as pricing is low enough to include the unbanked, mobile money services and healthy competition will benefit consumers and increase financial inclusion."

With Equitel being free of charge and interoperable across banks and other mobile money services, Equity Bank could challenge Safaricom's dominance in the market, especially since they charge a fee for the use of M-Pesa.

But the company's CEO is not worried. "We welcome competition; it is a true indicator of the free and robust operating environment we have in Kenya," Bob Collymore said in a statement.

Safaricom has its own partnerships, with Commercial Bank of Africa (CBA) providing M-Shwari, a platform whereby people can access banking services such as saving accounts and small loans via their mobile phones. And in March they launched KCB M-Pesa with Kenya Commercial Bank, a mobile phone-based loan repayable platform.

As we've written before at Quartz, increasingly in Africa, banks want to be in business with mobile phone companies, while telecom firms have, essentially, become financial institutions. *(World Economic Forum)*

INFRASTRUCTURE

Goba railway, Mozambique, increases load capacity to 5 million tons

Construction of the new railway bridge over the River Umbeluzi will allow the Goba railway line to increase its load capacity to 5 million tons per year in 2017, according to a forecast from Mozambique's state port and rail company CFM.

The company is investing about US$12 million in the construction of a new bridge at kilometre 37.7 of the railway line near the current bridge that will no longer be used as it is operating at below minimum safety standards .

The foundation stone for the construction of the new bridge was laid at a ceremony attended by the Minister of Transport and Communications, Carlos Mesquita, and witnessed by government officials from the province of Maputo and CFM staff, Mozambican daily newspaper Notícias reported.

The Goba line used to carry 2.5 million tons of cargo per year, including sugar produced in Swaziland, but poor conditions of safety on the bridge led to restrictions on the movement of trains, a situation that was worse in the rainy season.

The new bridge, which connects the Matsapha Industrial Park and the port of Maputo, will be capable of supporting vehicles weighing up to 27 tons per axle, compared to 20 tons at the moment. This will make it possible for trains with greater capacity to circulate on the line with up to 100 wagons, compared to a current maximum of 50.

Construction of the bridge was awarded to Portuguese construction company Mota-Engil Africa. The bridge will be 360 metres long and based on five pillars with a height of 15 metres above the River Umbeluzi.

With an approximate length of 226 kilometres, the Goba line has been used to transport sugar produced in Swaziland through the port of Maputo, with amounts between 200,000 and 240,000 tons per year, as well as to import most of the goods that the country needs. *(Macauhub)*

Guinea-Bissau government announces construction of two bridges

The construction of two new bridges in Bissau and in Farim in the north, along with the connection to Catió in the south, are among the government's priorities, Guinea-Bissauan Public Works Minister José António Almeida said in Bissau.

Guinea-Bissau's road network is mostly unpaved. It is very old and precarious, without maintenance services.

Under the new government plan, the bridge over Bissau's Impernal Canal is part of the project to build a second access to the capital. Almeida hopes it will eventually count financing from the West African Economic and Monetary Union (UEMOA).

The minister also told Lusa news agency that financial support had been discussed with the UEMOA administration, given that the bridge will be an integral part of the trans-African route linking the different countries' capitals.

In Farim, a town on the north bank of the Cacheu River, the road ends on the south bank and vehicles are still ferried across by barge. The aim is for a new bridge to end that situation and facilitate access to that region of the country.

In the capital Bissau construction work to provide main roads with ditches, drainage and asphalt continues, causing a number of traffic problems since late 2014.

The public works minister indicated that various construction projects on high-traffic thoroughfares should soon end, starting this week, while other work will continue even though the rainy season has begun. *(Macauhub)*

E-toll testing kicks off in Durban

An e-toll collection system (ETC) testing phase has commenced on the N3 Toll Route between Durban and Gauteng.
N3 Toll Concession marketing manager, Andy Visser, told Fin24 that the testing phase will continue for two to three months. "We will be testing as long as necessary to eliminate any glitches in the system and until we are confident that the system works," she said. The N3TC is the company responsible for the N3 Toll Route between Heidelberg in Gauteng and Cedara in KwaZulu-Natal. According to Visser the N3TC is collaborating with Sanral to implement the e-toll collection system as an additional payment method for vehicles fitted with electronic tags. Road users should not be concerned that any money will be deducted from their accounts when they hear a beeping sound, N3TC said in a statement. "There is no need to be alarmed. This is not a live transaction environment, merely a testing phase to ensure equipment and operational functionalities," said Visser. All tolling operations along the N3 Toll Route will continue as normal. "N3TC will continue to accept all existing payment methods along the N3 Toll Route, which include cash, credit and fleet cards for light vehicles (Class 1) and cash or fleet cards for heavy vehicles (Classes 2 – 4)," it said. According to Visser the e-toll collection system is 'just another payment method' and there will be no change in tariff. Sanral spokesperson, Vusi Mona, told Fin24 that the agency observed an increase in e-toll collections in Gauteng for the months of May and June. According to Mona the announcement of reduced fees by Deputy President Cyril Ramaphosa in May had a positive impact on the attitude of road users towards e-toll payments. *(Engineering News)*

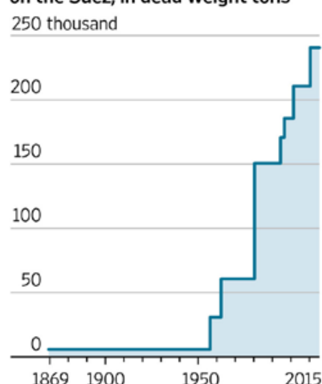
Egypt Prepares to Inaugurate Expanded Suez Canal
Project cost $8.5 billion, stirred patriotic fervor

The government has promoted it as the "rebirth of Egypt." The Egyptian public paid for it by gobbling up state-issued bonds. And a public lottery was held to determine which ordinary Egyptians would get a coveted ticket to attend its gala opening.
The object of the hoopla is an $8.5 billion expansion of the Suez Canal, a project that has stirred patriotic fervor in Egypt and salved a national psyche bruised by simmering political divisions and an increasingly sophisticated Islamist insurgency. "The New Suez Canal represents an accomplishment by the people of Egypt who were able to self-finance this national project and proved their ability to deliver results through their diligence and hard work," Egyptian President Abdel Fattah Al Sisi said during a visit to the waterway last week.
The 120-mile canal is already the fastest route between Asia and Europe and accounts for 8% of the world's sea trade, according to the Suez Canal Authority. The canal's improvements, including the building of a 23-mile parallel channel, will allow two-way traffic for the first time and reduce waiting times by as much as eight hours for ships traversing the waterway. Yet for Mr. Sisi, the vast undertaking represents not only a hope for more critically needed hard currency and economic revival. He also seeks to burnish Egypt's—and his government's—image.

Smoother Passage

Improvements to the Suez Canal will allow for more shipping traffic. A look at the waterway's growth, and how it compares to the Panama Canal.

Maximum weight of loaded ships on the Suez, in dead weight tons



A tale of two canals

	Suez	Panama
Year opened	1869	1914
Length, in miles	120	48
Share of seaborne trade	8%	2%
Ships transiting in 2014	17,148	13,482
Net tons transiting in 2014	963 million	327 million

Sources: Suez and and Panama Canal authorities
THE WALL STREET JOURNAL.

To mark the inauguration, new passport stamps trumpet the project as "Egypt's Gift to the World," Cairo's Tahrir Square has been festooned with strings of blue and white lights and has been declared a national holiday.
Since leading a military coup in July 2013 against President Mohammed Morsi, a top official in the Muslim Brotherhood, Mr. Sisi has overseen a crackdown targeting Mr. Morsi's supporters and other government critics and opponents.
His government has criminalized street protests, sentenced hundreds to death in mass trials and, according to the Egyptian Center for Economic and Social Rights, imprisoned some 40,000 political opponents and their supporters. In meetings in Cairo, U.S. Secretary of State John Kerry urged Egyptian officials to enact political reforms and promote a freer press ahead of parliamentary elections scheduled for October.

Meanwhile, a rebel group with ties to the Sunni Muslim extremist group Islamic State has taken root in the Sinai Peninsula. These troubles, in turn, have threatened a tourism sector that, together with foreign aid, drives Egypt's economy.
For all the difficulties Mr. Sisi faces, opening represents a major accomplishment for Egypt: It will open within the one-year deadline set by the president, an accomplishment underscored by countdown clocks to the opening that private and state-run television stations have featured. Nearly 43,000 laborers using some of the world's largest dredgers worked around the clock to meet the goal, and for Mr. Sisi's ardent supporters, that is no small feat. "The project has already restored Egypt's prestige globally," said Juliet Shafiq, a 59-year-old engineer. "It has shown the world that when Egyptians want something, they get it done."
Throughout its 146-year history, the canal has been crucial source of revenue. Equally important, it has been a symbol of Egyptian independence ever since 1956, when President Gamal Abdel Nasser nationalized it from the British- and French-owned Suez Canal Company. So from the moment Mr. Sisi announced the project last year, many Egyptians embraced it. Special government issued bonds worth $8.2 billion were bought up in eight days.
Besides the return on their investment, many Egyptians were enthused by government promises of revenue and jobs, and its plans to use the project as an anchor for a multibillion-dollar development zone that will eventually account for a third of the country's economy. There were economic and political costs. Foreign contractors were needed to help the project, requiring an emergency infusion of short-term loans from Egyptian banks. Also, hundreds of villagers were displaced to make room for the expansion. Whether the New Suez Canal succeeds in helping usher in more prosperity in the Arab world's most populous nation is uncertain, experts said.
By 2023, authorities say, the number of ships transiting the canal daily will increase to 97 from is current level of 47, and revenue from the waterway will nearly triple to $13.2 billion from $5.3 billion. The estimates are based on a 4% growth in world trade between 2003 and 2014, to 10.4 billion tons from 6.7 billion tons, said Suez Canal Authority spokesman Tarek Hassanein. Colin Cridland of Clarksons, an integrated shipping services provider, isn't so sure. He described the government targets as "big claims with no obvious factors to support." Mr. Sisi's hope that the ambitious undertaking also will rally and unify Egyptians behind his government must overcome deep divisions, some of which reach into households. Mohamed, a dentist who declined to provide his surname, said the canal project hasn't changed his view of the president, whom he accuses of misleading the public with unrealistic promises and of playing down his government's human-rights violations. His mother, Azza, a retired pharmacist, disagreed. "He's getting things done," she said. Glancing at her son, she added: "Doubters will remain suspicious of his achievements, but that won't stop him." *(Wall Street Journal)*

ENERGY

Denmark provides funding for electricity grid in Mozambique

The proposed reinforcement and extension of the electricity transmission network in Mozambique in Inhambane Province will cost 115 million euros, said the provincial director of Mineral Resources and Energy, Dino Milice.
This project, which aims to improve the quality and availability of the power supply system, has funding from the Danish International Development Agency (Danida) and Nordea Bank AB as well as the central government of Mozambique.
The work includes extension of the Lindela/Maxixe substation, construction of a new 30 megavolt ampere, 110/33 kV substation in Massinga, construction of 110 kV line in Lindela/Massinga and construction of a new 33 kV line in the town of Massinga to provide an alternative power source and construction of a new 33 kV line in Maxixe/Homoíne to replace the existing one which is in a poor state of repair. Construction of the Lindela/Massinga line, including the substations in those areas of Inhambane province, will cost 23 million euros, while the 33 Kv lines, including connection of 850 new customers in the town of Homoíne, will cost 1.6 million euros. The implementation of the project, which runs until December 2017 and whose activities should also cover the provinces of Maputo and Gaza, is in the hands of Aarslett/Seth, the contractor that was awarded the international tender, and the work will be supervised by Norconsult/Vattenfall. Cited by Mozambican newspaper Notícias, Dino Milice recently said that in Inhambane province the 33 kV line beginning in Massinga and runs to the new substation in the district headquarters had already been completed and that work was ongoing to build the Maxixe/Homoíne 33 kV line. The provincial director of Mineral Resources and Energy said construction work on the new Massinga substation was well advance and that work to clear the route for the 110 kV line was also underway. *(Macauhub)*

Could Africa take the lead in green energy production?

Climate change confronts developing countries with a dilemma. On one hand, they are particularly vulnerable to its effects, giving them a strong interest in the global reduction of greenhouse-gas emissions. On the other hand, they are in desperate need of energy, with some 1.3 billion people around the world – and two out of three Africans – currently lacking access to electricity.
In the past, the solutions to these imperatives would have been at odds with each other. Providing more people with access to electricity would have necessitated emitting more greenhouse gases, aggravating the consequences of climate

change. Fortunately, the economics of energy has shifted significantly in recent years. It is now possible to expand access to energy in developing countries while also limiting emissions – if investments are channeled into clean energy.
In 2013, roughly $1.6 trillion was invested in energy infrastructure worldwide, with about 70% going to systems that depend on burning fossil fuels and the rest going to clean energy. Fortunately, these percentages are starting to change; with the right policies, they could be reversed. If investment in clean energy can be raised to at least $1 trillion per year by 2030, it will be possible to provide energy access to those most in need while cutting annual carbon-dioxide emissions by 5.5-7.5 gigatons – roughly what the United States emits in a year today.
Already, investments in clean energy are soaring as the cost of producing it plunges. In many places, solar and wind energy are now competitive with fossil fuels. As prices continue to fall and technologies mature, each dollar invested produces more power. The $270 billion invested in renewable energy in 2014 created 36% more generating capacity than the $279 billion invested in 2011. Thanks to this trend, the installation of capacity for the production of renewable energy exceeded that for fossil-fuel-based production for the first time ever in 2013.
The costs of off-grid electricity are also falling, providing exciting new opportunities to provide affordable and reliable power to rural communities. Solar photovoltaic modules, which are about 80% cheaper now than they were in 2008, can be used in isolated locations. And new developments in battery technology, together with declining manufacturing costs, are expanding the availability of off-grid energy storage.
And yet, despite these advances, the transition to clean energy is not happening fast enough. At the current rate of change, the total share of global electricity production from renewable sources will reach just 20% by 2030. That is less than half the 41% target that the International Energy Agency recommends if the world is to avert global warming of more than two degrees Celsius during this century.
Africa, where much of the energy infrastructure is being built from scratch, could take the lead in renewable energy production. Indeed, the International Renewable Energy Agency estimates that the continent's potential for wind and solar power alone amounts to more than 1.5 trillion gigawatt hours a year.
But if this opportunity is to be seized and the clean-energy transition accelerated, a series of institutional bottlenecks must be removed. Governments must put in place stable and supportive policies and regulations, reduce investment risks in the sector, and properly price clean energy. Steps should include the elimination of fossil-fuel subsidies, setting a price for CO2 emissions, and improving the governance of electricity markets.
Meanwhile, multilateral and national development banks should increase funding for climate-related investments, shift resources away from projects that imply a large carbon footprint, and coordinate stakeholders and investors, so that risks can be mitigated and private-sector finance can be attracted.
Cooperation between the public and private sector can improve the risk-reward profile of low-carbon energy projects. Companies have a clear stake in low-carbon infrastructure, as climate change poses substantial risks for global supply chains. The private sector can shift investment toward renewables through new financial instruments like credit guarantees and currency swaps, co-investment funds, and green bond markets. The change is already underway: issuances of green bonds more than tripled between 2013 and 2014, to more than $35 billion worldwide.
Developing countries no longer have to choose between energy production and sustainability. Affordable solutions to both problems are within reach, and much of the world – particularly Africa – has a unique opportunity to leapfrog to the next generation of electricity generation. As the international community works this year to address the challenges of climate change and promote sustainable development, efforts to expand access to clean energy should be placed near the top of the agenda. *(This article is published in collaboration with Project Syndicate. Publication does not imply endorsement of views by the World Economic Forum)*

How will Africa adapt to green energy?
US President Barack Obama unveiled a final set of rules to cut greenhouse gas emissions in a big initiative which would form a major plank of his legacy as he winds down his term in office.
In what has been termed the strongest action ever taken in the United States to combat climate change, the rules will see the country's hundreds of coal-fired—and polluting—power plants gradually shift towards cleaner energy sources such as natural gas, and significantly, renewables.
The change adds to the global push towards using more clean energy in an attempt to limit global temperatures to two degrees above pre-industrial levels to head off the worst effects of climate change, which include food and water shortages and unpredictable and more intense floods and droughts.
Such scenarios hold big implications for Africa, which is worst hit despite being the least polluter with 3% of carbon dioxide emissions (even this is relative—a lot of the haze over the Indian Ocean is believed to be from cooking fires run on fuelwood and charcoal, but by international agreement are not counted as their raw material is renewable).
A major meeting in Paris in December is expected to provide a deal on global climate change and which would take effect in 2020.
But as the developed world lurches towards a greener future, Africa will struggle to keep up even with this disjointed pace, starved of the funds needed to adapt. UNEP's Africa Adaptation Gap Report has estimated that adaptation costs for Africa alone could reach approximately $350 billion annually by 2070
The continent already has a major energy deficit, which it has identified as the biggest impediment to its growth. Fossil fuels in Africa are, like the rest of the world, big business, but on the continent they represent a more existential

problem. Power generation from oil and coal (and the lower-carbon but still-polluting natural gas) brings about much-needed economic expansion, including through fuelling key industries such as transport and manufacturing, in the process creating millions of jobs.

African oil importers, who are the majority, would also be eying the economics of the fallout in the developed world: less fossil fuel use means they get it at a cheaper price. One scenario forecastsdemand for oil products, and for coal, from sub-Saharan Africa as doubling in the next 25 years.

Green energy, despite its increased desirability and cheaper running costs, is also expensive to start up. The International Energy Agency (IEA) estimates that to have an 80% chance of maintaining the warming limit through to 2050, the world needs an addition $36 trillion in clean energy, or nearly 15 times Africa’s nominal GDP.

As such, requiring African countries to apply the squeeze on fossil fuels is, to put it mildly, a big ask. The general sentiment has been that feeding its citizens now is a bigger priority than focusing on the shift to clean energy, even if the benefits, and consequences of not doing so, are apparent.

The outgoing president of the African Development Bank (AfDB), Donald Kaberuka, voiced this in March when the bank’s decision to continue financing power plants that use dirtier coal was questioned.

“It is hypocritical for western governments who have funded their industrialisation using fossil fuels, providing their citizens with enough power, to say to African countries, ‘You cannot develop dams, you cannot develop coal, just rely on these very expensive renewables,’” Kaberuka said. “African countries will not listen.”

“To every single African country, from South Africa to the north, the biggest impediment to economic growth is energy, and we don’t have this kind of luxury of making this kind of choice.”

But some African countries have however been taking on the challenge for more predictable renewables, even if for disparate national reasons. Ethiopia for example has no oil or coal, and with agriculture employing the vast majority of its people, building a climate-resilient economy has become a top priority for the government.

Kenya recently struck oil, but had drawn up a growth blueprint that identified electricity as key to its execution, informing its earlier focus on alternative energy sources that are faster developed, while other countries like rich but oil-scarce Morocco have few options. Sometimes it is almost by accident: The biggest foreign direct investment in Ghana’s history, approved last week, will be in costlier offshore natural gas, which has been untapped in favour of ground oil and hydro, challenges with which led to debilitating load shedding.

But in addition to the consequences to Africa’s agriculture-heavy economy of doing little to mitigate, green energy is increasingly good business. It cuts fuel costs, and is said to have a greater job-creation potential than fossils.

The IEA projects that renewable energy will make up nearly half of sub-Saharan Africa’s power generation by 2040.

The global shift to cleaner energy is also expected to spark a boom for renewable energy—investors are looking for green investments— including a potentially billion-dollar trade in pollution credits. Whoever gets the mix right could feasibly become a continental energy powerhouse.

We take a look at what the leaders are doing:

Ethiopia

Only 25% of the country’s 94 million are connected to the national grid, while its fast-growing economy(pdf) needs to ramp up its electricity output, currently at just over 2,000 MW, by at least 20% annually to just keep up.

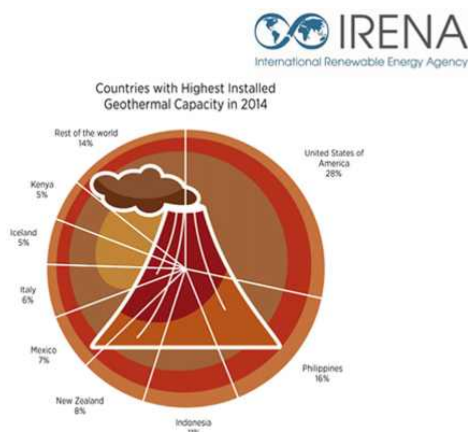
With its famed Grand Renaissance dam due for completion in 2017, the country is seeking alternatives to boost generating capacity from 2,300 MW. It has the potential to generate 45,000 MW, the second-highest after the DR Congo, but under its 25-year national strategy the plan is to generate 37,000 MW by 2037, with a cost tag of $100 billion.

The Horn of Africa country last month opened the 153-megawatt (MW) Adama wind farm, currently the largest wind-farm in sub-Saharan Africa, but only the latest of three giant wind farms. Adama, which can power an estimated 10 million efficient light bulbs, was built within two years—a third of the time required to put up the 6,000 MW Renaissance Dam that had also earlier run into environmental concerns. Another wind farm is expect to be located near its north-eastern border with Djibouti, and would produce 300 MW.

The country also has a geothermal project in its central Oromia region, with developer Corbetti saying $2 billion would be needed to generate the full 500MW by 2023. The Ethiopia government in the wake of Obama’s visit agreed to buy power from the plant, the first by private countries in the tightly-controlled country. Ethiopia has set itself a target of cutting its carbon emissions by almost two-thirds by 2030—the highest national target yet of those presented to the December UN climate change conference.

Kenya

The first African country to build geothermal energy sources, this stream now accounts for 51% of the country’s electricity needs, making it Africa’s largest producer and freeing it from over-dependence on dams. Kenya aims to expand its installed capacity to 6,700 MW by 2017, the bulk of it from renewables, from just 1,700 MW in 2013, as it anticipates a peak demand of 15,000 MW by 2030.



In 2010, geothermal accounted for only 13% of Kenya's power, now it holds a 5% share of the global installed capacity. This has seen its electricity bills shrink by 30% since 2014, according to the World Bank.

Its Olkaria project is one of the largest in the world, with the plan to raise production to 740 MW by 2018, as part of the east African country's fast-tracked green energy growth plan. It has a geothermal capacity of 5.5 Gigawatts.

Geothermal energy, generated from natural steam from the earth, some reaching up to three kilometres underground is not affected by weather changes, unlike hydro. Together with Ethiopia, the two countries have 80% of the continent's untapped geothermal power.

Last month president Uhuru Kenyatta flagged off the 310-MW Lake Turkana Wind Power project, which when complete would become Africa's largest wind power plant. First production is scheduled for late 2016, with the full project coming on board by mid-2017.

The country is also rich in solar energy, with US-based microgrid developer Powerhive set to offer off-grid electricity to more than 200,000 homes following a successful pilot that saw people pay for the energy using their mobile phone. First Solar, the biggest US solar panel producer, made an undisclosed investment in Powerhive in 2013.

Morocco

Morocco's Tarfaya wind farm has 131 turbines compared to the 365 turbines that will power Kenya's Turkana project, but at completion will generate 301 MW, pipping the Kenya project.

This year its "Nour 1" thermo-solar plant was to begin going online, with the first capacity of 160 MW and at a cost of 600 million euros ($657 million), and at completion would total 510 MW, or about 8% of the country's 6,700 installed capacity. The oil and gas-scarce North African country is aiming to be a world-class renewable energy producer, including exporting clean power to nearby Europe. It expects to build five new solar plants by 2020, which would have a combined output of 2,000 MW and cost $9 billion, and the general project is the largest of its kind in the world.

It has also planned a string of wind farms along its Atlantic coast, with a target of 2,000 MW by 2020 which would lift its renewable energy production to 42% of its total power mix in that year.

South Africa

South Africa's Cookhouse wind farm was the biggest in Africa before Ethiopia's, with 138 MW provided by some 66 turbines, and which started coming online in late 2014. A $300m wind energy project is also set for the eastern cape, in addition to plans for smaller initiatives.

South Africa has been putting up renewable energy systems as it seeks to reduce its overwhelming reliance on coal, which places it among the top 15 producers of carbon dioxide globally.

The country, at 30,000 MW, accounts for about 45% of Africa's electricity, but it is generated on ageing coal-fired plants, causing it to struggle to meet demand. It is however adding to this with the construction of Medupi, which at 4,746 MW of higher-capacity power will be the largest dry cooled coal power station in the world.

According to the government, renewables have added some 4,300 MW of cheaper capacity in the last four years, with the government projecting that 9% of annual electricity would be from renewables by 2030, which researchers say is too little. In 2010, just 1% of energy was from renewables, and almost all of it hydro.

It is also set to buy up to eight new fixed-cost nuclear plants from Russia, which would cost an estimated $84 billion (in addition to attendant concerns over waste management) as it looks to add 9,600 MW of nuclear power to its creaking grid. A new study by Stellenbosch University released last week found that renewable energy in the country would be cheaper by at least half than nuclear.

Djibouti

The unlikely country of just 850,000 people currently depends on Ethiopia for 65% of its electricity needs, but has set its sights on becoming completely reliant on renewable energy by 2020.

The country has been on infrastructure expansion drive and needs cheaper power to attract investment and create more jobs for an economy dependent on services based on its strategic location at the entrance of the Red Sea, and which puts it almost at the centre of the world's energy transport trade.

Its Vision 2035 growth plan foresees it as the largest logistics hubs in Africa but needs more than the 173 MW of power—75% produced by diesel— it currently produces. It has identified 13 potential geothermal sites and will next year drill four wells to size up capacity.

Boiling water underneath its desert landscape was first detected in 1970 but the lack of technology hindered exploitation, in addition to a civil war and the effects of the global financial crisis on western partners.

This has since changed—it is now a one-party dominant state while investors have been lining up to take a punt. Solar and wind projects are also in the pipeline, with renewables the only viable source of energy for its grid, according to the International Renewable Energy Agency. In addition, given its lower targets relative to the size of its (highly-urbanised)

population and market, possibilities of economies of scale are deep, suggesting the country could very well become Africa's first green "superpower". *(World Economic Forum)*

Senegal and Mali battle for solar supremacy

Two West African countries are racing to complete the region's first large-scale solar plants –

Senegal is constructing Senergy II, a photovoltaic power plant with 20MW capacity, in Bokhol, near its border with Mauritania, aiming to connect to the electricity grid in mid-2016. The plant will give access to electricity to nearly 200,000 people and contribute to the doubling of the installed power generation target of Senegal. It will help reduce the country's dependence on fossil fuels and prevent the emission of 25,000 tons of CO2 per year.The project was launched by GreenWish, an investment company based in France, Senegal and Mauritius. French group Vinci will do construction and maintenance, and the African Development Bank is arranging the debt. The total investment will be €25m ($27m) .Senergy II is expected to employ 150 people during construction and local communities will benefit from the implementation of a rural electrification programme.Mali meanwhile has signed an agreement with a Norwegian renewable energy specialist to build an industrial-scale solar power plant. Oslo-based Scatec Solar will build the €52m ($56m) unit near the southwestern city of Segou and run it for 25 years. IFC InfraVentures, a global infrastructure project development fund that is part of the IFC, will partner with Scatec Solar and a local project developer to set up the 33MW solar photovoltaic power plant. It is expected to produce enough electricity each year to power 60,000 homes and cut annual carbon dioxide emissions by about 46,000 tonnes.The scheme will be registered to allow revenue generation from the sale of international carbon credits.A 25-year power purchase agreement has been signed between the Malian Ministry of Energy and Water, Electricité du Mali (EDM) and Segou Solaire. Scatec will own 50% of the Segou plant while the World Bank's International Finance Corporation will hold 32.5%, leaving the remaining equity to local partner Africa Power 1. The project is to be funded by a combination of traditional bank borrowing, a loan from the World Bank's Investment Climate Fund and equity contributed by the partners. *(African Business)*

MINING

Zimplats swings to $33 mln loss in Q4 as sales dip

Zimbabwe's largest platinum producer Zimplats swung to a $32.5 million loss during the quarter to June compared with a $6.8 million profit in the previous quarter on lower sales and weaker metal prices. Zimplats, which is 87 % owned by the world's second largest platinum producer Impala Platinum Holdings, reported a 41 % drop in revenue to $65 million after its sales of platinum, palladium and rhodium, declined to 68,255 ounces from 104,608 ounces previously. The company said platinum prices averaged $1,127 an ounce, 6 % lower than the previous quarter. Production of platinum group metals fell by 32 % during the June quarter to 71,084 ounces after a breakdown at its furnace in May damaged some equipment, the firm said. The furnace was repaired and has since returned to full production, it added. Zimplats said it had the equivalent of 52,000 ounces of platinum group metals in stock at the end of June. Platinum is the largest mineral export in Zimbabwe, and the southern African nation holds the world's second-largest reserves of platinum. Finance Minister Patrick Chinamasa said last week platinum output fell by 6.4 % to 5.9 tonnes during the first half of this year due to falling prices. *(Reuters)*

Diamond sales increase by 35 pct in Angola

Sales of Angola's diamonds have increased year on year by nearly 35 % in the first half of this year, exceeding US$573 million and 4.2 million carats, according to the General Tax Administration cited by Angolan daily newspaper Jornal de Angola. In the first six months of 2014 Angola sold US$426 million of diamonds and produced 4.1 million carats. In 2014, Angola produced 8.6 million carats of diamonds whose sale earned US$1.274 billion.

Three projects are underway in Angola to increase diamond production in the mid term: Tchiuzo, valued at just over US$200 million with guaranteed annual production of 2.5 million carats, Luaxe, estimated at US$1 billion with annual production of about 10 million carats and Kimangue, which will offer greater knowledge about the existence of diamond resources in Angola for subsequent production. Angola is one of the world's seven largest diamond producers. *(Macauhub)*

Chinese lenders lead team to finance Zambian coal power plant

Chinese banks are leading a group of lenders in financing a 300 MW coal-fired power plant in Zambia that is needed to meet rising demand from miners and an electricity-starved public.

Zambia's power demand is expected to double between 2010 and 2020 to almost 3 000 MW, official data shows, with most of the electricity going to the mining industry. New plants are needed to plug a looming shortfall as current capacity is below 2 000 MW.

The new power plant is part of an $828-million project that includes revamping Zambia's biggest coal mine and aims to tackle power shortages that are curbing copper mining operations. The plant - to be commissioned by mid-2016 – is being constructed by Chinese companies. The mining and power venture is also the first private project in sub-Saharan Africa for which the Chinese portion of the financing is to be covered by China's State-owned export credit insurance

agency Sinosure. "In terms of competitiveness in price and execution, the Chinese were way better than the other competitors who bid for the project," Ashwin Devineni, MD of the international business unit of Nava Bharat Ventures, told Reuters in an interview in Singapore. The Indian company holds a 65% stake in the project. China has pledged some $30-billion in credit lines to Africa over the last two years. It was the biggest foreign investor into infrastructure projects in Africa in 2013, with State export banks leading investments worth $13.4-billion, data from the African Development Bank showed. For the coal mine and power project, Bank of China and the Industrial and Commercial Bank of China will provide $300-million, while western banks including Standard Chartered and Barclays will finance $65-million, Nava Bharat Ventures said. Another $150-million is coming from development banks in South Africa, itself a major coal producer that suffers from power shortages. Zambia, Africa's No.2 copper producer, relies almost solely on hydropower and struggles to supply households - 70% of which have no access to electricity - as well as miners operating in the country, including First Quantum Minerals, Vedanta Resources, Glencore and Vale. A drought recently forced utilities to cut power to miners by as much as 30%. "Zambia is now facing the brunt of going all hydro," said Devineni. "The economy ... requires good baseload (24 hours) power. That is where we come in." At a later stage Nava Bharat Ventures may triple capacity to meet demand for electricity from neighbouring countries such as Botswana and Namibia. *(Engineering News)*

Angolan government extends diamond mining concession area

The concession area awarded by the Angolan government to mining company Sociedade Mineira do Lulo to mine alluvial diamonds, has been "significantly extended" to 1,500 square kilometres, the Lucapa Diamond Company said. In a statement, the Australian company said the information had been provided by the Ministry of Geology and Mines, and that the previous Lulo concession area, valid for a period of 35 years, was 218 square kilometres. The Lucapa Diamond Company also said the extended operation area is now half of the entire Lulo alluvium concession, in the Angolan province of Lunda Norte. "Lucapa and its partners were granted [an additional concession by the Angolan government] at no additional cost," said the same statement, and the Australian company expects "positive results" from this extension. The Lucapa Diamond Company's partners in this project are Angolan companies Endiama and private group Rosas & Pétalas. The Lulo concession lies 150 kilometres from the Catoca diamond mine, which has the largest kimberlite in Angola and the fourth largest in the world, and both are located in the same geological area. *(Macauhub)*

Government of Angola suspends issue of mining licenses

The issue of new licenses for research and exploration of mineral resources in Angola has been suspended until the National Geology Plan (Planegeo) is complete, said in Luanda the Angolan Minister of Geology and Mining.

Minister Francisco Queiroz said the decision followed the approval of a draft presidential decree to regulate unused licenses and will make it possible to ascertain which licenses are being used and which are not. Queiroz said that over the years a total of 1,836 mining licenses had been issued, "most of which with no activity," a "situation that is worrying the government as the licenses are spread all over the country." "What was done was to find solutions through a legal, administrative and financial regulatory measure," he said, cited by Angolan news agency Angop.

From now on, the minister added, the previously issued licenses will be divided into two segments, the first of which will include those that have yet to expire but whose holders have not started working. The second segment will include licenses that have expired, and the measure to be applied in this case will be an immediate withdrawal of the authorisation and a ban on starting any work. *(Macauhub)*

OIL & GAS

China increases oil imports from Angola

China is significantly increasing imports of oil from Angola, its second largest supplier of this raw material, rather than from its main supplier, Saudi Arabia. Following recent changes that have lowered the price of African oil, which is pegged to the price of Brent, in July China increased its oil purchases from African countries, to 6.51 million tons (47.5 million barrels), according to estimates released last week by Thomson Reuters. Reuters said the "bulk of the increase" was from Angola, the main African oil supplier to China, which in July exported 3.4 million tons to the world's second largest market. For Angola, the Thomson Reuters analysts said, "the big boost in exports to China in July will be a welcome change, as in the first half of 2015 it had lost second place to Russia," in the list of main Chinese suppliers, behind Saudi Arabia.

According to Chinese customs, imports of Angolan oil fell nearly 9 % in the first half to 19 million tons, while Russian oil rose nearly 27 % and Saudi oil over 9 %. The change in price has led to the share of Russian and Saudi to shrink, as it is not pegged to Brent prices, as is the case with Angola, which has been falling in relation to other market benchmarks. Last year, exports of Angolan oil to China reached their highest level ever – 806 million barrels – while Saudi oil fell about 9 % to 989 million barrels. Long-term supply contracts to China, which were established since 2002, have been considered a financial "cushion" for Angola in the current climate of falling prices, due to how the price is set, which is favourable to Angola in turbulent times in the market.

According to the Africa Intelligence Monitor, citing senior Angolan officials, the sharp drop in the price of oil is worrying the authorities, but they also point to mitigating circumstances such as long-term contracts that allow some leeway to manage the situation. China is currently the main Angolan trading partner and last year trade between the two countries reached US$38 billion. Figures compiled recently by Reuters showed that China's funding to Angola, including the latest loans, already amounts to US$20 billion, support that has become increasingly necessary due to the sharp decline in oil revenues over the last year.
A five-day visit by the Angolan President to China in June, according to the Economist Intelligence Unit (EIU) underlines the "frankness" of the Angolan president for making a direct request, which the EIU interpreted as a sign of the "gravity of the economic situation" in the country. "Although this visit included discussions on private sector investments, the focus was on securing new loans, showing that Angola may have further need of China than it cares to admit," said the latest report by the EIU on Angola. In recent years, Chinese state oil companies have been acquiring major stakes in the Angolan sea. Also with Chinese investment, from the China International Fund (part-owned by China Sonangol), is starting construction of the new Soyo refinery (north), which should be operational in 2017, with a processing capacity of 110,000 barrels of oil. *(Macauhub)*

Cabinda Gulf Oil extracts 5 billion barrels of oil in Angola
The Cabinda Gulf Oil Company, a subsidiary in Angola of US group Chevron, this year extracted barrel number 5 billion in blocks Zero and 14, after operating in the country for 60 years, the company's managing director said recently in Cabinda. John Baltz said that despite the unfavourable situation created by the fall in the price of oil on the international market, the company maintains production efficiency levels. "The company is facing the challenge of the low price of oil on the international market but over 60 years of working in Angola, has been able to deal with times of crisis," he said, cited by Angolan news agency Angop.
Meanwhile, the International Energy Agency (IEA) released its monthly report on the oil market saying that excess supply of oil worldwide will continue over the next year, despite growth of consumption. The IEA also reported that oil reserves – already at record levels – would continue to grow, even with consumption increasing to a five-year high in 2015 and supplies from outside the Organisation of Petroleum Exporting Countries (OPEC) falling next year for the first time since 2008. "Although rebalancing has already started the process should be continued, since surplus supply is likely to persist until 2016 – suggesting that global reserves will grow even more," said the International Energy Agency report. Estimates from the International Energy Agency show that surplus supply worldwide will reach 1.4 million barrels per day in the second half of this year, before slowing to about 850,000 barrels per day in 2016. *(Macauhub)*

Exploration of Angola/Congo Brazzaville oilfield starts in October
The exploration of the Lianzi oilfield on the border between Angola and Congo Brazzaville, is scheduled to begin in October, said the governments of the two countries in a joint statement issued in Brazzaville. "Following the research activities of the Congo National Oil Company and Sonangol the two countries have decided to explore the Lianzi field together," the statement said. The statement came at the end of the 24th meeting of the steering committee held in the Congolese capital, which included the Congolese oil and gas minister, André Raphael Loemba and Angolan oil minister, José Maria Botelho de Vasconcelos. The Lianzi oilfield, with estimated reserves of 70 million barrels, will be operated by US oil company Chevron, which plans to invest US$1.9 billion. *(Macauhub)*

British company enters oil market in Angola
British company Ceona established a strategic partnership with Interoil Angola as part of a project to expand its African business to Angola, the company said in a statement on its website. Ceona is already present in West Africa through partnership with Seaweld in Ghana as well as a strategic partnership with Marine Platforms Limited in Nigeria. Interoil Angola is a "well known" company and approved supplier to major oil operators in the region, said Bill Hickie, vice president for business development at Ceona, adding "as well as this it is one of the only Angolan companies with a ship management license." "The strategic partnership allows Ceona officially to enter the Angolan market of, a country that is suitable for maritime activity to be developed by our ship Ceona Amazon," added Hickie. The Ceona Amazon is a ship built to carry out complex logistical projects in deep-water areas in remote locations. *(Macauhub)*

Nigeria's NNPC to review production-sharing contracts, joint ventures
The new head of the Nigerian National Petroleum Corp (NNPC) said he will review all production-sharing contracts and joint venture agreements with its partners "to reflect current day realities in the global oil and gas industry".
Emmanuel Kachikwu, who was appointed two weeks ago to head the state oil company, which has been accused of corruption and mismanagement, said he would remit all crude oil proceeds due to the Nigerian government and plug all revenue leaks throughout the oil sector. "The mandate ... is to turn around the entire commercial processes and procedures in order to impact on the growth trajectory and operations of the corporation," Kachikwu said in a statement.
The NNPC works alongside local and international oil majors such as Shell, Exxon, Chevron as well as global oil traders, including Trafigura, Vitol and Glencore. President Muhammadu Buhari appointed Kachikwu, a former Exxon Mobil executive, with a brief to restructure the NNPC, which has been accused of failing to account for tens of billions

of dollars in recent years. The NNPC has not been publishing annual reports and its bookkeeping has been criticised as opaque, which appears to have allowed billions of dollars to disappear. The Nigerian arm of global corruption watchdog EITI welcomed Kachikwu's restructuring of the NNPC. It recommended reforms should also focus on ensuring accurate measurement of crude and a review of pricing for expired legal agreements with oil companies.
Other areas for reform are the huge costs of fuel subsidies, crude oil swap and product-exchange agreements, repair of refineries, oil theft, review of the existing fiscal regime and acquisition and assignments of oil blocks by discretion, NEITI said in a statement. Kachikwu said he had started a three-pronged restructuring of the NNPC that should lead to "a new NNPC", which he expects to emerge over the next five to six months. He has already dismissed all of the company's executive directors, other top layers of management and cut the divisions by half, to four. *(Reuters)*

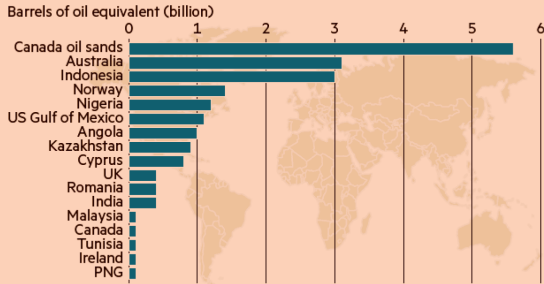
Eastern Libyan government appoints new chairman for its state oil firm
Libya's internationally recognised government has appointed Naji al-Maghrabi as chairman of its state oil firm NOC based in the east of the country, an oil official said.
The move is largely symbolic as oil production and the marketing of exports are controlled by the established state oil firm, also known as NOC, in Tripoli where a rival government is in charge.
The official government has been based in the east since losing the capital to the rival administration a year ago. It has appointed a head for an oil firm NOC based in a separate headquarters in the east but oil customers have refused to deal with it, preferring to pay through existing channels via NOC in Tripoli.
Maghrabi, who is currently in Egypt, will replace al-Mabrook Bou Seif as chairman of NOC in the east, an oil official said, without giving a reason.
The official cabinet of Prime Minister Abdullah al-Thinni has struggled to make an impact, working out of hotels and rented villas in the remote eastern city of Bayda.
Ministries and key state bodies such as the state oil firm or the central bank are in Tripoli, which is controlled by the rival faction, part of the turmoil in the OPEC member four years after the ousting of Muammar Gaddafi.
Oil insiders say Thinni's new oil company had contacted prospective buyers via middlemen and firms in the Gulf region earlier this year but legal concerns over ownership of the oil, given the duel governments, prevented any deal. *(Reuters)*

How oil plunge has upended companies and economies
Halving of price has reshaped industries, hit exporters and buoyed consumers
The Financial Times has been investigating what the plunge in the oil price of the past year has meant for the industry and consumers. Brent crude has more than halved since June 2014, with the slide accelerating after Opec’s decision last November not to cut output, despite a US supply glut and weak Asia demand.
The drop has inflicted massive pain on oil-exporting countries, widening budget deficits and weakening currencies. Energy companies have laid off an estimated 70,000 workers and scrapped projects worth billions of dollars, especially in high-cost areas such as Canada’s oil sands and the Gulf of Mexico.
The low oil price is reshaping the industry landscape: it drove Royal Dutch Shell’s $55bn takeover of smaller rival BG Group, and triggered the fall of Nigeria-focused explorer Afren, which entered administration last month. Dozens of other small oil companies are limping along, labouring under heavy debts and dwindling cash flows.
Venezuela, a country whose crude oil accounts for 96 per cent of export revenues and that loses $700m for every dollar fall in the oil price, typifies the difficulties oil exporters face. Amid slumping revenues, its cash reserves now stand at a 12-year low of $15.4bn, according to the central bank, and there are fears the coffers could run empty in the first quarter of 2016.
But even Canada, a wealthier country, is being squeezed. Economists are scaling back forecasts of future production, and Fort McMurray, the Albertan boomtown that was once nicknamed “Fort McMoney”, is seeing leaner times, with projects shelved. Unemployment in Alberta’s oil sands has doubled and councils are cutting their budgets.
It is not all bad news. Lower oil prices have benefited consumers, leading to lower petrol prices. The windfall is worth more than $200bn for the US, eurozone, UK and Japan, according to a report by Capital Economics in May, although so far there is little evidence that consumers are spending much of their spare cash. But in the US, sales of gas guzzlers such as SUVs are up, and the country is seeing something of a renaissance in motoring.
Below are some of the main conclusions of the series. *(Financial Times)*

Capex cuts

Deferred commercial oil reserves

Barrels of oil equivalent (billion)



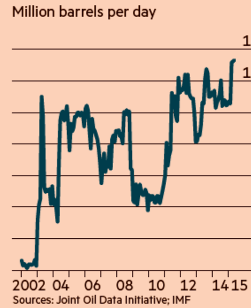
Source: Wood MacKenzie

The world's big energy groups have shelved $200bn of spending on new projects. Wood Mackenzie, the energy consultancy, says companies have deferred 46 big oil and gas projects with 20bn barrels of oil equivalent in reserves, which is more than Mexico's entire proven holdings. Wood Mac says the number of major upstream projects expected to be fully approved during 2015 could probably be counted "on one hand".

Saudi Arabia

Saudi Arabian oil production

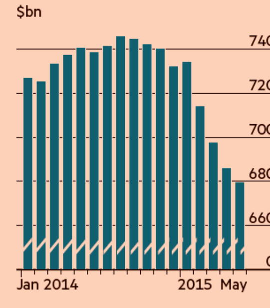
Million barrels per day



Sources: Joint Oil Data Initiative; IMF

Saudi Arabia foreign reserves

$bn

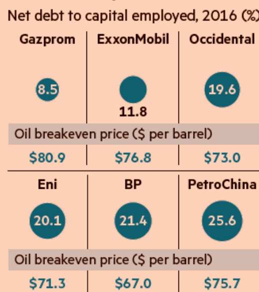


Saudi Arabia, which drives Opec's policy, is determined to preserve market share and squeeze rivals, and is pumping crude at record levels to achieve those goals. But low oil prices could play havoc with its public finances. Saudi officials say it is well insulated, and it has a buffer in the form of foreign exchange reserves, which peaked at about $800bn in mid-2014. But it is burning through them fast: they fell by $36bn in March and April alone. The kingdom is trying to relieve the pressure by returning to the bond market, with a plan to raise $27bn. Bankers say its central bank has been sounding out demand for an issuance of about SR20bn ($5.3bn) a month in bonds.

Energy M&A

Potential buyers

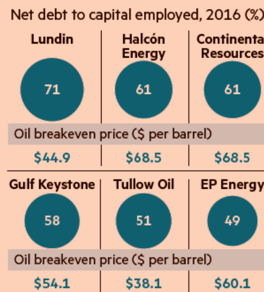
Net debt to capital employed, 2016 (%)



Source: Goldman Sachs

Potential targets

Net debt to capital employed, 2016 (%)

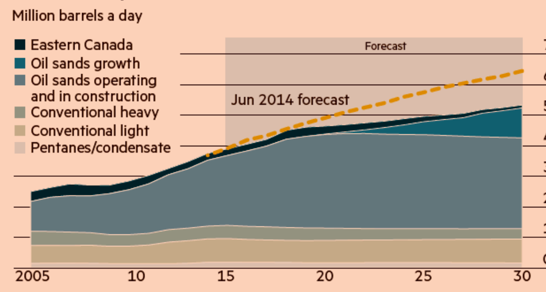


With lower oil prices, US shale producers, particularly those with weak balance sheets, could become targets. Goldman Sachs says those that could be vulnerable include Continental Resources, EP Energy and Halcón Resources, whose leverage (net debt as a percentage of capital employed) is predicted to reach 61 per cent, 49 per cent and 61 per cent respectively next year. So far M&A involving US shale has been sluggish: most companies with good positions are not yet under the financial strain that would force them to seek a buyer at a knockdown price. Analysts say the longer oil prices stay low, the more likely that is to change.

Canada

Canadian oil production

Million barrels a day



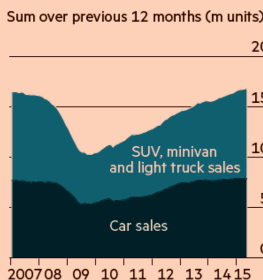
Source: The Canadian Association of Petroleum Producers

One of the worst affected parts of the oil patch has been Alberta, home to Canada's oil sands industry. Capital spending by the Canadian oil and gas industry will total C$45bn (US$34.5bn) this year, 40 per cent lower than 2014. As a result, forecasts of future output growth are being scaled back. The Canadian Association of Petroleum Producers estimates that Canada will pump 5.3m barrels a day by 2030, a big drop from last year's forecast of 6.4m b/d.

US motoring revival

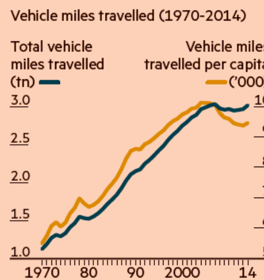
New auto sales

Sum over previous 12 months (m units)



Road travel

Vehicle miles travelled (1970-2014)



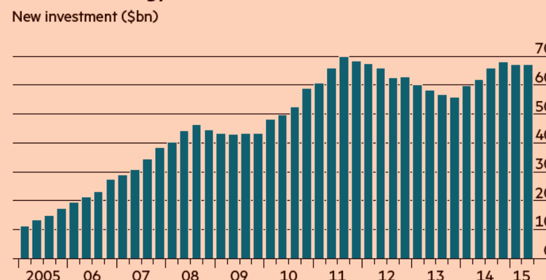
Sources: Thomson Reuters Datastream; Motor Intelligence; State Smart Transportation Initiative; FHWA; Census Bureau

The plunge in the crude price has led to big savings for US consumers. Petrol is now selling at an average of $2.75 a gallon, which is 72 cents below its level a year ago. US car sales are humming, hitting annualised rates of more than 17m in May and June, their highest levels since 2005, according to Motor Intelligence, a data provider. This has been propelled by bumper sales of SUVs and pick-up trucks. The result: the US is experiencing a motoring renaissance. The distance that the average American travelled by road last year rose for the first time since 2005.

Renewables

Renewable energy

New investment ($bn)



Source: Bloomberg New Energy Finance

When the oil price began its plunge last year, some said that it would have a chilling effect on investments in alternatives to fossil fuels. But that has not happened. Analysts say that is understandable: oil is used to generate just 5 per cent of the world's electricity globally, according to the International Energy Agency, so it does not compete directly with wind, solar or other renewable sources of power.

TELECOM

MTN Appoints New West African CEOs Amid Orange's Plans to Expand

MTN Group Ltd. has selected new chief executive officers for its operations in Republic of Congo and Benin as Orange SA seeks to expand its operations in west Africa to compete with the continent's largest wireless operator. Stephen Blewett will lead MTN's operations in Benin, while Djibril Ouattara will head the Johannesburg-based company's unit in Republic of Congo, spokesman Chris Maroleng said by phone. The company is appointing new senior managers in west Africa as Orange holds discussions with Bharti Airtel Ltd. to acquire four units in the region. MTN, which has 231 million subscribers across 22 countries, is facing a tough regulatory market in Nigeria, its largest operation, as well as unfavorable exchange rates, which has hurt profits. *(Bloomberg)*

Collection of telecommunications legislation launched in Angola

The Ministry of Telecommunications and Information Technologies is due in Luanda to launch a collection of Angolan legislation on electronic communications, according to a recent press release.

The collection aims to publicise the laws on the Information and Communication Technologies (ICT) sector and raise awareness of the rights of and duties to consumers, end-users and key stakeholders in the communications market.

After the launch ceremony there will be a lecture on the Law of Electronic Communications and the Information Society, the Personal Data Protection Act and Regulation of Technologies and the Information Society.

The launch of the book will be attended by the Minister of Telecommunications and Information Technologies, José Carvalho da Rocha, the Secretary of State for Telecommunications, Aristides Safeca, national directors, technicians and representatives of the industry.

Last July, the Ministry of Telecommunications and Information Technologies held a national meeting to prepare the creation of technology-focused departments within ministries to promote modernisation and innovation of Public Administration services. *(Macauhub)*

Naspers in Talks With Vodacom to Offer Africans Video-on-Demand

Naspers Ltd. is in talks with wireless carrier Vodacom Group Ltd. about delivering video content to mobile devices across Africa as the media company seeks to compete with Netflix Inc. in offering movies and TV in the continent of 1 billion people.

An agreement would give Naspers additional distribution for a video-on-demand service, dubbed Showmax, that the company plans to start this week, according to two people familiar with the matter. The product initially will target South Africa's 1 million fixed-line broadband users, and within three years will be accessed predominantly by smart-device users across Africa, said the people, who asked not to be named as the plans are private. "These discussions are still ongoing," Vodacom spokesman Tshepo Ramodibe said in an e-mailed response to questions. "This conversation is in line with our business strategy to add new service offerings, including content."

Naspers, Africa's most-valuable stock at 716 billion rand ($56 billion), is investing in mobile applications to deliver TV content more widely in a region where high-speed landline connections are still rare. It's also producing more African shows as its targets further expansion in Kenya and Nigeria to ward off competition from Netflix. A spokeswoman for Naspers' service declined to comment on the plans. Vodacom has 64 million subscribers and runs mobile networks in South Africa, Tanzania, the Democratic Republic of Congo, Mozambique and Lesotho. Cape Town, South Africa-based Naspers owns 34 % of Chinese Internet operator Tencent, has online-service interests in about 40 countries and is Africa's biggest seller of pay TV.

African Content

Naspers has partnered with studios including CBS Corp., Time Warner Inc., Metro-Goldwyn-Mayer Inc. and the British Broadcasting Corp. to distribute shows and movies, according to one of the people.

Mybroadband reported Naspers' plans to start Showmax last week. Netflix, which has 66 million customers in about 50 countries, plans to expand to about 200 countries, including in Africa, by the end 2016. Press representatives for the company declined to comment further on Netflix plans. Los Gatos, California-based Netflix is trying to build the first global TV network delivered over the Internet and has encountered strong local competition in several markets, including major broadcasters with their own streaming services in the U.K., Sweden and Germany.

Naspers sees Netflix, Apple Inc., Amazon's Prime and the U.K.'s Lovefilm service as direct competitors, billionaire Chairman Koos Bekker said in an interview in May. Naspers will allow Showmax to compete directly with its Multichoice unit, Africa's largest pay-TV company with 8 million subscribers, according to the people. South Africa's main video-on-demand services are Times Media Group Ltd.'s Vidi and MTN Group Ltd.'s FrontRow. *(Bloomberg)*

RETAIL

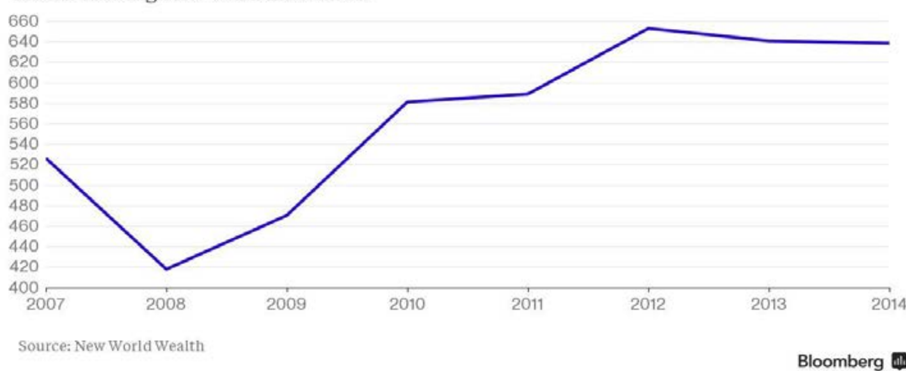
Africa's Diamond Walk Is Home to Prada, Zegna, a Few Buyers

On the sparkling tiles of Johannesburg's newest luxury retail destination, one of two customers in the Burberry shop is trying on jackets.

"I see these brands advertised in magazines and know what I want, so I like to be able to walk into a shop and get it," said Lunga Tshabalala, a 25-year-old manager at a water company in Bloemfontein, 400 kilometers (249 miles) away.
From Burberry to Ermenegildo Zegna, Prada and Jimmy Choo, the purveyors of the world's most expensive consumer goods are counting on wealthy Africans to spend their rising disposable income on 40,000 rand ($3,162) handbags or a 25,000 rand bottle of bubbly at the Arque champagne bar, which guards the entrance of the Diamond Walk in the heart of Johannesburg's financial district.
While they hope Africa will become a meaningful market in the image of Asian centers such as Hong Kong, where sales are currently falling due to slumping demand from China, their patience may be tested. Three months after opening there are often more security guards than shoppers at the site.
The number of millionaires in Africa rose 145 % between 2000 and 2014, compared with a global average of 73 %, according to research company New World Wealth. Yet in South Africa consumer confidence dropped to a 14-year low in the second quarter of this year, hit by frequent power cuts and rising fuel prices that weighed on the economy.

Building a Base

Further afield, a halving of crude oil prices in the past year is hitting growth in Nigeria and Angola. Sub-saharan countries are expected to expand by an average of 4.5 % this year, down from 5 % in 2014, according to the International Monetary Fund. "The decision to open shop in South Africa would have been taken when the African economies were booming, so if these companies are seeking newly rich customers, they may have to wait a while," said Wayne McCurrie, a money manager at Momentum Wealth in Johannesburg. "My guess is that they can take losses for 10 years even and see it as building a base now for when Africa really takes off."
Shopper numbers at Sandton City mall, where the Diamond Walk is located, have been about 24 million in each of the past two years, Julie Hillary, the mall's general manager, said by e-mail. After investment of 185 million rand, the Diamond Walk is attracting locals and "a large amount" of spending by visitors from Nigeria, Kenya, Ghana and Angola, she said.



Aspirational Brands
Diamond Walk was designed "to offer a unique shopping experience to an ultra-select clientele," a spokeswoman for Zegna said. "In the few months since it opened, the first sales data are very positive and represent an important indicator of future growth."
Any opening of a Prada store in a new city "is carefully evaluated," company spokesman Alessandro Bonucchi said by e-mail. Jimmy Choo didn't respond to requests for comment. "The brands are aspirational and these outlets are targeting the rest of Africa as much as South Africa," said Syd Vianello, an independent retail analyst in Johannesburg. "If the stores don't make much money initially, it is still building brand awareness, it could be seen as advertising."
Back at Burberry, Lunga Tshabalala used a work trip to check out Diamond Walk. For his friend, Moeketsi Tsoenyane, also from Bloemfontein, having these shops in Johannesburg means he can access the elite options he longs for without the restriction of an overseas trip. "I try to add extra time to my business trip for shopping," said Tsoenyane, who has bought a Louis Vuitton belt and shoes within the last month. "It's great to have all these brands in one place." *(Bloomberg)*

Bain's Edcon Sales Fall as Credit Purchases Continue Slide

Edcon Holdings Pty Ltd., South Africa's largest clothing retailer, said first-quarter sales slowed as falling credit purchases weighed on trading.
Retail-sales declined 0.9 % in the three months through June as an increase in cash transactions failed to offset an 11 % slump in paying at a later date, the Johannesburg-based company said in a statement.
South African shoppers' reduced ability to take on credit, weak economic growth and job losses affected the business, Chief Executive Officer Jurgen Schreiber told reporters on a call, a week before he leaves the company. "The situation will last for a little bit longer and the recent situation of the rand is not helping as it will lead to price increases."
South African consumer confidence dropped to a 14-year low in the second quarter of this year, hit by frequent power cuts and rising fuel prices that weighed on the economy. The country's currency tumbled to the lowest level since 2001, while retail sales growth slowed to 2.4 % in May from 3.4 % the previous month.

Edcon's chains, including Edgars, Jet and CNA, operated 1,527 outlets at the end of the period. Cash sales, which account for 58 % of the total, climbed 7.4 %. Edcon's net loss widened to 828 million rand ($64.9 million), compared with a year-earlier loss of 499 million rand.

Debt Burden

Bain Capital Partners LLC, based in Boston, bought Edcon for about 25 billion rand in May 2007 to tap into rising economic growth in Africa's second-largest economy. The deal burdened the retailer with debt, which gained 6.7 % to 24.2 billion rand in the quarter.

In June, Edcon asked holders of the company's 425 million euros ($464 million) of 2019 bonds to take a loss as the company seeks to stabilize its balance sheet. Almost all of the bondholders last week accepted the exchange offer, cutting Edcon's net cash interest payment obligations by about 1 billion rand. Edcon is not in talks with other bondholders for further restructuring, Schreiber said.

The bond exchange "has substantially improved our cash flow," he said. "The focus now is operations, it's not on working on further bond changes." Edcon wants to enable shoppers to buy more clothes on credit to boost sales, Schreiber said. Loan approvals have halved since Edcon sold its private-label store cards business to Barclays Africa Group Ltd. in 2012. Edcon has started talks will an alternative provider to its customers, Schreiber said, without giving further details. Bernard Brookes, who was CEO of Victoria, Australia-based Myer Holdings Ltd. until May, will replace Schreiber at the end of September. *(Bloomberg)*

US fund managers tapping into African beer market

Forget Milwaukee and Brooklyn – Lagos and Dar es Salaam are the new brewery hot spots, according to US mutual fund managers as they tap Africa's emerging beer companies in pursuit of long-term returns on investment. US fund managers who originally entered the African market by investing in infrastructure said the continent's youthful demographics - large swaths of the continent are at prime beer-drinking age - and favorable economics brought by local production are a recipe for a profitable outlook.

"It would cost four or five times more for Tanzanians to import beer than to make it domestically," said Babatunde Ojo, portfolio manager for Harding Loevner's $600-million Frontier Emerging Markets strategy.

His fund has added in recent months 730 000 shares of Tanzania Breweries Limited and 900 000 shares of East African Breweries, also a Tanzanian company, according to Lipper data. The Templeton Frontier Markets Fund noted that it added $3.58-million to East African Breweries and $11.80-million to Nigerian Breweries. Roughly 45% of Tanzanians are between the ages of 15 and 45, prime ages for drinking beer, said Ojo. Those demographics are reflected elsewhere in the continent. Cities including Dar-es-Salaam and Lagos, hubs for young professionals, are expected to experience rapid growth of their young populations, according to a 2015 trends report by Ernst and Young. Africa is expected to see the largest increase in the legal drinking age population by 2018, while in western Europe and North America, the cumulative decline in beer volumes since 1998 has been between 5% and 10%, according to Rabobank Research. Mark Mobius, executive chairman of the Templeton Emerging Markets Group, is particularly enthusiastic about Nigerian Breweries Plc, which is majority owned by Heineken Holding NV. Templeton Asset Management Ltd. holds 0.83% of the company. "Relative to its competitors, the company (Nigerian Breweries) imports considerably fewer raw materials - reducing its exposure to the depreciating naira, and lessening the impact on profit margins and turnover - and also has the strongest distribution capability among its peers," Mobius wrote in an email to Reuters last week. To be sure, share prices in Nigerian Breweries and other African peers have been falling this year as some countries suffer from decreased revenue and other commodities and in part because of uncertainty among minority investors about how and whether large global liquor companies Heineken and Diageo PLC will take their interests in Africa. Should they choose to deemphasize beer at the expense of spirits, that could hurt the brewers. Furthermore, some of these stocks are thinly traded and investing in Africa is still considered risky by many. "If you invest in Africa, it will be a rocky ride between the possibility of economic and political instability, but if you look at the long-term potential, the rewards you can reap are very interesting and worthwhile," said Francois Sonneville, Director in Food and Agribusiness Research at Rabobank International, a Dutch banking company. Sonneville also said governments could impose tough taxes on beer companies if economic growth remains low this year. Furthermore, not all of Africa may be equally ripe for beer sales. North African countries with large Muslim populations have some of the highest abstention rates in the world, according to the World Health Organization's 2014 global status report on alcohol and health. *(Engineering News)*

AGRIBUSINESS

Indian group funds agricultural development in Guinea-Bissau

The Kirloskar Brothers Ltd group of India has committed to providing funding of US$10 million to increase agricultural production in Guinea-Bissau, under an agreement signed in Bissau.

The document, signed by the Minister of Natural Resources, Daniel Gomes and the chairman of the Indian group, Sanjai Kirloskar, outlines that the funding is intended to be channelled into rice production to ensure the population's self-sufficiency, as well as into horticulture and fruit growing as well as collecting water for cattle troughs and training of agricultural technicians.

The Minister expressed his satisfaction that one of the largest companies in the field of hydraulics was part of this government project and stressed that once the funding arrived work would start immediately, particularly in the city of Bafatá, in the east of the country. Kirloskar promised that if this venture was successful, his group would provide another US$30 million to finance a second phase of this project. This agreement is part of the partnership established by the Ministry of Natural Resources for the development of programmes that are considered to be a priority. The Kirloskar Brothers Ltd Group is an Indian conglomerate based in Pune, Maharashtra state, which exports its products, including hydraulic pumps to more than 70 countries in Africa, Southeast Asia and Europe. *(Macauhub)*

European Union funds sugar production in Mozambique

A project funded by the European Development Fund will support approximately 300 sugarcane producers in Mozambique organised into five associations to increase their income through guaranteed product placement, according to the Mozambican press. The project, formally known as the Small Scale Farmers Development Project will also make it possible for the Xinavane sugar factory to reach full capacity supplied by sugarcane produced by the members of those associations. Mozambican news agency AIM reported that this project had a donation of 1.5 million euros from the European Union through the European Development Fund, in addition to a loan in the equivalent to 2.3 million euros granted by Banco ABC, to be paid with the proceeds of sugarcane sales to Tongaat Hullet. The Xinavane sugar factory has so far planted 3,500 hectares of sugarcane and is supplied by 3,200 producers organised in 20 associations, and 60 farmers who also joined the scheme on an individual basis. The sugar industry in Mozambique produced 422,600 tons of sugar in the 2014/15 campaign, an 11 % increase over the previous year, with 141,400 tons placed on the domestic market and the remaining amount was exported. *(Macauhub)*

Mozambican company buys fishing boats from China

Chinese-owned Mozambican company Yinuo Pescas, Limitada, has commissioned a shipyard in China to build nine vessels for tuna fishing in the coastal region of the Angoche district of Nampula province, the provincial delegate of the National Fisheries Administration said. Momade Juízo told daily newspaper Notícias, that the vessels, the cost of which he did not reveal, should arrive in Angoche before the end of this year and are already equipped with equipment to catch tuna. The delegate said the new vessels from the Chinese company would operate from a base in the city of Angoche, where the company already operates four locally built wooden boats, licensed for semi-industrial fishing, and in which it invested the equivalent of US$6 million. Juízo said progress had been made in negotiations with the Japan Tuna Company, which formally expressed interest in fishing for tuna off the coast of Nacala-Porto, with a fleet of 15 vessels, or potentially more in the future. Tuna catches in the Exclusive Economic Zone, covering an area of 200 nautical miles from the line of the Mozambican *(Macauhub)*

Mozambique raises prices for imports of sugar

The government of Mozambique has decided to increase benchmark prices for sugar imports in order to protect domestic industry from "unfettered entry of the product from neighbouring countries," said Minister of Industry and Trade.

Minister Ernesto Tonela said the benchmark price for the import of brown sugar would increase to US$806 per ton, compared to the current US$385, while the price of refined (white) sugar will rise from US$450 to US$932 per ton.

After the cabinet meeting held Tuesday in Maputo, the minister said that the previous benchmark prices for sugar imports had been approved in 2001 and were out of step with the current market reality. "As a result of this mismatch the amount of Mozambican sugar sold on the national market has been falling continuously in the last three years, so this decision will be an incentive for industry to invest more and create more jobs," said the minister.

Tonela said the sugar entering the Mozambican market comes from countries whose production is heavily subsidised, which means it is sold at very low prices, "which has a detrimental impact on the industry and on independent small and medium-sized sugarcane producers as well as on members who supply cane to the industry."

Cited by daily newspaper Notícias, the minister said that in Mozambique there were 22 associations with over 3,000 members and 447 private producers, who are dedicated to sugarcane cultivation to supply the country's four sugar companies.

The sugar sector in Mozambique suffered a major setback during the civil war, when almost all factories were destroyed and sugarcane fields abandoned, which meant the country depended almost entirely on imports from neighbouring countries, especially South Africa, Swaziland and Zimbabwe. *(Macauhub)*

Mozambique has annual deficit of 360,000 tons of rice

Mozambique annually imports a minimum of 360,000 tons of rice to cover the deficit between national consumption and production, the national director of Agriculture and Forestry said recently.

In 2014 Mozambique recorded in annual consumption of about 580,000 tons of rice, based on imports of 360,000 tons and local production of 223,000 tons of husked rice and 343,000 tons of rough rice.

Mahomed Valá, quoted by daily newspaper Notícias, said the low rice production was because of factors such as difficulty in accessing quality production processes, limited use of mechanical means and difficulties in accessing credit.
Valá also said that use of traditional technologies, low water management capacity for water management, weak soil levelling, adverse weather such as floods and drought are other factors that have affected Mozambican rice production. Mozambique has 900,000 hectares of land for potential rice production, of which only about 310,000 are being used, and more than half of this potential is in Zambezia and Sofala provinces in the central region of the country. About 90% of rice production is carried out by smallholders in rainfed conditions, with an average productivity of 1.0 to 1.2 tons per hectare in rainfed systems and 2.8 and 3.5 tons per hectare when the land is irrigated, noted Valá. Last week, farmers and the managers of hydraulics company Hidráulica de Chókwè, in Gaza province, gathered in meeting to mark the end of the current rice production season, in which they harvested about 15,000 tons. Of this amount just over 10,000 tons came from rice sector producers while the remaining 5,000 tons were produced by family farmers, through numerous small units in that area of Gaza province. *(Macauhub)*

Why Africa offers growing opportunities for agricultural products
The main drivers of demand for agricultural products are population growth, urbanisation, economic growth and changing diets. Population growth brings greater demand, urbanisation leads to more people buying food rather than producing their own, economic growth increases purchasing power while changing diets implies that people are opting for diverse, and sometimes healthier, consumption.
Africa is expected to double its population from 1.2 billion to 2.4 billion by 2050, making it the fastest growing region in the world. The continent is also urbanising rapidly. More than 50% of the population still lives in rural areas but this is changing. The continent is expected to have one of the highest urbanisation rates in the world over the next 35 years. The fact that the growth factors are present on the continent and most are increasing presents opportunities for businesses connected to the agricultural sector. For South Africa, this is a chance to widen opportunities for its struggling agricultural industry. The foundation has been laid by some agro-processing companies and retailers that have successfully set up operations in countries north of the Limpopo River.
Taking the gap
South Africa's agribusinesses and retailers have set themselves up to take advantage of these opportunities. Its businesses started increasing their participation on the continent soon after 1994 when the country was accepted in the international community. Supermarket group Shoprite, for example, had 131 stores in 16 countries (excluding South Africa) in 2013. Woolworths has 65 stores in 11 countries; Pick n Pay 110 stores, including joint ventures.
These retailers are usually linked with agribusiness in the home country and thus source most of the food, fresh and processed from South Africa. In return, South African exports of food and agricultural products benefit.
South African exports to the rest of the continent have more than doubled from the mid 1990s to 2014. In 1994, Africa accounted for less than 10% of total exports. By 2014 the continent was the leading destination for agricultural and agro-processed products, accounting for more than 45% of all exports and surpassing some of South Africa's historical partners in the European Union and the US. Products that have benefited most are maize, apples, wines and processed food. The main destination countries are Zambia, Angola, Nigeria and Ghana. These countries achieved higher rates of economic growth over the past decade than the global average. Nigeria is not only the most populous country on the continent, but it is now the largest economy. In the last 15 years, Zambia achieved GDP per capita growth of more than four times, from about $400 to $1800. Angola managed an average annual growth rate of more than 10%, supported mainly by oil resources.
Targeting the affluent
General incomes have been growing in most African countries. In the past five years at least four African countries have been making the list of the fastest growing economies in the world. They include Nigeria, Ghana, Zambia, Mozambique and Kenya. In theory, the growing economies improve average incomes and affordability.
But one of the weaknesses with these growth rates and progress in economic growth is that the gains have not been evenly distributed. Income inequality in many countries remains high and continues to increase in others. For example, the wealth gap in Zambia and Nigeria is growing. The richest 20% in Zambia had national income share of about 57% in 1993, and their income share increased to 62% in 2010. In Nigeria, the richest 20% controlled 45% of income in 1985, and then increased to 49% by 2010. South African companies have targeted the rich segments of the economy. Stores are usually located in the main centres, with high population density, relatively better infrastructure than the rest of the country and generally high income than the rest. This practice has led to criticism being levelled against South African companies. Resentment from local businesses has been fuelled by the fact that South Africans are not developing local capacities in agro-processing, manufacturing and other value adding activities that will make local products meet the required standards of those retailers.
Africa is not for sissies
Businesses face a number of constraints and potential threats.
Infrastructure in many countries is relatively undeveloped and weak, especially in rural areas. As a result, the cost of moving goods across the continent is higher, making the products unaffordable to many.

There are still concerns about political instability and social unrest even though a great many more African countries have become peaceful over the last 20 years.

There are also concerns about the sustainability of current growth rates. This is because most of the fast growing countries rely on resources for their growth. These include oil, copper, gas, gold and other minerals. These commodities are usually exported in raw form or with little value added and their prices are highly volatile.

Competition from countries such as China, Indian and the developed world is also increasing. Although it is fragmented, it remains a concern. There is a need to manage trade relations on the continent and deepen integration. The right foundation has been set with the completion of the SADC free trade area as well as the signing of the tripartite free trade area in June 2015 providing additional access to African markets. This expands duty free markets in 25 countries, a combined population of more than 620 million and aggregated economic value of $1.2 trillion. Intra-Africa trade is very low at about 10%, but this widening of market access should help to improve that trade. It should also encourage further expansion of South African retailers which in turn will facilitate that intra-Africa trade. South Africa is already the largest contributor to intra-Africa exports, accounting for one third of the total export value. This contribution serves a a useful building block for both deeper economic integration and further capacity development for future growth of the people of the African continent. *(World Economic Forum)*

UPCOMING EVENTS

East African Power Industry Convention, 27 – 28 August 2015 KICC, Nairobi, Kenya Optimising East Africa's Power Supply Capabilities. *www.eapicforum.com*

New York Forum AFRICA, 28-30August Libreville, Gabon, the world's leading pan-African business summit *www.ny-forum-africa.com*

AFRICA – JAPAN BUSINESS INVESTMENT FORUM 31st August - 2nd September 2015, Addis Ababa , Ethiopia - For information: Erika Atzori e.atzori@icpublications.com

4th African Pensions, Sovereign Funds & Insurance Forum, 10-11 September 2015 – London
http://apsfif.com/index.php?page=London-Europe-Forum

South Africa: Super Investor Africa: 14 – 16 September 2015 - *http://www.superinvestorafrica.com/*

AFRICA ISLAMIC FINANCE FORUM, 17-18 September 2015, Sofitel Abidjan Hotel Ivoire
http://redmoneyevents.com/main/event.asp?IFN=AfricaIslamicFinanceForum2015

7th African Business Awards 20th September, New York, USA
Designed to celebrate excellence in African business, the African Business Awards gala cocktail will be held during the UNs General Assembly and in conjunction with the African Leadership Forum and the UN Private Sector Forum. *www.ic-events.net*

2nd African Leadership Forum (ALF) 21st September, New York, USA
The 2nd ALF will discuss the role of leadership in driving transformative growth and development in Africa. It will be held in conjunction with the African Business Awards and the UN Private Sector Forum. *www.ic-events.net*

London: East Africa Pensions and Sovereign Funds Investment Forum: 22 - 24 September 2015
https://live.ft.com/Events/2015/FT-Africa-Summit-2015

Innovation Africa 2015 – Devolping African Skills for the 21st Century, 30 Sept – Oct 2, Lake Victoria, Uganda
http://innovation-africa.com/2015/

FT Africa Summit 2015 London, 04 - 05 October 2015, at Claridge's Hotel
Sustaining the Momentum in what looks set to be a less benign external environment – with prices falling for many of the commodities African countries rely on for export earnings - will require governments to be more judicious in the way they spend scarce resources and more proactive in providing a competitive environment for business.
https://live.ft.com/Events/2015/FT-Africa-Summit-2015

Dubai: Super Return Middle East - The Largest Private Equity Event in the MENA Region: 4 - 7 October 2015

Global Pacific & Partners' 22nd Anniversary Africa Oil Week/Africa Upstream Conference 2015, 27th- 30th October 2015, Cape Town International Convention Centre, South Africa
The longest-running and most prominent event held worldwide in or on the Continent for its fast-growing oil, gas-LNG and energy industry. *http://aow.globalpacificpartners.com/events/?fa=event&id=937&evid=938*

The Global African Investment Summit, 1-2 December 2015 Central Hall Westminster, London UK
www.tgais.com/africanbusiness

Mining Indaba 2016 Cape Town, South Africa -01 to 04 February 2016
http://www.saceec.com/events/view/mining-indaba-2016

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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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