INSIDE AFRICA

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Now is the time to invest in Africa

EAGLESTONE SECURITIES

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In-depth:
The promise of digital health

Africa has changed remarkably, and for the better, since I first worked as a young doctor in Angola some 20 years ago. But no change has been more obvious than the way the continent has adopted mobile technology. People in Africa – and, indeed, throughout low- and middle-income countries – are seizing the opportunities that technology provides, using mobile phones for everything from making payments to issuing birth certificates, to gaining access to health care.

The benefit of mobile technologies lies in access. Barriers like geographical distance and low resources, which have long prevented billions of people from getting the care they need, are much easier to overcome in the digital age. And, indeed, there are countless ways in which technology can be deployed to improve health-care access and delivery.

Of course, this is not new information, and a growing number of technology-based health initiatives have taken shape in recent years. But only a few have reached scale, and achieved long-term sustainability; the majority of projects have not made it past the pilot phase. The result is a highly fragmented landscape of digital solutions – one that, in some cases, can add extra strain to existing health systems.

The first step to addressing this problem is to identify which factors breed success – and which impede it. Here, perhaps the most important observation relates to how the solution is linked to the reality on the ground. After all, technology is an enabler for the innovation of health-care delivery, not an end in itself.

Solutions that focus on end-users, whether health practitioners or patients, have the best chance of succeeding. Fundamental to this approach is the recognition that what users need not necessarily the most are advanced technologies, but rather solutions that are easy to use and implement. In fact, seemingly outdated technologies like voice and text messages can be far more useful tools for the intended users than the latest apps or cutting-edge innovations in, say, nanotechnology.

Smartphones are more common in Europe, U.S., less so in developing countries

Percent of adults who report owning a smartphone

Note: Percentages based on total sample.

Source: Spring 2015 Global Attitudes survey. Q71 & Q72.

PEW RESEARCH CENTER

Consider the Community-based Hypertension Improvement Project in Ghana, run by the Novartis Foundation, which I lead, and FHI 360. The project supports patients in self-managing their condition through regular mobile medication reminders, as well as advice on necessary lifestyle changes. This approach is successful because it is patient-centered and leverages information and communication technology (ICT) tools that are readily available and commonly used. In a country where mobile penetration exceeds 80% but only a few people have smartphones, such simple solutions can have the greatest impact.

For health practitioners, digital solutions must be perceived as boosting efficiency, rather than adding to their already-heavy workload. Co-creating solutions with people experienced in delivering health care in low-resource settings can help to ensure that the solutions are adopted at scale.

For example, the telemedicine network that the Novartis Foundation and its partners rolled out with the Ghana Health Service was a direct response to the need, expressed by health-care practitioners on the ground, to expand the reach of medical expertise. The network connects frontline health workers with a simple phone call to consultation centers in referral hospitals several hours away, where doctors and specialists are available around-the-clock. From the outset, the project was a response to an expressed need to expand the reach of medical expertise, and was fully operated on the ground by Ghana Health Service staff, which made this model sustainable at scale.

To realize the full potential of digital health, solutions need to be integrated into national health systems. Only then can digital technology accelerate progress toward universal health coverage and address countries' priority health needs.

Collaboration across the health and ICT sectors, both public and private, is essential. Multidisciplinary partnerships driven by the sustained leadership of senior government officials must guide progress, beginning at the planning stage. Intra-governmental collaboration, dedicated financing for digital health solutions, and effective governance mechanisms will also be vital to successful strategies.

Digital technologies offer huge opportunities to improve the way health care is delivered. If we are to seize them, we must learn from past experience. By remaining focused on the reality of end-users and on priority health needs, rather than being dazzled by the latest technology, we can fulfil the promise of digital health. *(By Ann Aert, Director, Novartis Foundation for World Economic Forum)*

IMF, WORLD BANK & AFRICAN DEVELOPMENT BANK

2016 in review: A new chapter opens at the African Development Bank

At the African Development Bank, 2016 was a transformative year. It was a year of operational accomplishment and institutional renewal.

At the institutional level, the Bank made significant progress in moving its transformation agenda forward. The year started with the launch of the New Deal on Energy for Africa, and a Transformative Partnership on Energy at the World Economic Forum in Davos. The Board discussed and approved four of the High 5 strategies. The Board also approved the New Development and Business Delivery Model (DBDM) and an updated decentralization action plan.

With these approvals, the Bank is now ready to fully roll out its new Development and Business Delivery Model (DBDM) to achieve greater developmental impacts. The DBDM will move the Bank closer to its clients and streamline the business processes as well as improve institutional effectiveness and financial performance. In addition, the approval of a competitive salary structure for both internationally and locally recruited staff and the establishment of performance contracts and completion of the recruitment of the new senior management team were among the key milestones.

On the operational side, the Bank also responded to the needs of its clients. In 2016, the continent's growth rate slowed down due to a difficult global environment. The Bank moved quickly to provide

the support needed to some of its biggest member countries as they dealt with falling commodity prices. The Board approved a budget support worth US $1 billion to Nigeria to help the country deal with declining oil prices. The Bank supported Algeria's industrial and energy support programme with a €900-million loan and funded Phase II of Egypt's economic governance and energy support program for US $500 million

The AfDB's work in agriculture has delivered a wide range of benefits to farmers: better seeds, irrigation and sustainable technologies, and greater access to finance and markets. Bank projects have increased yields, production levels and incomes for farmers, resulting in more dynamic local economies. The Board approved US $250 million in support for the ENABLE Youth program in Nigeria, to contribute to job creation, food security and nutrition, rural income generation and improved livelihoods for youths in both urban and rural areas.

The African continent will have more than 800 million urban residents in 2030 and the figure is expected to multiply to 1.2 billion by 2050. In light of this population explosion, the continent's rapid urbanization and the growth of megacities comes with a corresponding demand for infrastructure. The AfDB has invested heavily in energy, infrastructure, provision of drinkable water and sanitation, integration, public transport, education and healthcare in an effort to improve living conditions for the majority and create conditions for economic transformation. In December, the Bank approved financing for a €769-million project to improve urban transport in Abidjan. The Board approved US $245 million in loans and grants to Uganda and Rwanda to finance a transport project that will boost regional trade and reduce traffic congestion between Kampala (Busega) City and Mpigi. Accra received a US $83.9-million (UA 60-million) loan for an urban transport project to contribute to integrated transport and urban development solutions in the Greater Accra Region.

In 2016, the Bank played a leading role in the battle against climate change. Its contribution in making the voice of Africa heard received renewed recognition this year. The Board of Directors endorsed management's proposal to serve as Trustee to administer and manage the resources of Africa Renewable Energy Initiative (AREI), and also to host the AREI Independent Delivery Unit as requested by African Heads of State and Government. The Bank also led the Africa Pavilion at the COP22 climate talks in Morocco.

The year ended with donors pledging to support the structural transformation of African economies and the Bank's High 5 priorities by agreeing on US $7.06 billion over the next three years to support development projects and programs in the 38 lower income African countries supported by the African Development Fund (ADF). One of the innovations this year is the increased resources for countries affected by a situation of fragility and the private sector.

At the partnership level, 2016 scaled up the Bank's responses through advocacy and the organization of high-level business roundtables in Africa, China, Japan, and Korea. There was enhanced follow-up to ensure aid effectiveness under the Paris Declaration and among multilateral development banks (MDBs). The Bank also established numerous partnerships, with AfDB President Akinwumi Adesina participating in the 5th Korea-Africa Economic Cooperation (KOAFEC) Ministerial Conference in Seoul and the Sixth Tokyo International Conference on African Development (TICAD VI) in Nairobi, Kenya, among others.

AfDB workshop on Independent Review Mechanism outlines complaints procedures for Bank-financed projects

The Compliance Review and Mediation Unit (CRMU) of the African Development Bank Group (AfDB) is organizing an information workshop on "Handling complaints from people affected by AfDB-financed projects" on 11-12 January 2017 in Yaoundé, Cameroon.

During the two-day workshop, Bank experts will brief the participants on issues of accountability, compliance review and problem-solving/complaint-handling approaches. The workshop will also discuss information and mediation training needs and result in a collaboration framework between CRMU and project implementation units, and between CRMU and civil society organizations.

The meeting will bring together some 40 stakeholders from civil society organizations, project implementation units, the media and the government.
The meeting is intended to equip participants with the needed tools to provide support to people adversely affected by Bank-financed projects when they want to complain to the AfDB as a result of non-compliance with the Bank's own applicable policies and procedures.
According to Sekou Toure, Director of CRMU, "Bank financed-projects are characterized by their impact on beneficiaries. Performed under optimum conditions, these projects improve the living conditions of the population while they contribute in a broader sense to the development of the economies of African countries. Despite the enormous efforts made to extend the project benefits to all, it happens often that some people are negatively impacted because of these projects. When this happens, they can use us as a recourse system and submit their complaint that will be handled in line with the procedures of the Independent Review Mechanism (IRM)."
Coming to CRMU implies that the Independent Review Mechanism (IRM) is well known. It is for this purpose that the Compliance Review and Mediation Unit of the Bank that administers the IRM organizes a set of outreach activities to raise awareness about the IRM. The Unit works also to establish frameworks for collaboration with relevant stakeholders for the purpose of ensuring that the concerns of the affected people are addressed adequately.
The Yaounde workshop is the second in a series of similar events planned for 2016. CRMU organized a workshop with the same objective, in Ouagadougou (4-5 April 2016) in Tunis (December 14-15, 2015). The Tunis Workshop was a regional one and was attended by about 50 participants from Morocco, Tunisia, Egypt and Mauritania.

Sudan and the AfDB Sign $ 29 million agreement to support youth entrepreneurship in agriculture

On 21 December 2016, the Federal Minister of Finance and Economic Planning of Sudan, Badr Eldien Mahmoud Abass and the Resident Representative of the African Development Bank (AfDB) Dr. Abdul Kamara signed an agreement for $29 million to finance the Empowering novel agri-business led employment for the youth (ENABLE Youth) in Sudan.
The program, which is specifically designed to reduce youth unemployment in the country, is one of Bank's Youth employment initiatives that gear towards the transformation of African agriculture. Over the next five years, the program will create agro-business opportunities and decent employment for young women and men along priority agricultural value chains in Sudan. It is expected to train and empower 2,000 agricultural entrepreneurs (agripreneurs) in nine Youth agri-business incubation centres in five states in the country. In doing so, the program will directly contribute to fostering and accelerating the revitalization of Sudan's agriculture sector, through increased production and productivity to create jobs and reduce poverty.
The ENABLE Youth Program is built on Sudan's long-term development goals as pronounced in the 25-year national strategy (2007-2031) and the 2nd Five-year strategic plan (2012-16). It is thus consistent with the Economic Reform Program (ERP) 2015-2019 which aims to diversify the economy away from oil, to agriculture and other non-oil sectors so as to achieve robust, sustainable and inclusive economic growth. The ERP in particular focuses on employment creation through expansion of the production base of the economy, the optimum utilization of resources and allocation towards priorities, and strengthening the role of the private sector. The AfDB's ENABLE Youth Program directly contributes to two of the four pillars of the ERP, namely value chain development in the productive sectors and human capital development.
The Program will identify innovative young men and women with the potential to become entrepreneurs who are willing to pursue business opportunities in agriculture and the agro-industrial sector. In doing so, the program will engage all stakeholders along the agricultural value chain, and thus strengthen the innovation and entrepreneurship ecosystem critical for the start-up and growth of innovative agribusiness enterprises in the country. The program will have a demonstrative and

catalytic effect in encouraging a new generation of entrepreneurs to enter, grow and advance Sudan's agri-business sector.

SEFA grants US $1 million to prepare an innovative community-owned hydropower project in Kenya

The African Development Bank (AfDB)-managed Sustainable Energy Fund for Africa (SEFA) approved a US $992,000-grant to support the preparation of 7.8-MW hydropower project (HPP) in Kenya. The project is based on standard run-of-the-river technology, but features an innovative community ownership structure, where financial returns will also accrue to members of the Mutunguru community in Central Kenya, mainly due to a shareholding structure where communities actually receive a fixed small share of the project's profits.

"This additional financial benefit is expected to translate into significant economic and developmental impacts in the project area, particularly in terms of socio-economic empowerment and job creation. This significant community ownership and support makes it deserving of the SEFA intervention as a model to be considered in future Bank operations," stated Gabriel Negatu, AfDB's Director-General for East Africa Regional Development and Business Delivery Office. SEFA support is instrumental in delivering a bankable project under such unique arrangement by providing: (i) legal support for setting up appropriate community arrangements; (ii) financial advisory; (iii) support to lenders' due diligence; (iv) support to environmental and social impact assessment; and (v) institutional and management capacity building. The AfDB's Africa Climate Technology Centre (ACTC) will also contribute to the institutional and management capacity building for the community.

This project will contribute to Government of Kenya objectives of expanding on-grid generation capacity, in particular through harnessing indigenous renewable capacity. Patrick Kimathi of the Mutunguru Hydroelectric Company Limited affirmed: "The Government of Kenya considers small hydro a top priority given the wide resource availability, baseload properties and ease of integration into the grid. Through building capacity of local communities to own and manage commercially viable grid-connected small hydropower projects, we support implementation of the Feed in Tariff Policy in Kenya to increase access to clean, affordable and sustainable energy."

Mutunguru HPP will generate new income especially for women out of revenues from a renewable energy infrastructure project increasing of 115% the farmers' revenue. It will also enhance job skills of rural women as they take on additional micro-economical activities besides the ones they are already dominating: tea plantations and dairy farms.

The project is fully aligned with the AfDB's strategic goal to support inclusive and green growth by promoting access to clean, modern, reliable and affordable energy services in rural areas; and is well aligned with the Energy Policy as well as the strategy for the New Deal on Energy, by promoting energy access and renewable energy technologies. Finally, it is also aligned with the priorities of the AfDB's Country Strategy Paper 2014-2018 for Kenya.

SEFA to support Tanzania in establishing a Renewable Energy Investment Facility to finance rural energy access projects

The African Development Bank-hosted Sustainable Energy Fund for Africa (SEFA) approved on November 29, 2016 a US $870,000 preparation grant for Tanzania's the Rural Energy Agency (REA) to structure the Renewable Energy Investment Facility (REIF), which will provide affordable finance to private sector clean energy projects providing energy access to rural communities in Tanzania. Specifically, the SEFA grant will include advisory support, development of operational guidelines, risk mitigation framework, fund manager identification, technical and institutional support for the REA towards the establishment of REIF and capacity building for relevant public sector institutions/agencies and private sector project developers.

Tanzania's national electricity coverage is estimated at just over 20% with transmission grid covering a minor part of the country and leaving out most of the territory. Access is even lower for the rural population at 7% thus nearly 30 million people lack a connection to the electricity grid. The vastness of the country, coupled with low population densities, makes grid extension too expensive, creating a significant market potential for off-grid electrification schemes.
Within this context and the country's considerable and untapped renewable energy potential, the Government of Tanzania (GoT) has set an objective of increasing access to electricity by promoting renewable energy powered off-grid/mini-grid electrification schemes. GoT estimates that about half of the country's rural population could be served by off-grid options in a cost-effective manner, and that mini-grids could benefit 9.1 million people in the country. GoT plans to achieve about 1.3 million connections in rural areas (including public facilities) and increase the average access rate to electricity (both urban and rural) to 35% by 2022. The REIF will thus contribute to expanding rural electrification and increase access to energy services by channelling appropriately tenured and priced finance to private sector companies developing and operating energy access projects in rural areas based on renewable energy technologies.
After the approval, Tonia Kandiero, AfDB Resident Representative in Tanzania, stated that "the SEFA support to will help address existing financing gap in the market and accelerate private sector participation in off-grid electrification in Tanzania. We expect this initiative to make a real contribution to Tanzania's ambitious energy access targets, ultimately improving livelihoods for all rural communities in the country. We are also pleased to provide this support in the context of African Development Bank's New Deal on Energy for Africa Strategy, which stresses universal energy access through increased adoption of clean energy technologies and partnership with the private sector."

IMF Executive Board Completes Third Review under the Policy Support Instrument (PSI) for Senegal and Concludes 2016 Article IV Consultation

Senegal's macroeconomic situation is stable. Growth is expected to exceed 6 % in 2016, while inflation remains low. The fiscal deficit has been declining steadily from 5.5 % of GDP in 2013 and is projected to reach 4.2 % of GDP in 2016. The current account deficit has narrowed and is projected to reach 6.5 % of GDP in 2016, driven by lower oil prices and improved export performance.
Program performance through September 2016 has been satisfactory. All end-June 2016 assessment criteria and indicative targets were met, except for the indicative target on tax revenue which was missed by a very narrow margin due to lower-than projected customs revenue. Of the five structural benchmarks (SBs) set for the period from June to October 2016, three were met. Of the other two SBs, one has been implemented and the other on the reorganization of the tax office will be postponed as part of a wider reform…..
…The financial sector should play a stronger role in supporting private-sector led growth. Financial indicators are improving, but from a low level. Regional supervision should be strengthened, including with a view to further reducing non-performing loans. Domestic reforms are needed to improve incentives for extending credit.
Senegal remains at low risk of debt distress, but debt levels are rising. Increased nonconcessional borrowing, including on the regional market, has raised the debt service burden on the budget. Maintaining its low risk of debt distress is predicated on sustaining the high levels of growth envisaged under the PSE while adhering to the planned fiscal consolidation path, which will require rapid progress in fostering private investment. Better selection, evaluation and monitoring of investment projects to ensure a strong economic return and accessing concessional and semi-concessional borrowing whenever possible as part of a comprehensive debt management strategy will contribute to keeping debt on a sustainable path while ensuring efficient implementation of the public investment program envisaged under the PSE. Moreover, there is an urgent need to

strengthen Treasury operations that are under pressure from legacy arrears and financial difficulties of the postal system. Staff welcomes the authorities' intention to take stock of the pressures on the Treasury by conducting an audit by end-March 2017 and formulate an action plan as soon as possible.
The outlook for the Senegalese economy is positive and risks are manageable, provided there is a concerted effort to continue improving economic governance. PSE success depends on rapidly implementing the critical mass of reforms which have been identified, including from the peer learning catalyzed by the Fund. An explicit review of the political economy of reforms should facilitate implementation of these reforms. However, risks, mainly domestic, relate to the entrenched rent seeking and patronage that may hinder opening up economic space and ensuring that everyone pays their fair share of taxes in a transparent system.
Failure to overcome these lobbies for the status quo would, as has happened four times since 1990, result in the current growth momentum being lost. External risks include possible increases in the cost of public borrowing and slow growth in key partner countries. Security risks in the region could also adversely affect investment and, hence, growth and exports…

INVESTMENTS

Gabon: Olam announces massive investment this year

Gabonese subsidiary of Singapore group Olam International said it will, in 2017, focus on the Nkok privileged economic region (ZERP) as well as on transport, energy and hydraulic infrastructures. In the Nkok ZERP, the firm plans to develop 1126 ha of multi-sector industrial warehouses, to help diversify Gabon's economy and make 100% made in Gabon products for both the local and external markets.
Regarding infrastructures, besides the 2,300 km of power lines already laid for 450 villages, Olam plans to build 65 km of water pipes between Port-Gentil and Loanda's beach. The new investments add to a hundred hydraulic standpipes already installed. The goal here is to insure that each and every one has access to reliable and modern power services, for a national socio-economic boom.
In the transport sector, Olam plans to increase the number of jobs at the Cargo Port which is under construction, from 500 to 1,300. The firm said 800 additional jobs will be generated in the beginning of the year, at the 18ha site which will be dedicated to the transportation of containers and cargos. The company's plans for the sector include reducing cost for importing and exporting goods, in line with the government's strategy to bring cost of living down.
Similarly, the Owendo mining port will have its employment capacity increased by 300 direct jobs. Moreover, this dock which will be expanded to 45ha, will be dedicated to the export of commodities and aggregate transport. Olam says its plans for the sector include cutting down import-export logistics costs and make Gabon's mining sector more competitive. *(By Synclair Owona, Ecofin Agency)*

Mozambique: Tete industrial investment zone on the cards, say analysts

The government of Mozambique is to develop an industrial development zone (IDZ) in Tete Province, to make use of the area's plentiful coal reserves, analysts told African Business. Rovubué Industrial Free Zone will be developed on the border of Chiúta and Moatize districts with mainly private sector funding, although the government may commit some money to infrastructure, such as power, water and road services. Some Maputo-based security analysts – who declined to be named – confirmed that the government is in talks with likely private sector investors in the IDZ but they are unlikely to put pen to paper until the final investment decision is taken on the project's anchor tenant, a steel plant.
The Tete Iron & Steel Project is to be developed by Baobab Resources of the UK, the International Finance Corporation of the World Bank and Metallurgical Corporation of China. According to Mozambique's Minister of Industry and Trade, Max Tonela, the Chinese group will provide technical support. The $905m plant will be supplied with locally mined metallurgical coal and also local iron ore. Tete's iron ore deposits have not yet been developed but reserves are currently estimated at 759m tonnes. The government hopes that both local and regional manufacturing companies that require steel will be attracted to the IDZ, but there is also the potential for the steel to be exported to other countries. Industrial and manufacturing companies that invest in the IDZ will also be able to transport their goods via the three new railways that are either already

in place or under construction between Tete and the Indian Ocean ports of Nacala and Beira. Metallurgical Corporation of China and ABB completed the feasibility study into the steel plant at the end of November. The first $770m phase, with production capacity of 500,000 tonnes of steel rods per year, is planned by 2020. And thereafter,
And thereafter, output will be ramped up to 1.5m tonnes per year in phase two. The provincial government estimates that up to 2,500 jobs will be created in iron ore mining, although it is not clear whether this includes employment at the steel plant.

Coal plants

Several coal-fired plants are also planned in the area. The Tete reserves include thermal as well as metallurgical coal, so there will be plenty of convenient feedstock.
Most of the main coal mining investors in the province have pledged to develop coal-fired power plants that will be able to supply electricity to Tete, the rest of Mozambique and the Southern African Power Pool. As well as creating some employment in their own right, the power plants can provide electricity to industrial consumers in the Rovubué IDZ. On 20 December, Ncondezi Energy reported that it was close to finalising the terms of investment on its 300 MW coal-fired plant in Tete, which it expects to jointly develop with Shanghai Electric Power Company. Jindal Steel and Power has severely reduced the size of its Tete power plant from the original vision of 2,640 MW, which was announced in 2011, to the current plans for 300 MW, which is to be developed in two phases.

Boosting regional growth

Tete's economy is currently built on the export of energy resources: coal from the Moatize Basin and electricity from the Cahora Bassa hydro scheme. With coal prices recovering and new rail lines soon to be completed, it would be easy for Maputo to rely on coal exports to drive economic growth in the region. While the government faces criticism over the ongoing debt crisis, the proposed IDZ will provide a welcome boost to the local economy. It is hoped that the Rovubué scheme will create much-needed employment for north-west Mozambique. Despite strong national growth over the past 20 years, development has focused on the south of the country. *(By Neil Ford, African Business)*

Infotur focuses on foreign promotion of national tourism

The Tourism Promotion Institute (Infotur) intends this year to strengthen the country's external promotion, with the aim of attracting thousands of tourists and international investors to the sector.
According to a press release from Infotur that reached Angop, a strategy was created based on three pillars, namely participation in the largest international fairs in the sector, international marketing campaigns and the holding of fun trips "destination discovery" by international tour operators". "This new strategy is more market-oriented and is being implemented at FITUR, Madrid's International Tourism Fair, which will start on 18 January this year. We are improving our offer to compete with our neighbours", reads the document. The note adds that these actions will give a greater visibility to the country in the major international markets that emit tourists, actions that are part of the Operative Plan of Tourism. With these initiatives, the note emphasizes, a more effective dissemination of the actions to promote Angola will be made, in addition to divulging the targets defined by the government". Infotur believes that it is important that the Angolan delegation to international fairs include representatives of culture, TAAG, tour operators, Foreign Migration Services and other entities. According to the note, signed by the director general of Infotur Eugénio Clemente, the Institute intends to participate in the International Tourism Fair of Madrid, Lisbon and Berlin, as well as the holding of "international road shows" on business opportunities in tourism. It recalls that in 2016, the institute focused its strategy on the internal market by carrying out a series of actions aimed at raising national awareness about the country's tourism potential, training operators and publicizing the business opportunities presented by the sector, and 2017 will be a year of external promotion of the destination Angola. *(Angop)*

French ambassador wants greater cooperation with Angola

The ambassador of the Republic of France to Angola, Sylvain Itté, expressed his desire to intensify cooperation between the two countries in various areas of socio-economic affairs.
The diplomat said so at the end of a meeting that was granted him by the provincial governor, Higino Carneiro, on his first visit to the Provincial Government of Luanda (GPL), since his accreditation in Angola. According to Sylvain Itté, his country has many potential cooperation issues in the water, sanitation,

urbanization, urban organization and public transport sectors. He announced his intention to contact the French Development Agency to assist in the financing of projects that are approved.
Despite this, the diplomat said there are few projects with Angola, especially in Luanda that can be improved with plans of several private companies, which can solve problems with apartments, parking, public transportation and urban mobility. There is also the possibility of structural institutional cooperation between Angolan public authorities and French public services. "I reiterated the availability of the embassy, the French services to help the authorities in developing cooperation," he said. Over 70 French companies work in Angola in various sectors. France is a member of the UN Security Council, the first military power of Europe and the second economic one, after Germany. On the continent, it is the first agricultural power. The French community in Angola is estimated at 3,000 residents, while the number of Angolans in that European country is estimated at 15,000. *(Angop)*

Malanje open to private investment
The northern Malanje province is open to new private investments, while they provide development and jobs for youth, said the governor, Norberto dos Santos.
According to the governor, who was speaking at the inauguration of a commercial establishment, aimed at restoration and service provision, it is fundamental to have new enterprises in the province to leverage the region's economy. At the time, the provincial director of Commerce, Tourism and Hotel, José Domingos, said that Malanje is recording another gain, towards economic growth, with new building coming up in the urban area with several services joined. The three-storey establishment has a restaurant, beauty shop, boutique, Spa and terrace. It generated 20 new jobs. *(Angop)*

BANKING
Banks

Tanzania in talks with Credit Suisse for $300M loan
Tanzania has initiated talks with Swiss banking group Crédit Suisse which is headed by Tidjane Thiam, regarding a $300 million loan to finance infrastructure projects, Minister of Finance, Philip Mpango, announced on December 31, 2016. “The government has initiated negotiations with Credit Suisse in the United Kingdom for a loan of $300 million following recent improvements in the cost of borrowing in European markets,” he said in a statement. Mpango added that Tanzania was negotiating with other lenders such as the Kuwait Fund for Arab Economic Development, the Abu Dhabi state fund Mubadala Development and the OPEC Fund for International Development (OFID) for an undisclosed amount of loans. The Eastern African country plans to get non-concessional external loans worth $936 million in 2016/2017 (July to June) to finance public spending. Tanzania’s President John Magufuli, who was formerly minister of Public Works, promised to launch major infrastructure projects, including railways, a new port and a pipeline. A delegation of the International Monetary Fund (IMF) which was in Dar Es Salaam last October told the government to prioritize the financing of infrastructures to support its growth. The government recently announced it forecast economic growth at 7.5% in 2017 and 7.9% in 2018, against 7.2% in 2016. *(Ecofin Agency)*

Unitel controls 51.9% of BFA's capital
The mobile phone company of Unitel concluded the purchase of 2% of the capital of Banco de Fomento Angola (BFA) from Banco Português de Investimento (BPI), thus controlling 51.9% of the Angolan financial institution**.** With this operation, BFA consolidates its benchmark image in the Angolan banking, an example of excellence, innovation and added value for the country's economy, Unitel said in a press release. According to Unitel, the operation shows confidence in the Angolan economy a time when its great challenges are beginning to be overcome. Mário Leite da Silva will take over the position of Chairman of the BFA Board of Directors, thus replacing Fernando Ulrich. This solution also resolved the issue of the great risks imposed by the European Central Bank on BPI, which obliged the Portuguese bank to reduce its exposure to the BFA. *(Angop)*

Angolan bank Banco de Poupança e Crédito resumes lending to the economy
Angolan bank Banco de Poupança e Crédito (BPC) will resume lending to the economy over the first quarter of 2017, the bank’s chief executive, Zinho Baptista said recently. BPC announced in mid-2015 it was

spending credit to the economy, explaining the move was due to the reduction of resources due to low oil prices on the international market.
In that period, the state began to collect less revenue from the sale of oil and, because of this, fewer funds have been available to BPC, the largest State bank, to lend to businesses and families. The bank has the highest rate – 23% – of loans that are non-performing or overdue for more than 90 days in the Angolan financial system.
BPC's shareholders are the Finance Ministry, representing the Angolan State, the Social Security Fund of the Angolan Armed Forces and the National Social Security Institute (INSS).
The BPC increased it number of branches across the country from 442 to 444 by opening two new branches in Luanda. The bank said opening the two branches was intended to optimise its distribution channels and improve services provided to customers of the largest public bank in Angola, which has 163 branches in Luanda alone. *(Macauhub)*

Funds

Indian investment firm Aavishkaar to spend $150 million to expand in Africa
Indian firm Aaviskaar Venture Management Services (AVMS) has announced plans to raise between $100 million and $150 million for Africa investments. "We will start the fund-raising around the middle of 2017 and we expect to close it in 2018," said Vineet Rai, founder of Intellecap-Aavishkaar group. The new African fund will focus on investing on African low-income groups, especially in the agriculture, finance and financial technology sectors. "We will use the sow-tend-reap strategy of multiple round investing and will be an early investor," Rai told local Indian media Regions targeted are West and East Africa, especially Kenya, Ethiopia, Nigeria, Rwanda, Tanzania and Ghana. Investments will range from half a million to $5 million. The investment firm's expansion strategy in Africa is part of another to increase its outstanding investments (debt and equity) to $3.5 billion by 2024. *(By Idriss Linge, Ecofin Agency)*

Nigerian sovereign fund in credit tie-up to unlock infrastructure funding
Nigeria's sovereign wealth fund is setting up a company in partnership with London-based local currency guarantee firm GuarantCo to enable pension funds to invest in Nigerian infrastructure bonds, its chief executive said.
The new business will be launched in a few weeks' time and aims to overcome some of the challenges facing the financing of infrastructure projects in Africa's most populous nation. "The company will provide enhancements for infrastructure bonds, and we believe this will make an effective platform for Nigerian pension funds to invest in them," said Uche Orji, chief executive of the Nigeria Sovereign Investment Authority (NSIA), which has some $1.25 billion under management.
GuarantCo facilitates infrastructure development in low income countries by providing credit guarantees denominated in local currency to financial institutions and bond investors. It is funded by Britain, Switzerland, Sweden, the Netherlands and Australia, and specialises in frontier market infrastructure.
Poor infrastructure and access to capital is a major bottleneck to growth in Nigeria, and the government has identified infrastructure investment as a major priority.
Unlocking fresh sources of capital will help, with Nigeria's pension fund assets at $26.4 billion at December 2015, according to data from Nigeria's National Pension Commission.
Orji said that currently, when municipalities want to issue bonds to fund infrastructure projects, most pension funds won't buy them because the credit rating of the issuer isn't strong enough.
The new venture will provide a form of monoline insurance, giving a guarantee and allowing pension funds and insurance companies to invest. "The NSIA cannot give guarantees by itself, so we have created a company that can do this," he explained.
The tie-up is the latest in a series of partnerships for the NSIA. In August it announced agreements with Old Mutual Investment Group and UFF Agri-Fund to establish two funds to invest in real estate and agriculture respectively. Orji said these could make their first investments in the first quarter of 2017.
The Agri-Fund aims to improve Nigeria's food security and is seeking investments in farms, storage and irrigation infrastructure for everything from arable crops to dairy farming and fish farming. "That is more advanced in terms of being able to make an investment, and the first quarter is likely to be very busy," Orji said. The real estate fund is targeting commercial property such as offices, hospitality, logistics and industrial parks. The NSIA also signed a strategic partnership agreement with its Moroccan peer, Ithmar Capital, to co-operate on bilateral investments.

These include a Trans-African gas pipeline which it is envisaged will support the creation of industrial hubs. Orji said this was an ambitious project but it would be cheaper and more effective than trying to build LNG facilities across Africa to export Nigeria's gas.
With a recovery in the oil price in late 2016, and a better macro environment, Orji expects further injections into the NSIA in 2017 following 2016's $250 million additional funding. "There's been a strong commitment shown by the administration in continuing to support the fund, and even in 2016, as difficult as it was with the oil price, there was still an injection," he said. *(By Claire Milhench, Reuters)*

Markets

Angola Central Bank Sells EU407.4m FX in Week Through Dec. 30

Average exchange rate for period 186.282 kwanzas/eur, 166.728 kwanzas/dlr, Banco Nacional de Angola says in statement on its website.

- 49.6b kwanzas of 91-, 182- and 364-day T-bills sold at 16.54%, 24.49% and 24.49% respectively
- 18.7b kwanzas of 2-, 3-, 4-, 5-yr bonds issued at 7%, 7.25%, 7.5%, 7.75% respectively
- Overnight rate, known as Luibor, 23.35% vs 24.68% previous week *(Bloomberg)*

Lebanese EuroMena closes third fund at $150bn, targets SSA

Lebanon-based investment firm EuroMena, announced the close of its third fund at $150 billion. “In spite of a difficult macro-economic environment in the region, EuroMena has once again succeeded in finding investors, confirming the robustness of its performances,” said Romen Mathieu, Managing Partner at EuroMena. Besides already present investors like Proparco (French Public aid to private sector branch) and the European Investment Bank, the fund attracted new investors such as the International Finance Corporation, German Finance Development Organization (DEG), and the Commonwealth Development Corporation. With its third fund, EuroMena plans to expand its geographical sphere of intervention to sub Saharan Africa, a region which according to analysts, records a middle-class driven rapid growth. Sectors targeted are mass retail and consumption, beverages and food, financial services and ICT. *(Ecofin Agency)*

Moroccan central bank approves five Islamic banks

Morocco's Central Bank has approved five requests to open Islamic banks in the country and allowed three French banks to sell Islamic products, it said.
Islamic banks and insurers are setting up in Morocco after new legislation allowed them into the market, and the central bank has set up a central sharia board with a body of Islamic scholars to oversee the new sector. The North African country had long rejected Islamic banking due to concerns about Islamist movements, but its financial market lacks liquidity and foreign investors, both of which Islamic finance could attract. The central bank had said it received seven requests to open Islamic banks.
The regulatory approvals concern the three major Moroccan banks Attijariwafa Bank, BMCE of Africa and Banque Centrale Populaire (BCP), and two smaller lenders Credit Agricole (CAM) and Credit Immobilier et Hotelier (CIH).
Morocco's biggest private bank Attijariwafa won the approval while it is still in talks with a partner, the central bank said. The bank's managing director, Ismail Douiri, told Reuters in October that Attijariwafa was in advanced talks with the Islamic Development Bank (IDB). Douiri said IDB would be a technical partner with a minority stake of between 10 and 20 %. Morocco's BCP has chosen Guidance Financial Group, BMCE has picked Bahrain-based Al Baraka Banking Group, while CIH is partnering with Qatar International Islamic Bank. Moroccan state-owned bank Credit Agricole (CAM) has also won regulatory approval to create a unit with the Islamic Corporation for the Development of the Private Sector (ICD), a subsidiary of the Saudi-based IDB.
The two parners have said they would inject 200 million dirhams ($19.70 million) of capital into the offshoot and raise that to 400 million dirhams later. Subsidiaries of French banks Societe Generale, Credit du Maroc and BMCI won permission to sell Islamic products.
Islamic finance, based on principles that ban interest and pure monetary speculation, has grown rapidly over the past decade. Morocco will issue its first ever Islamic bond (sukuk) in the domestic market in the first half of 2017, the finance minister said last month. However, parliament has yet to to approve a bill regulating Islamic insurance, or takaful. ($1 = 10.1540 Moroccan dirham) *(By Aziz El Yaakoubi, Reuters)*

ENERGY

SEFA grants Uganda $1mln for 20MW biomass-fueled plant

Sustainable Energy Fund for Africa (SEFA) granted $993,000 to power developer Earth Energy Co Ltd for preliminary works for the development of a 20 MW biomass gasification project. The funding will allow the Ugandan company to conduct preliminary studies such as technical and environmental feasibility studies as well as assess the project's social impact. The infrastructure, which will be connected to the national power grid, will be supplied in agricultural waste by around 15,000 farmers from the region. The farmers will this way be able to increase their annual earnings by about $720. The project will also result in the creation of 6,000 jobs in Gulu Town, in Uganda, and help prevent deforestation by providing rural communities biochar briquettes as an alternative to firewood. "This grant will be instrumental in both the deployment of an innovative technology in an African context, but also in providing a clean energy alternative to a country highly dependent on hydropower such as Uganda," said Amadou Hott, vice-president for power, energy, climate and green growth at AfDB which manages SEFA. *(By Gwladys Johnson, Ecofin Agency)*

Uganda: Renewable Energy project

Uganda has commissioned a 10MW solar power plant, the largest in East Africa, in its eastern district of Soroti. Built by Dubai's Access Energy Group and France's Eren RE, the $19m plant will provide clean electricity to 40,000 residents. It is Uganda's first grid-connected solar plant as the country looks to raise power generation capacity to 1,500MW by 2020, from the current 850MW. The power plant has the potential to increase its net output capacity by a further 20MW of solar energy. "We are ready to double generation capacity as soon as the national grid is ready," David Corchia, Eren's chief executive, said. "We are really proud to have the project here in Soroti, some of us had even lost hope in expanding our businesses," said 30-year-old Daniel Owundo, who owns a restaurant in the outskirts of Soroti, plagued by soaring costs of using a diesel-powered generator.

According to Owundo, for years, government has promised but not delivered electricity to his small township of Ongori, located some 10km from the main town. Since the connection of solar, Owundu has retired his generator and is looking forward to introducing a fast food section in his restaurant, which has previously concentrated on only local dishes. "More people are visiting this area now, business is picking up," Owundu said. The government of Uganda has been keen to develop alternative energy sources to diversify away from its hydropower plants, which are currently beset by unstable water levels blamed on dry spells and changing weather patterns. With the sun shining every day in the country, analysts say solar is the way to go. "It's an untapped potential. While there is uncertainty about fuel prices, we are assured of daily sunshine," said Benon Mutambi, the head of the Electricity Regulatory Authority (ERA).

Demand for electricity has also been growing spurred by the increasing population. Statistics from the ERA indicate that peak demand for power is growing by 15% every year. All this is crucial in an economy that is expanding fast and aims to give half of its 34m people access to electricity by 2017.

The government has long regarded solar energy as a viable option for renewable energy generation. According to the renewable energy policy, the country has a solar electricity potential of about 200MW, 1650MW from biomass, 800MW from peat, 2200MW from hydropower stations and 400MW from geothermal energy.

Uganda recently signed a €90m ($95.5m) loan deal with the German development bank KfW and the French government finance agency AFD to build a 45MW power plant. According to the Ministry of Energy, 85% of the population does not have access to electricity and that number is rising. There is a desperate need for more energy. *(African Business)*

A bright future for African solar

Recent tenders for the development of solar photovoltaic (PV) power projects in different parts of the world suggest that the uptake of solar PV could boom in Africa faster than previously thought. The falling cost of solar power has been obvious for more than a decade.

Technological advances have increased the proportion of solar energy that a solar cell can transform into electricity, while manufacturing economies of scale have cut costs. Yet the pace of this transformation has increased beyond all expectation during the course of this year.

Many governments have held tenders for long-term contracts to develop and operate large solar PV projects in order to secure the best possible prices. When the second phase of the Mohammed bin Rashid al-Maktoum

Solar Park attracted a winning bid of $58.5/MWh at the end of last year, this was the lowest rate ever achieved in the Middle East.
Yet a consortium of Abu Dhabi's Masdar, Fotowatio Renewable Ventures and Gransolar Group both of Spain, and Saudi Arabia's Abdul Latif Jameel submitted a bid almost 50% lower, of just $29.9/MWh, in the third, 800 MW phase in May. The world record for low PV prices was broken yet again in September in neighbouring Abu Dhabi, when Marubeni Corporation of Japan and China's JinkoSolar Holding Company submitted the lowest bid of 88.8 dirhams/MWh ($24.0/MWh) for 350 MW.
The Gulf states enjoy huge solar and financial resources, but this trend is being replicated elsewhere in the world. Chile's PV auction attracted the lowest bid of $29.1/MWh in August and Latin America as a whole has emerged from almost nowhere as an important destination for solar power investment. The region accounted for a paltry 0.2% of the global PV market in 2011, yet this figure is projected to reach 9.3% in 2018 by analysts GTM Research. In addition, solar PV has already reached price parity with gas-fired power plants in Italy and other parts of Southern Europe.

African situation

The implications of this trend for Africa are profound, as the continent enjoys some of the best solar resources on the planet. An estimate 585m Africans have no access to electricity in their homes, relying on wood, charcoal and kerosene, which all have environmental and safety problems.
Solar PV has already begun to take off in East Africa, with companies such as M-Kopa and Juabar providing solar panels to hundreds of thousands of homes since the start of last year, while solar kiosks are springing up across the region to enable customers to charge their mobile phones. What is most impressive is that this capacity is being added without any financial incentives.
Concentrated solar power (CSP) is already beginning to take off on the continent. CSP involves using solar energy to heat a liquid that is then used to produce steam to drive turbines in the same manner as coal, gas and oil thermal power plants and geothermal renewable energy schemes. Two of the four biggest investors in CSP in the world are in Africa: South Africa and Morocco. The South African government has assumed an average price of R930/MWh ($66.4/MWh) in its energy calculations for 2016, half the rate that had originally been proposed and the figure is likely to be cut again next year.
Africa has the solar resources and ability to develop large-scale commercial solar power projects. It is therefore a matter of time before huge PV schemes begin to spring up across the continent. It would be no surprise, within five or ten years, if all discussion of new traditional thermal power plants were to cease as attention turns fully towards renewables – not on environmental grounds but mainly because of commercial considerations. *(By Neil Ford, African Business)*

INFRASTRUCTURE

Brazilian company Andrade Gutierrez Engenharia awarded work in Angola

Brazilian company Andrade Gutierrez Engenharia said it had been awarded a contract worth US$82 million for the completion of rehabilitation, expansion and modernization of the airport runway in the city of Dundo, capital of Lunda Norte province in Angola. The company said the contract had been signed on 26 December at the Angolan Ministry of Finance and that it had actively participated in setting up a credit line, alongside the government of Angola. The funding will be guaranteed by a syndicate of international banks led by KfW IPEX-Bank (Germany) and includes the participation of the Development Bank of South Africa (DBSA) and Banco Bilbao Vizcaya Argentaria (BBVA, Spain), among other banks as co-signatories. According to the Brazilian company, this credit line will allow the Angolan government to pay the amounts due for work already carried out and guarantees the payment of the work, whose completion is scheduled for October 2017. *(Macauhub)*

Sub-Saharan Africa records third highest global construction rate

Chinese engineering groups have dominated the sub-Saharan Africa building boom, thanks to Export-Import Bank of China concessionary loans
After recording the highest construction growth rate globally between 2011 and 2015, sub-Saharan Africa slipped to third place in 2016, trailing the Middle East and North Africa and Asia-Pacific regions, BMI Research said in a report released.
Chinese engineering groups, thanks to government support in the form of concessionary loans from the Export-Import Bank of China, have dominated the sub-Saharan Africa building boom and will continue to do

so this year, BMI said. A large project likely to start in 2017 is a standard gauge railway network linking Kenya, Uganda, Tanzania and Rwanda.
Another big infrastructure project is the East African Power Pool. This was established in 2005 to promote electricity trading between Ethiopia, Kenya, Uganda, Tanzania, Rwanda, Burundi, Egypt, the Democratic Republic of Congo, Sudan, South Sudan and Libya. "We believe sub-Saharan African governments will continue to embrace China's involvement in their construction markets, with the nation offering cheap credit lines — a lifeline for fiscally pressured governments — and construction sector expertise — critical in markets with an acute shortage of skilled labour," BMI said.
The region's construction boom has attracted an increasing number of cement makers. In December, the Tanzanian government announced that three cement companies planned to invest about $9.2bn to increase production capacity. The East African market is already home to units of SA's Afrisam, Heidelberg Cement, Switzerland-based LafargeHolcim and Nigeria's Dangote, with a cumulative annual capacity of over 10.3-million tonnes. *(By Robert Laing, Business Day)*

MINING

Burkina Faso: SEMAFO gets mining permit for Natougou project
Mining firm SEMAFO announced it has received the approval of the Burkina's government regarding its application for an exploitation mining permit for its Natougou gold project. With the licence, the company will start developing the project within set deadlines. Construction will commence in the next few weeks and production is expected to start in the second quarter of 2018. The Natougou project is located in the South-Eastern part of Burkina Faso. Feasibility study conducted SEMAFO confirmed the project's economic viability with a 48% post-tax internal profitability rate at a set price of $1,100/oz gold. The firm plans to produce over the first three years of exploitation, 226,000 oz/yr gold average. SEMAFO is a Canadian firm listed on the Toronto stock exchange and on the North Europe market. It holds in Natougou the Tapoa permit which includes four adjacent exploration permits namely, Dangou, Pambourou, Boungou, and Bossari, covering over 772 km². *(By Louis-Nino Kansoun, Ecofin Agency)*

South Africa's Eskom to meet coal supplier over drop in black ownership
South Africa's state-owned power producer Eskom will meet with Exxaro Resources after the coal producer approved a transaction that will see its black ownership drop to 30 % from over 50 %, the utility said. The diversified miner said in November it planned to replace its existing ownership structure through a share buyback process that would dilute its black ownership. The ownership issue is important because Eskom's policy requires new contracts with suppliers that have more than a 50 % black shareholding.
Eskom spokesperson Khulu Phasiwe said old contracts such as Exxaro's would not be affected but it was seeking a meeting with the company about the issue. "We are suggesting that we should have a meeting very soon," he said. A spokesman for Exxaro declined to comment beyond saying the company anticipated a meeting with Eskom shortly. Shares in Exxaro were 3.6 % lower in late Johannesburg trade.
Government and mining companies have often been at odds over the issue of "black economic empowerment", known locally as BEE, which was established to redress the imbalances of white apartheid rule.
The Chamber of Mines, which represents several mining companies, expressed concern over a revised draft of the mining charter, which seeks to establish a new regulatory agency and impose social development targets on the industry based on revenues. *(By Tanisha Heiberg, Reuters)*

Diamond production of Sociedade Mineira de Catoca in Angola reaches 7.2 million carats in 2016
Diamond production of the Catoca Mining Society reached 7.2 million carats in 2016, announced the general manager of the company, in statements made in Saurimo, capital of Lunda Sul province. In a message to employees, the Director-General Sergei Amelin said the lower prices of diamonds on the international market prevented the company achieving the financial results originally planned.
The Catoca Mining Society is an Angolan company for exploration, recovery and sale of diamonds, made up of Empresa Nacional de Angola Diamonds (Endiama), Alrosa (Russia), LLV (China) and Odebrecht (Brazil), responsible for extraction of more than 75% of Angolan diamonds.
In addition to the Catoca kimberlite, which operates in Lunda Sul, the company has a majority stake in concessions such as the ones at Luemba, Gango, Quitúbia, Luangue, Vulege, Tcháfua and Luaxe.

In recent statements, the minister of Geology and Mining of Angola, Francisco Queirós, said that diamonds provided Angola with income totalling US$1.082 billion in 2016, a drop of 8.45% compared to US$1.182 million recorded in 2015, with a production total of 8.934 million carats.
The minister, summarising the sector's performance last year, said the decrease was due mainly to the considerable decline in artisanal production, which recorded a drop of almost 60% year on year.
The Angolan Minister of Geology and Mining of Angola considered that, despite this slight decline in production and gross revenues, the diamond sub-sector continues to show "strong sustainable performance, offering a good outlook for substantial recovery in the coming years." *(Macauhub)*

Kibo Mining unfazed by management restructuring at Tanzanian Electric Supply Company
Kibo Mining has said that it was not fazed by the ongoing changes and restructuring at the Tanzanian Electric Supply Company (Tanesco) which were seen as threatening to its Mbeya Coal to Power Project (MCPP). This comes after Tanzania president John Magufuli promptly sacked Tanesco MD Felchesmi Mramba, after the country's Department of Energy and Minerals revoked an 8.5% increase in power charges. Kibo is on the brink of developing a 250 MW to 350 MW mouth-of-mine thermal power station in its power and coal mine elements, the MCPP in south-western Tanzania. Kibo said it viewed the latest announcements regarding management changes and tariff reviews as part of an ongoing reform and restructuring process.
The Tanzania-focused mineral exploration and development company said Tanesco had been undergoing policy changes and restructuring under the new Tanzanian government.
Kibo Mining CEO Louis Coetzee, said the latest announcements with regard to Tanesco would not in any way affect the MCPP. "The latest announcements with regard to Tanesco are not directed at any of the utility's development projects or business development policies, nor are there any indications that the latest announcements will in any way affect the Mbeya Coal to Power Project (MCPP), or any of the work streams currently underway in this regard," Coetzee said."Through our close and transparent relationship with the Tanzanian government, we will continue to diligently progress the further development of the MCPP and we will promptly update shareholders should any changes materially impact the current work programme of the MCPP." *(Engineering News)*

Glencore Studying Raising Stake in Congo Mine With Gertler
Glencore Plc, the commodities trader and miner headed by billionaire Ivan Glasenberg, is considering increasing its stake in the Mutanda copper mine in the Democratic Republic of Congo.
The Swiss firm, which already owns 69 % of the mine, will make a further announcement if appropriate, it said in a statement, without elaborating. Israeli billionaire Dan Gertler's Fleurette Group owns the rest of Mutanda. A spokesman for Fleurette Group declined to comment.
Glencore last year completed a debt reduction program, reducing borrowings by about $10 billion through a combination of asset sales, reduced spending and the suspension of its dividend. Last month, emerging from the self-imposed era of austerity, it agreed a surprise $11 billion deal with Rosneft PJSC, of which it's commitment was 300 million euros, giving it a stake in the Russian oil producer and a new off-take accord.
The $1.8 billion Mutanda project is central to Glencore's global copper expansion plan. Glencore and Gertler began investing in mines at Mutanda and neighboring Katanga almost a decade ago. In 2015, Mutanda produced more than any other copper mine in the Congo, Africa's biggest miner of the metal.
In September, Glencore said it was reviewing allegations by U.S. authorities regarding the bribery of officials in the African country said to implicate Gertler.
Some of the Israeli businessman's projects in Congo were funded by Och-Ziff Capital Management Group LLC, which in September agreed to pay more than $400 million to settle a U.S. investigation into allegations of bribery violations in Africa.
Och-Ziff Agreement
Och-Ziff's partner in Congo paid $100 million in bribes to government officials over a 10-year period to win access to mining assets, according to an agreement between Och-Ziff and the U.S. Justice Department. That partner was Gertler, a person with knowledge of the matter, who asked not to be identified because it's private, said last year.
Gertler has consistently denied paying bribes. He hasn't been charged with an offense and wasn't mentioned by name in either the settlement with the Securities and Exchange Commission or those with the Justice Department. None of the allegations pertain to the Mutanda mine.

Glencore's African copper assets, which also include the Mopani operations in Zambia, recorded revenue of $3 billion in 2015, according to the company's annual report.
The stock was little changed at 290.95 pence by 9:56 a.m. in London, valuing the company at $52 billion. Glencore shares tripled last year, making it the second-best performer on the U.K.'s benchmark FTSE 100 Index. Rival Anglo American Plc was the top performer, almost quadrupling.
Peter Grauer, the chairman of Bloomberg LP, is a senior independent non-executive director at Glencore. *(By Jesse Riseborough, Bloomberg)*

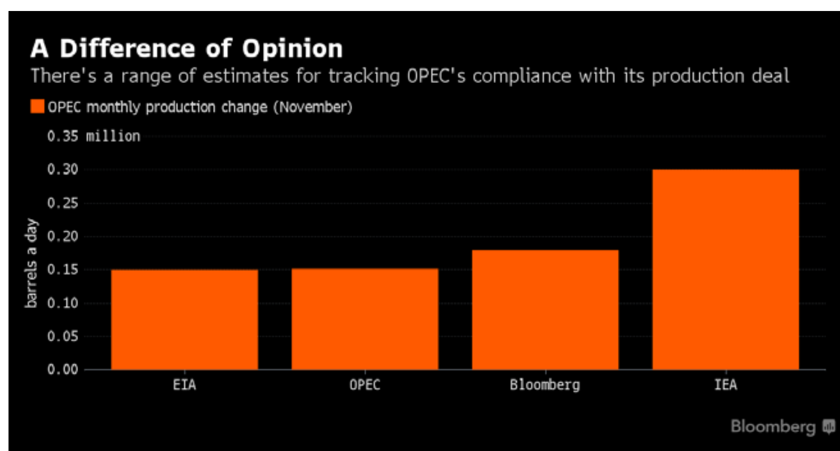
OIL & GAS

Will OPEC Deliver Its Output Cut Deal? Here's How We'll Know

The promise of production cuts from OPEC and its partners sent oil rallying in 2016. Now traders want proof they're delivering on those vows. It won't come easy.
The challenge: Building a coherent picture from the morass of data that emerges at each step along the process, from the wellheads where the oil is produced, to the tankers that carry it, and the depots that store it.
Unlike in the U.S., where output is published weekly, members of the Organization of Petroleum Exporting Countries can take months to disclose their production. Beyond that, their data can be at odds with independent surveys, and countries have been known to cheat on such deals. With a rising U.S. rig count offering a bearish undertone, each new hint on the accord's implementation can be expected to swing prices.
"The market could be whipsawed more by data and headlines than in the past," said Michael Cohen, head of energy commodities research at Barclays Plc in New York, in a telephone interview. "Data lags will be the primary problem in tracking cuts."
Brent crude, the global benchmark, has surged 24 % since Nov. 29, the day before the deal was sealed among OPEC's members. The grade was trading at $57.36 a barrel at 11:01 a.m. in London. Future price increases for crude will depend on a wide variety of signposts. Here's a breakdown on what to look for:

1. Upstream

The first indications will come at the start of next month, when media outlets such as Bloomberg, Thomson Reuters and Platts publish surveys of production. Estimates from institutions such as the International Energy Agency and U.S. Energy Information Administration arrive a week or two later.
As "no one's counting barrels at Abqaiq," the Saudi oil-processing facility, these have to be modeled on computers, Barclays' Cohen says. "While we consider official production data published by OPEC governments, we come up with our own estimates," said Lejla Villar, an analyst who estimates OPEC output at the EIA, part of the U.S. Energy Department. "We look at crude oil loadings, estimated domestic consumption and refinery runs, storage, and whatever else might be relevant."
OPEC won't publish production levels until the middle of next month. Even then, the waters will be muddied as the organization provides two sets of data: the one used to monitor the agreement, compiled from the surveys described above, and numbers submitted directly by member governments, which can differ significantly.



Monitoring the 11 non-members collaborating in the deal could be even harder, as data for the smaller producers like South Sudan and Equatorial Guinea are very patchy. "At the moment it's hard to be sure how much announced production cuts have been followed or matched by actual changes," said Damian Kennaby,

director in the oil markets team at IHS Markit Ltd, whose estimates are among the external ones used by OPEC. “There are very few data on current production numbers and balances.”
To provide more clarity, OPEC and its partners have established a monitoring committee, to hold its first meeting in Vienna from Jan. 21 to Jan. 22, though the panel hasn’t yet said in detail how it will operate.

2. Midstream

While the agreement applies to production, changes in exports will be felt more acutely by the international oil market. National producers notify customers months in advance what cargoes are available, which means some details on exports are already known. Iraq’s shipping schedules, for instance, show the country’s sales will increase rather than decrease next month, though the country subsequently said buyers should prepare for lower volumes.
Once the oil is on the water there’s a range of services dedicated to following its flow, from ship-tracking data compiled by Bloomberg to companies such as Petro-Logistics SA and Oil Movements. Satellite-tracking means these shipments can be estimated almost in real-time.
Still, a drop in exports might not guarantee a change in production, according to the EIA. “The question of storage is the key unknown when estimating production using export data,” said the EIA’s Villar. “It’s difficult to know how much of the lifted crude each month comes from storage and how much from production in that particular month.”
Furthermore the size of the cuts, at just 4 % of OPEC’s total output, “is not necessarily enough to have an impact on the number of tankers,” said Olivier Jakob, managing director at consultants Petromatrix GmbH.

3. Stockpiles

Clearing bloated oil inventories, rather than achieving a particular price, has always been the stated aim of OPEC’s intervention. The group estimates that the world’s tanks are overstuffed by more than 300 million barrels, or enough to satisfy China for almost a month.

Yet if stockpiles are the most important metric, the problem is that they are perhaps the most lagging, with data from the IEA arriving about two months in arrears.
The agency previously assumed inventories wouldn’t drop until the end of 2017. It now estimates that OPEC’s cuts could start to deplete inventories as early as the first quarter, which means data from this definitive gauge would arrive in April or May. OPEC, meanwhile, has said that while the deal will speed up the re-balancing of the global oil market, it won’t result in demand exceeding supply until the second half of the year.
Even if OPEC delivers the cuts promised, there’s still the risk of backsliding if their competitors in the U.S. respond by ramping up drilling, said Chip Hodge, who oversees a $12 billion natural-resource bond portfolio as senior managing director at John Hancock in Boston. "If activity picks up dramatically here, it might push other producers into cheating because of what that means for prices," he said. *(By Grant Smith and Mark Shenk, Bloomberg)*

Libya's oil production rises to 685,000 bpd - National Oil Corp

Libya was producing 685,000 barrels of oil per day (bpd), up from around 600,000 a day last month, an official from the National Oil Corporation (NOC) said.
Output has risen after a two-year blockade was lifted two weeks ago on major pipelines leading from the western fields of Sharara and El Feel.

Production has been resuming gradually at Sharara, which has a capacity of 330,000 bpd. But there has been no announcement of a restart at El Feel, which can produce 90,000 bpd but where a group of guards has been blocking operations. The NOC official declined to give details on the status of operations at the fields.
National output remains far below the more than 1.6 million bpd that Libya was producing before its 2011 uprising. The NOC says it hopes to raise production to nearly 900,000 bpd by March, but this remains at risk from political conflict. Libya is one of two members of the Organization of the Petroleum Exporting Countries (OPEC) that is exempted from a recent deal to cut output. *(By Aidan Lewis, Reuters)*

CEO of Angola's state-run oil company sacks subsidiary's board
The head of Angola's state oil company Sonangol has fired the executive committee of subsidiary Sonangol Exploration and Production, the company said. Sonangol's chief executive Isabel dos Santos, the billionaire daughter of President Jose Eduardo dos Santos, has told the Financial Times she plans to split the company into three units. Dos Santos has said she wants to improve transparency at Sonangol, long been regarded as one of the most opaque institutions in Africa.
Sonangol cited "management weakness" and financial concerns for the dismissals. "This decision is in line with the stance of the new Board of Directors of the oil company to be consistent with the principles of rigour and transparency," its statement said. Sonangol Exploration and Production is also involved in prospecting. The Financial Times quoted Dos Santos as saying Sonangol would be divided into three units: exploration and production, logistics and a division that handles its concessions to international oil companies. Non-oil interests will be placed in a fund. Angola, a member of OPEC and currently Africa’s top oil producer and third largest economy, has been hit hard by the slump in global crude prices. Oil export revenues account for more than 90 % of its foreign exchange revenues, which critics say have been squandered and siphoned for decades. *(By Ed Stoddard, Reuters)*

Algeria to boost drilling in 2017 to increase output -Sonatrach official
Algeria's Sonatrach will drill 290 wells in 2017 in comparison with 265 in 2016, the head of the oil and gas giant's drilling division told Reuters. OPEC member Algeria has seen a slow rise in energy output this year after years of energy stagnation, helped in part by increased production at existing fields like Hassi Messaoud and new gas fields coming online in its southern Sahara region. The North African country has struggled to draw in foreign energy companies to help it to explore new fields, its efforts undermined by low global oil prices and what many investors see as tough contract terms and operating conditions. "Of the 290 wells, 190 will be for production and 100 for exploration," the head of Sonatrach's drilling division Khelil Kortobi told Reuters in an interview at Hassi Messaoud, explaining next year's drilling programme. Hassi Messaoud, Algeria's biggest oil field, produces more than 400,000 barrels per day. Oil output is expected to reach 69 million tonnes of oil equivalent in 2016, against 67 million tonnes last year, while gas production will rise to 132.2 billion cubic meters (bcm) from 128.3 bcm in 2015 and 130.9 bcm in 2014, a Sonatrach report showed earlier this year. Like other producers, Algeria has been hit by the global oil price crash and is focusing on boosting production to alleviate pressure on the government budget. Around 97 % of Algeria's revenues are from oil and gas. "Our key objective is to rise total output by 20 % by 2020," Kortobi said. Kortobi said Sonatrach has 100 drilling rigs, with 30 % of the equipment belonging to foreign firms including China's Sinopec and Greatwall, India's John Energy and WDI. A major supplier of gas to the European market, Algeria was in talks earlier this year with energy companies and European Union officials to explore ways Algeria can adapt to more competitive markets and attract investment. *(By Patrick Markey and Catherine Evans, Reuters)*

BP’s risky $1bn West African gas deal?
BP’s decision in December to invest $936m in a gas project offshore Mauritania and Senegal represents a risk due to the difficult market conditions facing the gas sector. The London-headquartered company hopes to produce gas – probably in the form of liquefied natural gas (LNG) – in the Greater Tortue Area, off the coast of both West African nations.
The acreage in question is estimated to contain about 50 trillion cu ft of gas and 1bn bbl of liquids. The biggest field, Tortue, contains an estimated 15 trillion cu ft and was discovered just 18 months ago. The British company will pay operator Kosmos Energy of the US $162m directly, fund $221m worth of appraisal drilling and contribute $553m towards development.

However, the actual LNG project will require far more investment. Even with attractive terms of investment and low construction costs, a project with production capacity of 10m tonnes of LNG a year will cost more than $10bn to construct. A spokesperson for BP commented: "The deal gives BP a leadership position in an emerging world class, low cost gas basin with advantaged access to global gas markets." BP CEO Bob Dudley said that the deal may "create a new liquefied natural gas hub in Africa", as the company increases its gas interests at the expense of oil.

BP will take a 62% stake in blocks C6, C8, C12 and C13 in Mauritania, plus 32.49% shares in Saint Louis Offshore Profond and Cayar Offshore Profond in Senegal, all offshore. This will leave Kosmos with 28% interest in the Mauritanian blocks and 32.51% in the Senegal acreage. The final investment decision (FID) on the LNG project is expected in 2018; and BP and Kosmos have also agreed to jointly explore other acreage offshore the same region.

Bigger picture

This is a tricky time for new LNG producers. Prices are currently fairly low, hovering around $7-8 per million Btu (British thermal units). This is up from the low point of $4.2/million Btu in May but still well down on the peak of $20/million Btu reached in February 2014.

Moreover, a string of new projects are due to come on stream over the next few years, including in Australia and the United States. US gas imports were expected to increase steadily until the unconventional oil and gas boom transformed the supply situation in North America and now the country is focusing on exports. At the same time, Russia and China have signed a huge gas export deal that could satisfy much of the latter's demand.

Although some LNG is sold on the spot markets, most is shipped under long-term contracts of perhaps 20 years. The FID on any project will not be taken until most output is tied to such deals and at an attractive price. It is always a difficult balancing act in the LNG sector: forecast prices must be high enough to justify construction but sufficiently low to encourage customers to sign supply contracts. Kosmos CEO Andrew Inglis, who was previously in charge of BP's upstream operations, said: "The industry has taken a timeout over the last two years, exploration has fallen off and many don't have the depth of portfolio that they used to. The big companies are starting to address that issue." The fact that BP is investing in Tortue now suggests that it expects LNG to become a viable option in the medium term.

Mozambique and Tanzania

New trains elsewhere in the world will make it difficult for new African producers, not just in Mauritania and Senegal, but also in Mozambique and Tanzania. The governments of the two eastern African states put their gas reserves at 180 trillion cu ft and 57 trillion cu ft respectively, which would be sufficient to feed a dozen trains between them, as well as countless local projects. Yet LNG schemes in both countries have been delayed because of the state of the market and there is a feeling that they have missed the boat on LNG.

Given the debt crisis affecting the government, it would be in Maputo's best interests to encourage rapid development. The government of Mozambique approved five decrees on 6 December to support LNG production by investors led by Anadarko and Eni. Government spokesperson Ana Coana said: "The government opted to relinquish its right to receive in kind its quota of available gas as well as the gas production tax. The aim is to turn the projects viable. The concessionaires commit themselves to a joint sale of liquefied natural gas in order to offer huge volumes and get better prices at the market." Even once the FID on the various projects is taken, it is likely to be at least five years before the first gas is shipped. Speaking at an investment conference in November, Statoil's Tanzania country manager, Oystein Michelsen, said: "We are prepared for the project to take a long time, but we could bring it forward if the government is ready."

It is important to note that the two LNG producing regions are likely to be targeting different customers. The global LNG industry is almost two different sectors, based on the Atlantic and Asian markets, although there is now a little overlap. Production from Mauritania and Senegal is likely to be mainly sold in Europe, plus possibly Turkey and Latin America. Gas from Mozambique and Tanzania will almost certainly be sold to Asian companies. *(By Neil Ford, African Business)*

Uganda's oil projects stall

Uganda's hope of becoming East Africa's biggest oil producer have been hampered by the government's inability to attract investors to build a planned oil refinery.

RT Global Resources, a Russian and South Korean consortium, which had won the bid early 2016 has since reneged on the agreement to fund the 30,000 barrels a day refinery in the western district of Hoima where oil

was discovered almost a decade ago. According to the Ministry of Energy of Communications Specialist Ibrahim Kasita, RT Global Resources was to finance 60% of the estimated $6bn needed for the project, leaving the Ugandan government to provide 30%, while Tanzania was to raise 10%.
However, the Ugandan government was unable to raise its share of the required capital because of fiscal challenges facing the East African country. The World Bank and the International Monetary Fund recently withdrew budgetary support to Uganda cuts to government expenditure.
The consortium withdrew after Uganda and Tanzania did not make their contributions to the project as per the agreement. As a result, the plan to have the refinery ready by the end of 2017 has been delayed and Energy and Minerals Development minister Irene Muloni now says it will be ready in 2020. However, finding new investors has proven to be difficult partly due to the low global oil prices. The price of brent crude oil has fallen from over $100 per barrel in June 2014 to $$56.49 per barrel on Wednesday 4 January.
Investors have also been turned off by President Yoweri Museveni's insistence that the oil refinery will be built in the remote Hoima district, where oil has been discovered, according to an official in the Ministry of Energy and Minerals Development's department of exploration, who declined to be named. The Ugandan government also hopes to obtain additional investment for the oil refinery from both Tanzania and Rwanda.
However, analysts have raised concerns that Uganda losing sovereignty of the project by bringing in regional partners. "When you invite neighbouring countries to invest in the sector, it is difficult to see the free hand of the market in the oil Uganda hopes to produce," said Stephen Yendha, an economist at Uganda's Ministry of Finance.
Nevertheless, it seems that the Ugandan government will continue to search for investors to build the refinery, however, some analysts have questioned the viability of the project in Hoima. An official from Total, the French oil firm involved in Uganda's oil industry, who also declined to be named, said that it would make economic sense if Uganda piped crude oil to a refinery in the Kenyan coastal city of Mombasa, which has the required infrastructure for competitive marketing of oil.
Kenya was expected to contribute to the building of the refinery, but the discovery of commercial oil deposits in the northeastern Kenya potentially means that East Africa's largest economy will rethink its commitment to the Ugandan oil project. Kenya's oil discovery has also thrown into doubt Uganda's potential market share of oil production in the region. *(By Epajjar Ojulu, African Business)*

AGRIBUSINESS

Uganda: Government to develop in partnership with Korea $1.2bn irrigation scheme

Uganda's government in partnership with Korea Rural Community Corp (KRC), is preparing in the Kibuku and Palissa districts, located in the Eastern parts of the country, a Sh4.5 trillion ($1.28 billion) irrigation project which will be spear-headed by the Ministry of Agriculture. "The project, which is to be constructed on River Mpologoma in Pallisa and Kibuku districts, is to run for 49 years and is to be implemented in phases," said Okassai Opolot, director of crop resources at Ministry of Agriculture. The project, in addition to help fight prolonged drought in the Eastern region of Uganda, will, according to the official, "improve post-harvest processing facilities, distribution, agricultural produce marketing and also build capacity for poverty alleviation and job creation in rural areas". *(Ecofin Agency)*

Ivorian Cocoa Piles Up at Ports as Shippers Halt Purchases

Cocoa is piling up at ports and warehouses in Ivory Coast, the world's biggest producer, after a plunge in futures prices prompted some exporters to suspend purchases. Trucks carrying cocoa are queuing to deliver beans at inland buying stations and the largest ports in Abidjan and San Pedro, according to four shippers familiar with the matter. Some smaller exporters stopped purchasing and their larger peers are running out of storage space, leaving an estimated 125,000 tons of beans without a buyer, said the shippers, who asked not to be named because they aren't allowed to speak publicly about the matter. "We have been here for five days and still haven't been able to discharge," Moussa Doumbia, a truck driver carrying 50 tons of cocoa from the town of Abengourou, near the eastern border with Ghana, said Dec. 23 while waiting at the port in Abidjan, the commercial capital. "Exporters are refusing to buy because of a lack of storage space." A spokeswoman for industry regulator Le Conseil du Cafe-Cacao, or CCC, declined to comment when contacted. "The government hasn't been informed about the situation at the ports," Bruno Kone, a spokesman for the cabinet of President Alassane Ouattara, told reporters in Abidjan. The agriculture ministry "hasn't warned us yet. We will monitor the issue and we'll let you know."

Building Stock

Stocks are building after futures traded in London tumbled more than 20 % in the past two months because of a rebound in production that's leaving the global market oversupplied. Lower prices mean that many small exporters that didn't lock in sales earlier in the year have now suspended purchases as they can't afford to pay farmers the minimum price set by the government. Some large exporters can't absorb more beans due to restrictions imposed by the CCC on the amount each company is allowed to purchase.

Ivory Coast usually sells about 80 % of the bigger of two annual harvests before the season starts on Oct. 1. Based on those sales, it sets the price for farmers. After futures gained for the past four years and surged to the highest since 2010 in July, the nation raised the farm-gate price by 10 % to 1,100 CFA francs ($1.74) a kilogram for this season.

Lower Price

"At the moment, only Cargill, Barry Callebaut, Cemoi and Olam are buying, so we are sending our trucks to their buying stations and factories," said Jacques Sery, who runs a growers cooperative in the biggest cocoa-growing region of central-western Daloa.

Ivory Coast sells most of its beans to about 100 exporters who ship them to processors in countries including the Netherlands and Germany. Shippers range from global food traders such as Cargill Inc. to chocolate makers including Barry Callebaut AG and Nestle SA. Some beans are grounded locally.

Beans are also piling up at farms, where growers are being offered lower prices of 900 to 950 CFA francs a kilogram, said Alexis Zangbeu, member of a cooperative in Mahapleu, in the western part of the country. "We can't eat cocoa. We need cash," he said. "The situation is untenable and we don't have the means to store cocoa for a long time." Cocoa for March delivery fell 0.5 % to 1,796 pounds ($2,202) a ton at 10:51 a.m. on ICE Futures Europe in London. *(By Ange Aboa, Reuters)*

Nigeria: CBN and Heritage Bank grant $6.5M to aquaculture

The Central Bank of Nigeria (CBN) and Heritage Bank granted a N2 billion ($6.5 million) long-term loan to Triton Aqua Africa Limited (TAAL). This loan is part of a commercial loan system for agriculture that aims to boost Nigerian aquaculture so as to cut down frozen fish imports. The facility will first be invested in a fishery unit including a hatchery and in equipment to produce fingerlings in Ikeja, in the Lagos State.

Secondly, it will be used to set up earthen ponds for catfish and tilapia in Asejire and Gambari, in the Oyo State, and Iwo, in the Osun State. "Triton is now producing 25,000 metric tonnes and with them on board, about 25,000 metric tonnes capacity will be added to our current production, the company's projection is to reach 100,000 metric tonnes in 5 years," said Group Head, Agriculture Finance of Heritage Bank, Olugbenga Awe. Nigeria is far from being self-sufficient in fishes. Its output currently stands at 800,000 tons, for a demand of 2.7 million tons per year. *(Ecofin Agency)*

Croton nuts: Africa's new biofuel that literally grows on trees

The history of biofuel production in Africa is marked with expensive and damaging failures. The much-hyped jatropha crop saw millions of dollars and vast tracts of land squandered, while the production of palm oil has been widely criticized for association with environmental damage and human rights abuses.

But there is a new hope for the field. The Croton megalocarpus tree is common throughout much of East and Central Africa, and until now it has been used for little more than firewood.

The nuts of the tree have been shown to contain high concentrations of oil and protein, and they are now being used to produce a fuel that could serve as a clean alternative to diesel.

With an abundant supply of croton nuts available at minimal cost, a new industry is emerging with sky-high ambitions.

Low-hanging fruit

In 2012, serial entrepreneur Alan Paul established Eco Fuels Kenya (EFK) to explore the potential of croton, following early research that suggested promise. His company is now the driving the movement to bring croton biofuel to the mainstream. The business took a low-key approach at first, in contrast to high-budget flops such as jatropha. "(Paul) said we can grow organically by sourcing what is already there from one of the most common trees," says EFK Managing Director Myles Katz. "We can buy nuts from farmers so they get an income and we have a business model that does not require $10 million of funding and a big plantation to get off the ground."

EFK put out radio ads to attract local entrepreneurs into partnerships, who assembled teams of smallholders to supply the nuts. When suppliers realized their previously useless trees had become an easy and reliable source of income, the network rapidly expanded.
This has enabled EFK to double production each year, says Katz, up to 1,000 tons of nuts this year from 500 tons in 2015. The company is now in a position to scale up the operation, without having planted a single tree.

New products

Producing croton nut oil is a low-tech, low-energy process compared with traditional fuel manufacturing. "It is comparable to any other nut or oil pressing facility," says Katz. "We modify the equipment to work on croton nuts but essentially we are buying machines used with walnuts or macadamia nuts." Much of the fuel is sold to local businesses that run generators, such as tourist camps. The company has also branched into selling by-products of the nuts, including seedcake from the pressed nut as poultry feed, and organic fertilizer from the shells. This offers insurance at a time investors remain wary of biofuels, says Katz. "The 'unknown' (element) is hard for investors," he says. "We are not an oil-only business, and we can stand on different parts of the business at different times."

Grand plans, local roots

Having local networks of suppliers and agents is key to the EFK business model, and a critical challenge for the company is to maintain these networks while expanding across the country and beyond. "We have a completely local approach," says Katz. "Everything we source, process and sell should be within 100 kilometers of the factory."
The company plans to maintain this approach while creating up to five new factories in Kenya and several more in neighboring countries such as Tanzania in the coming years.
EFK is also planning a first foray into an "orchard model" of planting its own trees on a 500-acre plot in 2017, that will allow the company to test and push the limits of croton capacity. "There is an interesting topic of crop efficiency," says Katz. "An indigenous tree with access to normal rainfall might produce 100 kilograms of nuts a year. But the optimum trees will produce over 300 kilograms...The 'orchard model' can change outcomes dramatically."

Ripe for success

Croton can succeed where other biofuels have failed, according to Dr. Gerald Kafuku, principal research officer of the Tanzania Commission for Science and Technology, who has published several papers on the properties of croton oil. "I can say that croton is one of the most promising sources of biofuel," he says. "It can give advantages in the form of biodiesel or straight oil, and as a 'carbon sink' for afforestation."
Kafuku believes that only a lack of funding for research and development is holding croton back from the mainstream. He adds that the region urgently needs such solutions. "East Africa is among the areas where there is significant environmental degradation," he says. "New biofuels such as croton can add to the alternative sources of renewable energy as well as providing for more planting of trees."
Croton can also avoid the ethical pitfalls of other biofuels by benefiting local communities, according to Rodrigo Ciannella, head of the biofuels program at the World Agroforestry Centre. "(Croton) is providing value from a natural resource that is already abundant in the country and is largely wasted," he says. "Farmers are already benefiting from receiving additional income...and they could get even more by having access to other components of the value chain such as fertilizer."
With global demand for biofuels set to increase steadily, Katz believes it is a matter of time before oil giants enter the croton market and the nut becomes a major industry that can rival fossil fuels. "I like to tell people that croton will be a coffee or tea type of value chain," he says. "There will be lots of competitors and regional processing all over East Africa." *(By Kieron Monks, CNN)*

UPCOMING EVENTS

Power Tech Africa 2017 30th 31th January 2017 Nairobi Africa
http://infraoutlook.com/events/Power-Tech-Africa-2017/

World Economic Forum Annual Meeting 17-20 January 2017 Davos-Klosters, Switzerland
https://www.weforum.org/events/world-economic-forum-annual-meeting-2017

Project Financing Options for Energy and Energy Related Infrastructure Projects in South, East and North Africa - 23-24 January 2017, Dubai
http://www.energynet.co.uk/event/growing-economies-project-financing-forum

Investing in African Mining Indaba 6-9 Feb 2017 – Cape Town South Africa
https://www.miningindaba.com/ehome/index.php?eventid=174097&

Powering Africa Summit Washington, DC 08-10 March 2017
http://www.energynet.co.uk/event/powering-africa-summit-2016

Business Council for Africa - The Annual Debate 22 March 2017 - The Law Society London
The Annual Debate will focus on how Africa can respond to the challenges posed by global macroeconomic trends.
https://www.eventbrite.co.uk/e/the-annual-debate-2017-tickets-29044764673

FT African Infrastructure Financing and Development 2017 - London 23 March 2017
https://live.ft.com/Events/2016/FT-African-Infrastructure-Financing-and-Development-2017

The Africa CEO Forum 2-21 March 2017 in Geneva, Switzerland
http://www.theafricaceoforum.com/en/

5th Africa Financial Services Investment Conference 3-5 May 2015 Park Plaza Riverbank London
http://www.afsic.net/

AIX (Africa Investment Exchange): Gas 2017 Developing partners along the gas value chain 5-6 April 2017, London
https://africa-investment-exchange.com/aix-gas-2017/

19th annual Africa Energy Forum (AEF) from 7-9 June - Bella Center, Copenhagen, Denmark
http://africa-energy-forum.com/

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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 Conduct Authority.

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