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INSIDE AFRICA

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In-depth:

These are the 8 reasons why 2018 could be Africa's year

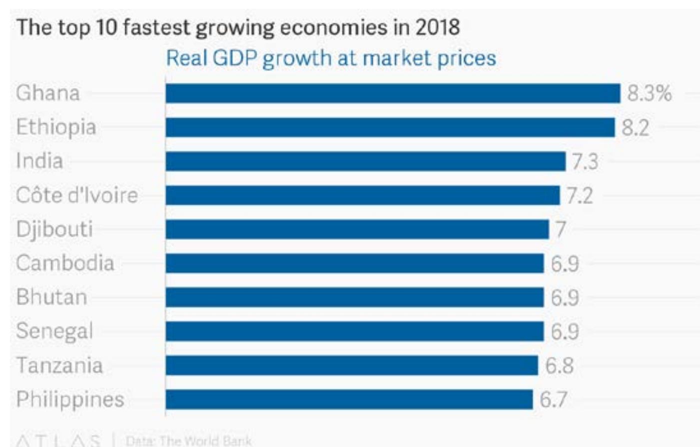
We are still near the start of 2018, and already it feels like tension and disorder will be the year's defining characteristics. From anti-immigration policies in the United States to flaring geopolitical hotspots in the Middle East and East Asia, disruption, upheaval, and uncertainty seem to be the order of the day.

But at least one metric offers reason for cautious optimism: economic growth. The International Monetary Fund estimates that global growth will reach 3.7% this year, up from 3.6% in 2017. As Christine Lagarde, the Fund's managing director, put it in a speech in December, "The sun is shining through the clouds and helping most economies generate the strongest growth since the financial crisis."

It was fitting that Lagarde made that observation in Addis Ababa, because it is in Africa where the rays of prosperity are shining brightest. In fact, I predict that 2018 will be a breakout year for many – though not all – African economies, owing to gains in eight key areas.

For starters, Africa is poised for a modest, if fragmented, growth recovery. Following three years of weak economic performance, overall growth is expected to accelerate to 3.5% this year, from 2.9% in 2017. This year's projected gains will come amid improved global conditions, increased oil output, and the easing of drought conditions in the east and south.

To be sure, growth will be uneven. While nearly a third of African economies will grow by around 5%, slowdowns are likely in at least a dozen others. Sharp increases in public debt, which has reached 50% of GDP in nearly half of Sub-Saharan countries, are particularly worrying. But, overall, Africa is positioned for a positive year.



Second, Africa's political landscape is liberalizing. Some of Africa's longest-serving presidents – including Zimbabwe's Robert Mugabe, Angola's José Eduardo dos Santos, and the Gambia's Yahya Jammeh – exited in 2017. In South Africa, Jacob Zuma's resignation allowed Cyril Ramaphosa to become president. In January, Liberians witnessed their country's first peaceful transfer of power since 1944, when former soccer star George Weah was sworn into office.

All of these gains will be tested, however, as voters in 18 countries go to the polls this year. Adding to Africa's story of divergence will be continued political fragility in a number of states, including the Central African Republic, Burundi, Nigeria, South Sudan, and Somalia.

A third source of optimism is Africa's agricultural sector, where the potential of smallholder farmers, the majority of whom are women, is finally being realized. African agricultural output is forecast to reach $1 trillion by 2030. This maturation could not have come at a more opportune time; roughly two-thirds of Africans depend on agriculture to make ends meet. Large tracts of uncultivated land, a youthful workforce, and the emergence of tech-savvy "agropreneurs" – agricultural entrepreneurs – are lifting production and transforming entire economies.

Fourth, Africans are benefiting from technological disruption. With more than 995 million mobile subscribers, Africa's increasing connectivity is being used to power innovation. Key sectors like farming, health, education, banking, and insurance are already being transformed, greatly enhancing the region's business landscape.

Fifth, African leaders are getting serious about curbing illicit financial outflows from corrupt practices that rob African countries of some $50 billion annually, much of it in the oil and gas sector. While US lawmakers are pushing to repeal portions of the 2010 Dodd-Frank financial reform legislation – which contains a provision requiring oil, gas, and mining companies to disclose

payments they make to governments – the broader trend is toward greater transparency and accountability.
For example, the Panama Papers and the Paradise Papers pulled back the curtain on the murky system of tax havens and shell companies that shelter billions of dollars from some of the world's poorest countries, including many in Africa. And with the G20 and the OECD working to stop tax avoidance, Africa may soon benefit from global efforts to end shady accounting.
Sixth, Africa's energy sector is set to thrive. While 621 million Africans still lack reliable access to electricity, innovations like renewables, mini-grids, and smart metering are bringing power to more people than ever before. In South Africa, renewable energy has taken off; the price of wind power is now competitive with coal. Ethiopia, Kenya, Morocco, and Rwanda are also attracting large investments in renewable energy.
A seventh area showing signs of progress is education. To be sure, Africa's educational offerings remain dismal; more than 30 million children in Sub-Saharan Africa are not in school, and those who do attend are not learning as much as they could. But many African leaders and publics have recognized these deficiencies; in some countries, such as Ghana, education has even become a deciding issue for voters.
As the Education Commission highlights, some countries are boosting investments in education. This represents an opportunity to align learning outcomes with future employment needs. But with over a billion young people living in Africa by 2050, greater investment in education is urgently needed. (By Caroline Kende-Robb Chief Adviser, Education Commission, for Project Syndicate and World Economic Forum)

IMF, WORLD BANK & AFRICAN DEVELOPMENT BANK

IMF Staff Concludes Visit to Kenya

- The authorities requested a six-month extension of the SBA that expires on March 13, 2018 to allow more time to complete the outstanding reviews of the IMF-supported program.
- In support of this request, the authorities have committed to policies to achieve the program objectives, including reducing the fiscal deficit and substantially modifying interest controls.
- Annual growth could rise further to 6½ % within a couple of years, provided that the authorities continue economic reforms, including reducing the fiscal deficit and amending interest rate controls.

A staff team from the International Monetary Fund (IMF), led by Benedict Clements, visited Kenya from February 19 to March 2, 2018, to conduct the 2018 Article IV consultation and hold discussions on continued IMF support to Kenya, including the authorities' request for an extension of the current SBA.
At the end of the visit, Mr. Clements released the following statement:
"Kenya's economy continued to perform well in 2017 despite a severe drought and a prolonged election period; however, real GDP growth is estimated to have slowed to 4.8 % for the year as a whole. Growth was mainly supported by public investment spending and solid non-agriculture sector performance. Inflation has declined to below the mid-point of the authorities' target range, reflecting a substantial decline in food inflation and appropriate monetary policies. Annual headline inflation declined to 4.5 % in February from 6.3 % in 2016. The banking system has remained stable, and the Central Bank of Kenya (CBK) has continued to strengthen the financial system through its reform program.
"The external current account deficit rose to an estimated 6.4 % of GDP in 2017 from 5.2 % in 2016, reflecting higher imports, including fuel. The exchange rate has remained stable and foreign exchange reserves have risen to US$7.1 billion as of end-January 2018 and are sufficient to withstand any potential near-term external shocks.
"Discussions focused on macroeconomic policies and reforms aiming at ensuring the sustainability of investment-driven, inclusive growth. Kenya's medium-term outlook remains favorable, but

headwinds from weak credit growth will weigh on economic activity in the near term. With elections over and weather conditions returning towards normal, growth is expected to increase to 5½ % in 2018. Annual growth could rise further to 6½ % within a couple of years, provided that the authorities continue economic reforms, including reducing the fiscal deficit and amending interest rate controls. “Elevated fiscal deficits in recent years have raised public debt vulnerabilities. The authorities expressed their commitment to significant fiscal adjustments in the coming years that would help address these vulnerabilities and maintain public debt on a sustainable path. To that end, the IMF team and the authorities agreed that a reduction in the fiscal deficit to 7.2 % of GDP in 2017/18 and further to 5.7 % of GDP in 2018/19, from 8.8 % in 2016/17 would be appropriate. This will be achieved by a combination of revenue measures and contained spending. “The mission welcomed the authorities' plans to accelerate reforms aimed at (i) increasing the efficiency and transparency of public spending, particularly on development spending; and (ii) safeguarding financial stability by strengthening capital and liquidity positions of banks and microfinance institutions, promptly addressing the capital and liquidity deficiencies in individual banks, and implementing new International Financial Reporting Standards (IFRS). “The IMF team urged the authorities to review the interest rate controls introduced in September 2016 with a view to abolishing them or substantially modifying them. The controls have contributed to slow overall credit growth to the private sector, and lower access to credit by SMEs and individuals. In addition, interest rate controls are undermining the effectiveness of monetary policy aimed at ensuring price stability and supporting sustainable economic growth. “The authorities requested a six-month extension of the SBA that expires on March 13, 2018 to allow more time to complete the outstanding reviews of the IMF-supported program. In support of this request, the authorities have committed to policies to achieve the program objectives, including reducing the fiscal deficit and substantially modifying interest controls. Discussions on the details of these policies will continue in the coming weeks. The SBA extension will be presented to the Executive Board before its expiration on March 13, and outstanding program reviews could be completed by September 2018. The team thanks the authorities for their hospitality and constructive discussions.
“The team met with the President, Uhuru Kenyatta; Cabinet Secretary for the National Treasury, Henry Rotich; the Governor of the CBK, Patrick Njoroge; the Principal Secretary for the National Treasury, Kamau Thugge; the Deputy Governor of the CBK, Sheila M’Mbijjewe, and other senior government and CBK officials. Staff also had productive discussions with parliamentarians, civil society organizations, representatives of the private sector, and development partners.”
Background: On March 14, 2016, the Executive Board of the International Monetary Fund (IMF) approved a SDR 709.259 million (about US$989.8 million) 24-month Stand-By Arrangement (SBA) and a SDR 354.629 million (about US$494.9 million) 24-month Standby Credit Facility (SCF) for Kenya, for a combined SDR 1.06 billion (about US$1.5 billion, or 196 % of Kenya’s quota). SCF arrangements cannot be extended beyond 24 months. The first review was completed on January 25, 2017 (see Press Release 17/23) and second and third reviews were not completed.

African Development Bank approves US $100-million Trade Finance Facility in Angola
The Board of Directors of the African Development Bank has approved a US $100-million Trade Finance Line of Credit to Angola’s Investment Bank (Banco Angolano de Investimentos, BAI). The funding will support international trade transactions of small and medium enterprises (SMEs) and local corporates in identified transformative sectors in Angola. In addition, a number of indirect benefits from this facility are expected to accrue to BAI’s subsidiaries in Cabo Verde and São Tomé and Príncipe through the strengthening of correspondent banking relationships by providing guarantees on their international trade transactions.
This project comes at a time when banks in Angola are experiencing significant difficulties in securing foreign currency to finance the import of critical essential products and capital goods. As a counter-cyclical intervention, this facility is similar to other initiatives provided to local banks in Nigeria and Ghana in the recent past.

The Facility is expected to achieve the following main objectives: to enable BAI provide foreign currency liquidity support to finance export/import activities of SMEs and corporates in the non-oil sectors of the Angolan economy; and to support efforts to diversify the economy from oil dependency through the "Angola Invest program" under which the government provides credit default risk cover to financial institutions like BAI to fund SMEs in the non-oil sectors. This will spur investment in agriculture, fisheries/livestock, manufacturing and extractive industries, through facilitating the importation of raw materials, intermediate goods and capital goods.
The Facility is expected to boost trade activities of at least 500 SMEs and local firms in the non-oil sectors, with a value expected to reach US $700 million in 3.5 years. The intervention will enhance BAI's capacity to originate trade finance transactions in the country and effect timely settlement of trade finance obligations to various counter parties. This is crucial to restore confidence in international counter parties supplying essential goods, agricultural inputs and capital goods/equipment to Angolan corporates and SMEs on favourable trade terms.
This intervention is well aligned with the Bank's **Ten Year Strategy 2013-2022**, as well as the **High 5** strategic priorities, including, Light up and power Africa, Feed Africa, Industrialize Africa, and Integrate Africa. It will help to increase enterprise development and competitiveness through expansion of the economic base. This will be made possible by enhancing access to financial services and expanding access to social and economic infrastructure, which will boost inclusive growth.

The African Development Bank obtains US$ 52.5 million Green Climate Fund for Zambia Renewable Energy

At its 19th Board Meeting in Songdo, South Korea, the Board of the Green Climate Fund (GCF) has approved the first funding proposal of the African Development Bank for Zambia's Renewable Energy Financing Framework. The GCF will provide a US$ 50 million loan and a US$ 2.5 million grant.
The Framework aims to finance 100 MW of renewable energy projects under the Renewable Energy Feed-in-Tariff (REFiT) policy of Zambia. The primarily solar projects will help diversify Zambia's energy production which is heavily reliant on Hydro-electricity. Facing a serious electricity supply deficit due to recent droughts, the Government of the Republic of Zambia launched the REFiT policy in 2017 to crowd-in private investments for small-scale renewable projects up to 20MW.
This is the first program that will be co-financed by the GCF and the African Development Bank following the signing of the Accreditation Master Agreement on November 8, 2017 between the two institutions, making the Bank a credited implementer of GCF-approved projects. "This is a significant first fruit of our joint commitment for development and growth in Africa that aligns with the Paris Agreement. We look forward to partnering further with the Green Climate Fund to help increase Africa's share of climate finance" said Akinwumi Adesina, President of the African Development Bank.
The African Development Bank has placed climate change mitigation and adaptation, as well as powering Africa at the top of its agenda. The Bank's second Climate Action Plan commits to 40% of Bank approvals to classified as climate finance annually by 2020 and its New Deal in Energy for Africa, which aims to provide universal access to energy by 2025. "This innovative project represents an important and fitting milestone in our partnership with GCF. Not only do the projects pave the way for providing clean, sustainable energy to around 300,000 people, through diversifying Zambia's energy mix. It will also make the country more resilient to the effects of climate change." said Amadou Hott, Vice President for Power, Energy, Climate and Green Growth at the African Development Bank.
Set up in 2010 by 194 countries who are parties to the United Nations Framework Convention on Climate Change (UNFCCC), GCF is a global fund created to support the efforts of developing countries to respond to the challenge of climate change.

African Development Bank, partners fund construction of 208-kilometre regional road project in Rwanda
1.1 million People to benefit

The African Development Bank, the European Union (EU) Delegation in Rwanda, Embassy of Japan in Rwanda and Japan International Cooperation Agency (JICA) joined the Government of Rwanda to launch the rehabilitation and widening of the Kagitumba-Kayonza-Rusumo road works in the Eastern province of Rwanda.

The Bank's US $93.1 million contribution represents 51% of the total cost for the project, which will directly serve 1.1 million and facilitate travel and trade between Rwanda, Uganda and the Eastern African region.

Speaking at launch of the road construction work, Martha Phiri, Country Manager of the African Development Bank in Rwanda, expressed appreciation for the strong partnership that the Bank continues to enjoy with the Government and the people of Rwanda.

She observed that the road project aligns with Rwanda's ambition to become a regional logistical hub. "We are very proud to continue partnering with you at this very exciting time, as you embark on the final stretch in your journey of transition from a low-income to a middle-income country in line with your National Strategy for Transformation and Long Term Vision," she said.

She observed that the project aligns very strongly with three of the Bank's **High 5 priorities**, namely Feed Africa, Integrate Africa, and Improve the quality of life for the people of Africa.

The project is a component of a regional operation designed to strengthen transport links, while opening up and consolidating the market. The Rwanda section involves the rehabilitation and widening of the 208-kilometre Kagitumba-Kayonza-Rusumo Road. This will include two cross-border markets at Kagitumba (on the Rwanda/Uganda border) and at Rusumo (on the Rwanda/Tanzania border) and the rehabilitation of 10 milk collection centres and 10 water boreholes among other activities.

The project will also provide training for 1,600 women, 7 women associations and facilitate the planting of 41,500 trees. In Uganda, it involves the construction of the four-lane 23.7-km Busega-Mpigi express highway. The total cost of the multinational project is US $376.5 million, out of which US $183.39 million is for the Rwanda component.

Resources were also mobilized from the Japanese Government through JICA, the EU through the EU Infrastructure Trust Fund, and the Government of Rwanda.

Rwandan Minister of Infrastructure James Musoni thanked the partners led by African Development Bank for the financial support to the project, stressing that the collaboration was evidence of the fruitful collaboration with the Bank and other partners.

The project will ease access to markets, reduce the cost of doing business and increase the value of agricultural produce, create jobs for the local people and therefore increase household income, the Minister said.

The Bank's ongoing portfolio in Rwanda stands at an estimated US $892 million targeting transport, energy and water infrastructure and support to skills and private-sector development.

Rwanda Innovation Fund project to receive US $30-million loan from African Development Bank

The Board of the African Development Bank Group has approved a loan of US $30 million to support the establishment of Rwanda Innovation Fund (RIF). The main objective of the project is to promote innovation economy in Rwanda and the East African Community (EAC) region. The resource will be used to establish an investment vehicle focused on funding Tech-Enabled Small and Medium-Sized Enterprises (SMEs) and to develop the country's entrepreneurial/innovation ecosystem capacity.

The project is of strategic national importance to Rwanda as the country seeks to unlock its fast-growing innovation economy and expand and diversify growth in a low-carbon, climate-resilient manner, in line with its Vision 2020 and its current strategy to drive private-sector-led inclusive

growth. There is no Venture Capital Fund vehicle in the country for supporting its promising young entrepreneurs, and local investors struggle to service early stage ventures, including follow up on investments, due to limited funding capacity and liquidity issues.
"By extending this loan to the Government of Rwanda, the Bank wants to enable the country to develop the sector and attract private investors. The project will enable the Bank to play a leading role in helping Regional Member Countries develop sustainable innovation ecosystems, spur entrepreneurial growth, address funding gaps, reduce poverty, and promote socio-economic growth," said Abdu Mukhtar, Director at the Bank's Private Sector, Industrialization and Trade Development Department.
The Fund will support and provide equity financing for SMEs, train tech-oriented entrepreneurs in business planning and management, and increase awareness and sensitization with respect to intellectual property rights in Rwanda, the East African Community and beyond. It aims to mobilize at $100 million in direct commitments from the Rwandan Government and private investors, while targeting a leverage multiplier effect of up to US $300 million in follow-on investments. The project is expected to support more than 150 companies at various stages and invest in about 20 early growth stage opportunities. It will create more than 2,000 direct jobs and over 6,000 indirect jobs over its 10-year life cycle. It will provide capacity-building to 7-10 incubators and accelerators, facilitate 3-5 additional angel networks, and training to about 30,000 entrepreneurs across the region.
The project aligns with the Bank's High 5 priorities and the Ten Year Strategy in leveraging innovation across sectors to promote inclusive growth, youth empowerment, and the creation of high value jobs. It also supports the Bank's Information Technology and Human Capital strategies with regards to skills development for competitiveness, enhancing technology's contribution to GDP and unleashing innovation economies across Africa.

INVESTMENTS

South Africa's Richest Man Is Said to Seek Vumatel for Fiber

- Fiber-to-home provider valued in talks at about $93 million
- Vumatel would consider Johannesburg IPO if deal collapses

Remgro Ltd. is in advanced talks to buy fiber provider Vumatel Pty Ltd. as South Africa's richest man seeks to consolidate the country's expanding broadband infrastructure industry, according to people familiar with the matter.
A deal by billionaire Johann Rupert's investment vehicle would give an equity value of closely-held Vumatel of about 1.1 billion rand ($93 million), said the people, who asked not to be identified as the talks are private.
Rupert would then combine Vumatel with rival Dark Fibre Africa, in which Remgro owns a majority stake, the people said. The deal could still fall through, and if so Vumatel would consider selling shares on Johannesburg's stock exchange, they said. A spokesman for Dark Fibre declined to comment. A spokesman for Remgro said she didn't have an immediate comment and Vumatel couldn't immediately be reached for comment.
The deal would allow Dark Fibre, which has a network of about 10,000 km (6,214 miles), to expand into South Africa's fast-growing fiber-to-home industry, which Vumatel helped to pioneer after entering the market in 2015. Households in cities including Johannesburg, Cape Town and Durban are increasingly seeking higher speeds and more capacity to handle rising consumption of data for services including streaming.
Dark Fibre trails Econet Wireless Global Ltd. unit Liquid Telecom in terms of network size. The company has raised 1.25 billion rand in debt funding and extended a revolving credit facility to 1.1 billion rand to fund expansion, according to its website. Talks between Dark Fibre and Vumatel started in October and could be concluded within the next two months, said the people. Banks working on the deal include Standard Bank Group Ltd. and Investec Ltd., one of them said. Neither

lender could immediately be reached for comment. Rupert has a net worth of $8 billion, according to the the Bloomberg Billionaires Index. Johannesburg-based Remgro also owns stakes in international private hospital operator Mediclinic International Plc and South African spirits maker Distell Group Ltd. (*By* Loni Prinsloo, Bloomberg)

Kenya Says French Companies to Invest $10 Billion in 12 Projects
French companies plan to invest more than $10 billion in 12 Kenyan projects spanning the manufacturing, energy, agriculture and technology industries, President Uhuru Kenyatta said. About 60 executives from companies including Schneider Electric SE, Total SA, Urbasolar, Peugeot SA and Bollore SA are visiting Kenya in search of investment opportunities, the presidency said in an emailed statement. It didn't specify which of them would invest, nor the individual sums involved. Kenyatta, who was re-elected last year, is seeking to expand the $70 billion East African economy with a so-called "Big Four" plan that involves boosting manufacturing to 20 % of gross domestic product, enhancing food security, building half a million affordable housing units and providing universal health-care within the next five years. (By Helen Nyambura-Mwaura, Bloomberg)

India aims to contribute to development of African countries
The Indian government has USD 10 billion to finance investment projects in several African countries, said in Luanda the Indian Foreign Minister Shri Akibar.
The head of Indian diplomacy was speaking at a lecture hosted by the College of Economics at Agostinho Neto University (UAN) on the theme "India, Africa and the Development of the 21st Century" for university students. Shri Akibar said that India intends to identify credible projects to invest and finance in Africa, especially in Angola. Regarding the development process of India, he said that the Indians work for the achievement of modernism, which obeys some strategic pillars, namely sovereignty, unity, emancipation and economic equity. The trade between Angola and India before the drop of the oil price in the international market in 2014 was around USD 7.5 billion, but due to the economic and financial situation, it dropped to USD 3.5 billion. Indian entrepreneurs in Angola invest in various domains of the national economy, from the trade of furniture, plastic, steel, among others. (Angop)

Japan wants to participate in revitalization of Angolan economy
Japan intends to contribute to the revitalization of the national economy by investing in Angola, according to Japanese university professor Sadaharo Kataoka.
The university teacher, who was speaking in Luanda, on the sidelines of a lecture on "Economic Situation in Southern Africa and the Japan Initiative", said that Japan wants to boost investment in Angola. "Angola has enormous potential to grow at all levels of the economic domain," he noted. According to the specialist in international relations and African studies, his country reaffirms the will and willingness to invest in Angola, thus contributing to leverage economic and financial growth, taking into account the potentialities. As for trade between the two countries, he said that Angola imports cars, machinery and steel products from Japan and, its turn, the Asian country receives oil and other raw materials from the Angolan market. The two countries are also negotiating the signing of a reciprocal investment protection agreement. (Angop)

Lunda Norte to receive foreign investment in agriculture
Several Brazilian and Maroccan investors will invest in the agricultural sector of the eastern Lunda Norte province, due to the arable conditions it has for cultivation. The information was unveiled to the press in Dundo city by the minister of Agriculture and Forestry, Marcos Nhunga, during a visit the president paid to the local agricultural project of Cacanda. The coming of foreign investors to this region will boost the local agricultural activity, taking into account that the province has land and water that facilitate the growing of varied products. The agriculture in the province will be developed based on its own characteristics and peasant families and are expected to play a key role

in this field through the cultivation of cassava, peanut and bean. Cacanda project was inaugurated in March 2012 and was initially run by the Agricultiva and Gesterra companies. Now the project is being managed by Agrosub. (Angop)

BANKING

Banks

Mozambique reaches agreement on loan from Russian bank VTB

The Mozambican government is expected to have reached an agreement with Russian bank VTB on how to resolve the problem of the debt taken on from the financial institution, the Mozambican foreign minister said in Maputo. The VTB bank lent US$535 million to Mozambican state-owned Mozambique Asset Management (MAM), which, along with publicly owned company ProIndicus, in 2013 and 2014 took on state-backed loans that were hidden from both parliament and cooperation partners. Minister Jose Pacheco said of the debt to VTB, "the chairman of the Russian bank, was here and he worked with the relevant sectors in this area and there are understandings about how to clean up the debt." Pacheco was speaking alongside Sergei Lavrov, the Russian Foreign Minister, after he was granted an audience with the Mozambican head of state, Filipe Nyusi, at the Presidential Palace in Maputo. The Russian bank lent US$535 million to MAM, while Credit Suisse provided US$622 million to ProIndicus and US$850 million to tuna company Ematum. The Mozambican Ministry of Finance announced in February that representatives of the Mozambican government would meet in London on 20 March with creditors of commercial loans contracted by state-owned public companies. (Macauhub)

Milost Plans $1 Billion Investment in Nigerian Bank

- Firm is said to get initial stake of about 30% in Unity Bank
- Deal is said to involve combination of shares and debt

Milost Global Inc. is looking to inject as much as $1 billion to recapitalize Nigeria's Unity Bank Plc, which is struggling to build buffers after a slowdown in Africa's biggest economy, according to two people familiar with the matter.

New York-based Milost offered to invest $700 million in equity and $300 million in five-year bonds that can be converted into shares in the Nigerian lender, said one of the people, who asked not to be identified as talks are confidential. The private-equity firm will get an initial stake of about 30 % in the Lagos-based bank in exchange for its first equity investment of $250 million, the person said.

The transaction is still subject to a due diligence as well as regulatory approvals, the people said. The first part of the deal may be completed in the second quarter, one of the people said. The rest of the cash will be drawn down in intervals over a period of four years, provided Unity Bank has sufficient shares to issue to Milost, one of the people said.

Some small- and mid-sized Nigerian lenders are battling to rebuild capital levels after a slump in oil prices triggered a foreign-currency shortage and a contraction in the country's economy in 2016 made it difficult for businesses to repay loans. Unity Bank, which was formed out of the merger of nine banks between December 2005 and March 2006, said in April last year that it is in talks to sell its non-performing loans to avoid penalties after missing a deadline set by regulators on its recapitalization plans.

Signs of Life

An investment in Unity Bank will be Milost's third in a publicly traded Nigerian company since it agreed to pump $350 million into oil-services company Japaul Oil & Maritime Services Plc in February and to provide a $250 million financing facility to Resort Savings & Loans Plc. Several calls to the numbers listed on Milost's website have gone unanswered. The private-equity firm is targeting companies that trade at less than half of their intrinsic value using a facility combining

debt and equity that it calls the Milost Equity Subscription Agreement, it said in an emailed statement.
Milost buys shares of a company at a minimum 50 % premium to its market value, and then pegs this price over the next 90 days. If the stock fails to exceed this threshold, the target company will pay the difference to Milost in the form of extra stock, and a penalty of 10 % to 20 % of the discount that the share is trading at over a five-day period, it said.

'Growth Instrument'

"The Milost Equity Subscription Agreement is a growth instrument that creates and builds confidence in the stock of the companies in which it invests," the company said. The targeted company cannot draw down the full committed facility in one tranche and is only allowed to use it from time-to-time over a three- to five-year period, with Milost eyeing a seven- to nine-year horizon for an exit, it said. Milost is taking a bet on Unity Bank as the economy of Africa's largest oil producer shows signs of recovering from a recession after three straight quarters of expansion in gross domestic product, which the International Monetary Fund estimates will grow 2.1 % this year.

Net income at Unity Bank slid almost 54 % to 2.18 billion naira ($6.1 million) in the 12 months through December 2016, with assets of 493 billion naira, according to the company's latest annual report. Its NPLs stood at 48 % in 2016, when it reported its second straight year of negative capital adequacy ratios, the report showed. The stock has gained 10 % this year, giving Unity Bank a market value of 15.8 billion naira.
Nigeria's banking regulator allows lenders to count certain classes of debt and equity among the buffers that they need to set aside to survive market turmoil without causing risk to the financial system. Capital adequacy ratios across the banking industry worsened to 11.51 % in June from 14.78 % a year earlier, according to the central bank. (By Emele Onu, Bloomberg)

Kenyan bank KCB to boost mobile payment service as profit flattens

Kenyan bank KCB Group plans to set up its own mobile payment platform this year to handle the jump in transactions via phones, its CEO said after reporting 2017 results. Kenya's biggest lender by assets, posted flat pretax profit of 29.1 billion shillings ($287.55 million), with growth having slid from the 10 % achieved the previous year. Chief Executive Joshua Oigara said KCB planned to spend $9 million on its mobile payments platform to help it to increase the number of transactions it can handle. The bank said that 57 % of its transactions were via mobile phone last year, up from 53 % a year earlier. KCB already has mobile banking services and collaborates with telecoms company Safaricom for use of its M-Pesa mobile payments service. "We need to have more bandwidth. And that is the investment we are making this year. It is not a big investment; $9 million in our view, and that is what we are going to do and have it ready by the end of this year," Oigara said. "So we are targeting 100 transactions per second from the current 30 to 35." KCB, which also operates in neighbouring Uganda, Tanzania, Rwanda, Burundi and South Sudan, said net interest income rose to 48.4 billion shillings from 47.03 billion shillings in 2016.
Last year Kenya's economy was hit by drought and political turmoil during the election cycle that the Finance Ministry said cut nearly 1 % from its economic growth forecast. The economy expanded by an estimated 4.8 % in 2017. Credit growth also slowed, partly because of a cap on commercial bank lending rates imposed in September 2016. Oigara said that KCB and the industry at large welcomed recent pronouncements by government officials that it was a good time to revisit

the lending rate caps. The International Monetary Fund said the government had committed to modify the caps. "We believe it is the right time ... We very much support the review of the interest rate caps," Oigara said. The bank said that total assets rose to 647 billion shillings from 595.24 billion shillings and customer deposits rose to 500 billion shillings from 448.17 billion shillings. ($1 = 101.2000 Kenyan shillings) (Reuters)

Markets

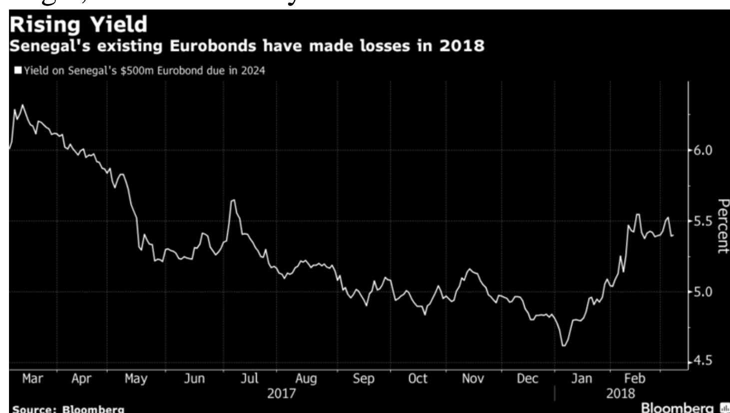
Senegal Attracts Almost $10 Billion in Eurobond Bids

- West African nation issues $2.2 billion of dollar, euro debt
- Senegal to buy back $200 million of existing 2021 securities

Senegal got almost $10 billion of orders for a $2.2 billion Eurobond as debt from African governments remains in hot demand with yield-hungry investors, according to a person familiar with the matter. The West African nation sold 1 billion euros ($1.2 billion) of notes with an average life of nine years and a separate $1 billion 29-year tranche, said the person, who's not authorized to speak publicly about the matter and asked not to be identified. The euro notes yielded 4.75 % and the dollar securities 6.75 %, said the person. Senegal garnered around $9.5 billion of bids by the time final pricing was decided, the person said. Initial price guidance for the euro portion was 5.125 % to 5.25 %, and 7.125 % to 7.25 % for the dollar tranche. Spokesmen for Senegal's government and finance ministry didn't answer calls seeking comment.

No Surprise

The high demand was "no surprise" because Senegal is a "good and improving credit," said Richard Segal, a senior analyst in London with Manulife Asset Management, a $400 billion money manager. Yields on Senegal's $500 million of bonds due in 2024 rose 1 basis point to 5.4 % by 9:09 a.m. in London. The notes have made a loss of 1.9 % this year, less than the average loss for emerging-market government debt of 2.3%.



The West African nation followed Egypt, Nigeria and Kenya, which have sold $8.5 billion of Eurobonds this year. Senegal's deal will take the total issuance from African sovereigns in 2018 to $10.7 billion, which is already more than what they sold in all of 2016 and more than half last year's record $18 billion, according to data compiled by Bloomberg. Senegal's government will use as much as $200 million of the proceeds to buy back some of its dollar securities maturing in 2021. BNP Paribas SA, Citigroup Inc., Deutsche Bank AG, Natixis SA, Societe Generale SA and Standard Chartered Plc managed the deal. (*By* Paul Wallace and Lyubov Pronina, Bloomberg)

Ghana President Tells Lenders to Reduce Their Interest Rates

- Lending rates do not reflect monetary easing by central bank
- Cost of debt continues to weigh on private sector's expansion

Ghana's lenders have failed to pass on lower rates from the central bank to their clients and are standing in the way of economic progress, said President Nana Akufo-Addo.

The Bank of Ghana has reduced its key rate by 550 basis points to 20 % since November 2016 as inflation slowed to the lowest in at least five years. Lenders' rates have continued to average 29.3 % to 31.7 % since the start of the monetary easing cycle, Akufo-Addo said. "The gap between what is happening to the decline in inflation and the lending rates being charged by the private sector is a gap we have to bridge," Akufo-Addo said in an emailed copy of a speech he delivered at the

Ghanaian unit of Ecobank Transnational Inc. in Accra, the capital. “Lending rates must come down. And they need to come down as a matter of urgency.”

The year-old government of Akufo-Addo came to power on pledges to implement policies that will support the private sector. While growth in the West African nation is forecast to accelerate to 8.3% this year as oil producers continue to lift output from new fields, manufacturing and some services sectors remain under pressure as the high cost of debt weigh on their profits. “My challenge to you is to complement the efforts of my government, which is creating a more stable macro-economic framework, by bringing down lending rates,” Akufo-Addo said.

Ruled Out

In January, Bank of Ghana Governor Ernest Addison ruled out the possibility of setting a limit on lending rates. The central bank’s new capital requirements were designed partly to create bigger lenders that will operate more efficiently and enable them to bring down borrowing costs, he said.

In Kenya, President Uhuru Kenyatta introduced a cap on bank lending rates in August 2016 to spur access to credit in East Africa’s biggest economy. The move, which limited bank charges on loans to 400 basis points above the central bank’s rate, exacerbated dwindling demand for private-sector credit that was already slowing because of tighter industry regulations and the collapse of three lenders in eight months. “Everybody, with the benefit of hindsight, can see the negative impact of putting into place interest-rate ceilings,” Addison said Jan. 22. “Capping of interest rates, I think, is completely out of the question.” (By Andre Janse Van Vuuren, Bloomberg)

Kenya asks IMF for a 6-month extension of $1.5 bln standby credit

Kenya has asked the International Monetary Fund (IMF) to extend its $1.5 billion standby credit facility that is expiring this month for a further six months, the IMF said. The IMF said last month that Kenya had lost access to the funds meant to cushion it against unforeseen external shocks last June because of a failure to complete a review of the programme. In a statement issued at the end of a mission to Nairobi, the IMF said the new request for an extension will be put to the board before the facility expires on March 13. The Washington-based IMF said the government had committed to reduce the fiscal deficit and substantially modify interest controls, imposed on banks in 2016, which have been partly blamed for choking private sector credit growth. “Discussions on the details of these policies will continue in the coming weeks,” the IMF said in a statement, adding a full review of the two-year programme was expected to be completed in September. It said Kenya’s economic growth was expected to rise to 5.5 % this year, after elections and drought depressed output to an estimated 4.8 % last year. “Annual growth could rise further to 6.5 % within a couple of years, provided that the authorities continue economic reforms, including reducing the fiscal deficit and amending interest rate controls,” the IMF said. (By Duncan Miriri, Reuters)

Angola issues US$3.05 billion in debt to pay arrears

The Angolan President authorised the issuance of 656.1 billion kwanzas (US$3.05 billion) in public debt in the form of Treasury Bonds to settle arrears related to the execution of State Budgets for 2011, 2012, 2013, 2014, 2015, 2016 and 2017, according to a presidential order. The order stipulates that this is a special issue of National Currency Treasury Bonds (OTMN), with redemption periods of between four and 14 semesters, to be used for the conversion, “after validation” by the Ministry of Finance, of arrears related to budgetary execution.

The document also authorises the Minister of Finance to establish, by executive order, the interest rate to be paid per coupon and the terms and repayment of the Treasury Bonds.

The Macroeconomic Stabilisation Program (PEM), a document prepared by the Angolan government, which stipulates 109 tax, foreign exchange and monetary policy measures this year, as well as guaranteeing a more solid financial sector, said that arrears to state suppliers total almost US$5 billion, which were accumulated between 2014 and 2016, as a result of the drop in oil prices.

The PEM also warns that companies in the public business sector have significant arrears with suppliers, notably oil company Sonangol, power company ENDE and airline TAAG, which has a significant "impact on the sustainability of these companies." (Macauhub)

Angola's currency depreciates 0.916% against the euro in new currency auction

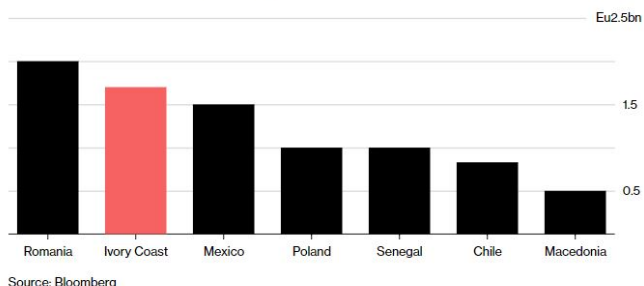
Angola's currency depreciated against the euro at a currency auction, when the National Bank of Angola placed US$200 million in the primary market, the central bank said. An average rate of 264.709 kwanzas per euro was established, with a depreciation of the Angolan currency of 0.916%. The calculation of the exchange rate was established by 21 of the 25 participating banks, with the highest rate being 265.952 kwanzas and the lowest of 263.486 kwanzas per euro. The 200 million euros sold were used for the payment of raw materials, capital goods, parts and accessories, telecommunications, reinsurance and construction materials. In the previous foreign exchange auction, the National Bank of Angola sold US$90.1 million to 16 commercial banks, an operation entirely in US currency, after all foreign exchange auctions in 2017 were exclusively denominated in euros. (Macauhub)

Ivory Coast Is Selling Africa's Biggest Euro-Currency Bond

- World's biggest cocoa grower issued 1.7 billion euros of bonds
- Investors placed 4.2 billion euros of orders for the notes

Ivory Coast sold 1.7 billion euros ($2.1 billion) of bonds in the biggest issuance in the common currency from an African government, according to a person familiar with the matter.

The West African nation's amortizing deal was equally split between a tranche maturing in 2030 and paying 5.25 %, and another due in 2048 with a yield of 6.625 %, said the person, who asked not to be identified as they're not authorized to speak about the matter. Price guidance was around 5.375 % for the shorter securities, which have an average life of 11 years, and 6.75 % for the longer ones, which have a 29-year average maturity, said the person.



That's the largest amount of euro debt issued by an African sovereign since at least the start of this century, when Bloomberg began compiling the data. It was also the second-biggest transaction in the currency from emerging markets this year, after Romania's 2 billion euro-deal on Feb. 1. Investors placed 4.2 billion euros of orders, said the person. Calls for comment to government spokesman Bruno Kone and Finance Minister Adama Kone went unanswered. The world's largest cocoa producer followed Egypt, Nigeria, Kenya and Senegal in tapping international markets before policy-tightening by the U.S. Federal Reserve lifts borrowing costs. African sovereigns have now issued $12.8 billion of Eurobonds in 2018, already more than half the record $18 billion they managed last year and exceeding the total for the whole of 2016.

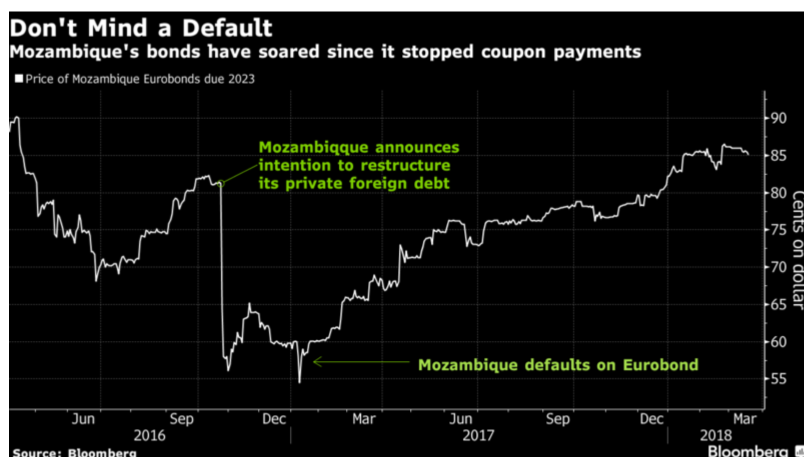
BNP Paribas SA, Citigroup Inc., Deutsche Bank AG and Societe Generale SA managed Ivory Coast's sale. Yields on the government's 625 million euros of securities due in 2025, its only other bonds in the currency, fell four basis points to 4.26 % by 8:52 a.m. in London. (By Paul Wallace, Bloomberg)

Mozambique, Hedge Funds Set to Face Off in Debt Negotiations

- London presentation to mark the start of formal restructuring
- Bondholders have little idea what the government will propose

Mozambique is set to meet foreign creditors in London in what will mark the start of formal debt-restructuring negotiations, more than a year after the southern African nation defaulted. Investors,

which include UBS Group AG and Credit Suisse Group, aren't sure what will be discussed. Mozambique first missed coupon payments on $727 million of securities due 2023 in January last year and has had almost no contact with the holders since then. "We don't really have any set expectations," said Phillip Blackwood, managing director at EM Quest Ltd., which advises Sydbank A/S on its emerging-market assets, including Mozambican bonds. He'll be among those attending the presentation by officials including Finance Minister Adriano Maleiane from 2 p.m. at the offices of law firm White & Case, which is advising Mozambique. Lazard Freres SAS, the investment bank also advising the government, has only said that creditors will be updated on recent fiscal and macroeconomic developments and will also hear "the key elements of debt-restructuring proposals."



Despite the default, the bonds have soared, with money managers betting that Mozambique's commencement of liquefied natural gas exports around 2023 will boost the finances of one of the world's poorest countries. The securities have made a price return -- which excludes coupon payments -- of almost 30 % in the past year, the most among sovereign debt in emerging markets, according to data compiled by Bloomberg. The southeast African nation's $727 million in Eurobonds due 2023 fell for a third-day, trading 1.2 % lower at 84.05 cents on the dollar.

The presentation comes after the International Monetary Fund's debt sustainability analysis this month, which painted a bleak picture of Mozambique's economy and finances, suggesting it may not be in a position to start paying investors again until LNG production begins. The state admitted to $1.4 billion of previously undisclosed loans in 2016, prompting the IMF to withdraw financing and foreign donors to stop direct budget support.

Here are some possible proposals, according Stuart Culverhouse, the chief economist at Exotix Capital, which has a sell recommendation on Mozambique's bonds:

- The best case for bondholders, albeit an unlikely one, would be for the government to announce its resuming coupon payments and will pay the missed ones upfront. Culverhouse calculates that the latter amounts to $136 million
- Maleiane could say that the nation will pay the missed coupons over time. Depending on the schedule and other terms, that could drive the yields on the bonds down to below 10 % from around 15 % currently
- Bondholders could be asked to take a haircut
- The worst situation for investors would be if the government used the IMF's analysis to argue that it can't pay them anything for several years
- "The country has a liquidity problem in the short-to-medium term, and debt is unsustainable, but everything changes in the middle of the next decade," said Culverhouse

Bonds vs Loans

A key sticking point is whether the bonds will be treated like the loans of two state-owned companies, whose debt the government had failed to disclose. The bond holders insist the loans should be subordinated, if not written off, given that the legality of the state guarantees backing them has been questioned by the attorney-general. The so-called Global Group of Mozambique Bondholders, which claims to have the backing of holders of more than 80 % of the Eurobonds, said in a statement it will insist on that. "Accordingly, any resolution of the Eurobonds will need to

reflect our position," said Thomas Laryea, the group's legal adviser. (By Paul Wallace and Matthew Hill, Bloomberg)

African Development Bank launches US $2.0-billion 2.625% Fixed Rate Global Benchmark due 22 March 2021

On Wednesday, March 14, 2018, the African Development Bank, rated Aaa/AAA/AAA (Moody's/S&P/Fitch), priced a new US $2.0-billion 3-year Global Benchmark bond due 22 March 2021.

This bond issue represents the Bank's first public market deal of 2018. It follows the US $2.0-billion 5-year Global Benchmark priced in November 2017, and is in line with its strategy of issuing larger size, more liquid benchmark transactions. The Global Benchmark was very well oversubscribed, with an order book in excess of US $4.25 billion. More than 80 investors participated in the transaction, including six that were new to the Bank, demonstrating that the deal was well placed across diversified geographies and investor type. The high quality of the order book is illustrated by the strong participation of Central Banks and Official Institutions.

The African Development Bank decided to take advantage of the positive market backdrop and of the widening in US dollar swap spreads to issue its first Benchmark of the year. The issuer announced the mandate on Tuesday, March 13, at 2:50pm London time with Initial Pricing Thoughts (IPTs) in the context of mid-swaps plus 1 basis point (bp) area.

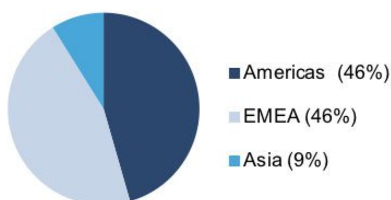
The deal enjoyed a very strong reception from the outset. Indications of Interest (IOIs) from the high-quality investor base accumulated at a rapid pace, and by the end of the US trading session, IOIs exceeded US $2.0 billion (excluding Joint-Lead Managers interest). Books officially opened in the European morning at 8:00am London time, with price guidance reviewed to mid-swaps flat, 1 basis point tighter than IPTs, reflecting the strong dynamics of the transaction.

Momentum continued to build throughout the European morning, with books exceeding US $3.0 billion within an hour, and US $4.0 billion (excluding Joint-Lead Managers interest) by midday London, allowing the issuer to set the spread 1bp tighter at mid-swaps minus 1bp. Investors showed strong commitment to the transaction through limited price sensitivity.

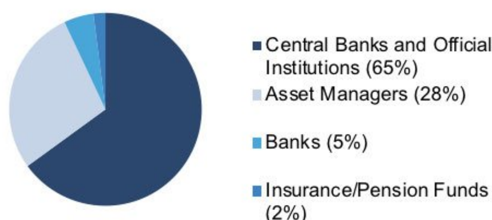
The transaction was priced at 4:50pm London with a re-offer yield of 2.661%, equivalent to a spread of 26.35bps over the 3-year US Treasury benchmark 2.375% March 2021.

Investor distribution:

By Geography



By Investor Type



* Percentages may not add to 100% due to rounding

Transaction details:

Issuer:	African Development Bank ("AfDB")
Issuer rating:	Aaa / AAA / AAA (Moody's / S&P / Fitch)
Amount:	USD 2.0 billion
Pricing date:	14 March 2018

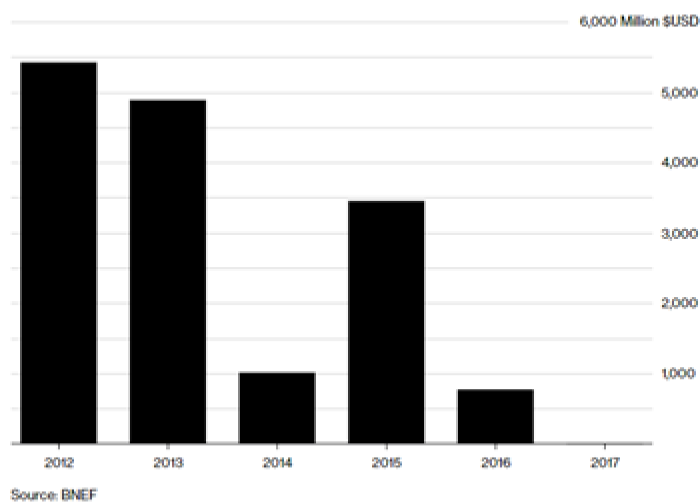
Settlement date:	22 March 2018 (T+6)
Coupon:	2.625%, Fixed, Semi-Annual 30/360
Maturity date:	22 March 2021
Re-offer price:	99.897%
Re-offer yield:	2.661% Semi-Annual
Re-offer spread:	Mid-Swaps -1bp / CT3 +26.35bps
Joint lead managers:	Barclays, BofA Merrill Lynch, BMO Markets, Nomura, TD Securities
ISIN:	US00828ECZ07

ENERGY

Court Blocks $4.7 Billion in South Africa Renewable Projects

- Metalworkers union Numsa, Transform RSA get urgent court order
- Deals may shut coal-fired plants, hurt jobs, Numsa says

A South African court granted an order that stops the state-owned utility from signing deals with independent producers for renewable power projects worth 56 billion rand ($4.7 billion), the applicants in the case said. The interdict, brought by the National Union of Metalworkers of South Africa and Transform RSA, follows a pending application to block Eskom Holdings SOC Ltd. from signing the power purchase agreements. The union argues in court papers that the utility already has excess capacity and signing the deals would force coal-fired power plants to shut down, resulting in job losses. “Numsa believes that the signing of these contracts would be detrimental for the working class of Mpumalanga and the country as a whole,” the union said in an emailed statement, referring to a coal-rich province that has many power plants. Eskom uses coal for about 90 % of its generation. “The energy minister was forced to give an undertaking in court that he would not sign the IPP agreements until the matter has been given a full hearing by the High Court,” the union said.



The order is another setback for energy developers including Denham Capital-backed BioTherm Energy and ACWA Power International that have been waiting for deals to be signed since 2016. Eskom refused to complete the agreements because executives said they were expensive and that power from the projects isn’t always available. The utility favored a nuclear-build program at the time and maintained a standoff on what was once a successful program by the Department of Energy to diversify South Africa’s power mix and bring in billions in foreign investment. Eskom has since had its management and board overhauled. The government, which on March 8 announced its intent to sign 27 outstanding deals, has taken steps to prioritize partnerships with the

private sector just weeks after President Cyril Ramaphosa took office and made his own appointments, including Energy Minister Jeff Radabe, to the cabinet. Numsa estimates that the closure of Eskom's power stations as a result of the renewable projects would affect at least 30,000 families. "All stakeholders should be afforded an opportunity to engage with Eskom, Nersa and the minister on these issues," the union and Transform RSA, a civil-society group, said in the application. The North Gauteng High Court, based in Pretoria, will hold a full hearing into the matter on March 27, the union said. (By Paul Burkhardt and Alastair Reed, Bloomberg)

Belgium finances renewable energy expansion in Mozambique

The government of Belgium has provided funding of 12 million euros to support the expansion of access to energy in rural areas in Mozambique, particularly Zambézia province. The funding will allow construction of a mini-hydro plant in the Guruè district of Zambézia and isolated power grid systems for 12 villages and administrative posts. Mozambique's Minister of Mining Resources and Energy Max Tonela said the government is investing in new, renewable, sustainable and low-cost energy at these locations based on isolated power grids, powered by photovoltaic solar systems and on the use of other resources such as small hydroelectric power plants. The financing is intended to implement the programme signed in 2011 with Mozambique, following which Belgium provided 23.34 million euros to finance a programme entitled "RERD 1 – Renewable Energy for Rural Development", the aim of which is to promote economic development through increased access to energy. In the initial phase, the programme included electrification of schools, health centres, residences, administrative stations, installation of water pumping systems, construction and design of mini-hydro plants. (Macauhub)

Angola leads in attracting Chinese financing for energy infrastructure

Angola is the African country that has received most Chinese funding for the construction of energy infrastructure since the year 2000, according to a recent study from Boston University, in the United States. The Boston University Global Development Policy Center study reports that over the past 18 years, China has provided funding of about US34.8 billion for energy infrastructure in African countries, of which US$8.9 billion to Angola, well above Nigeria (US$6.6 billion). Zambia, Uganda and South Africa received Chinese loans of more than US$2 billion over the same period, Sudan US$1.6 billion and the remaining African countries US$11 billion. In supporting infrastructure reconstruction in Angola, China has focused on financing the construction of dams, namely the Caculo Cabaça dam.

The new dam, whose first stone was laid in August 2017 by former President José Eduardo dos Santos, will be the largest power plant in the country, and the construction project received funding of US$4.5 billion granted by the Industrial and Commercial Bank of China.

Angola's energy and water minister, João Baptista Borges, said construction of the new Caculo Cabaça dam in the Kwanza basin will enable it to reach the goal of 9,000 megawatts of installed capacity across the country by 2025 as well as exporting electricity to neighbouring countries.

The Boston University study showed that the proportion of Chinese funding for energy infrastructure in Africa has been increasing relative to other regions and that last year this continent received the most from these capital flows ((US$6.8 billion), above Southeast Asia (US$5.8 billion). Data from the study includes figures from the China Development Bank and the Export and Import Bank of China. "Traditional multilateral development banks have not been proactive in major energy projects, and China is more than willing to fill that void," said Kevin Gallagher, professor of global development policy at Boston University.

The same expert warned that Africa's demographic explosion, which is expected to bring the continent's population to more than 1.3 billion people by 2050, leads to a projection of an increase in demand for energy production and transmission in the coming decades. The latest report by the Economist Intelligence Unit (EIU) on Angola said that relations with China will be given "high priority" by the Angolan authorities, as reflected in the recent agreement on entry visas between the

two countries. “The opening of a branch of the Bank of China in mid-2017 should make Angola a more attractive destination for small and medium-sized Chinese companies,” the EIU said. “The government will also continue to seek loans from China to enable it to continue capital spending programmes to build highways and power plants,” despite greater attention from Chinese entities on the “risk of projects with dubious repayment capacity,” said the EIU. (Macauhub)

Construction begins on Mocuba solar power station

Construction has begun on the 40 megawatt solar power plant in the district of Mocuba in the central Mozambican province of Zambezia, following the announcement by the Norwegian energy company Scatec Solar that it has reached financial closure on the project. The project is a public-private partnership between Scatec Solar and Mozambique’s publicly-owned electricity company, EDM, and project debt financing will come from the International Finance Corporation (IFC) and the Emerging Africa Infrastructure Fund. The Mocuba power station will be the largest solar power plant in sub-Saharan Africa outside of South Africa, and it is expected to supply power to 175,000 households, with an estimated output of 80,000 megawatt hours per year. This is 4.8 per cent of the country’s currently available electricity capacity, but 40 per cent of the electricity grid north of the Zambezi.

The solar power station will be operated by the company CESOM (Central Solar de Mocuba), owned by Scatec Solar (with a 52.5 per cent share), EDM (25 per cent), and the Norwegian Investment Fund, Norfund (22.5 per cent). CESOM has signed a 25-year agreement to sell the power to EDM.

The project is budgeted at 76 million US dollars, which will be funded through equity of 14 million dollars, a grant of 7 million dollars, and project debt of 55 million dollars. The project debt consists of 19 million dollars from the IFC, a concessional loan of 19 million dollars from the Climate Investment Fund, and a syndicated loan of 17 million dollars from the Emerging Africa Infrastructure Fund (EAIF).

EDM chairperson, Mateus Magala, commented that “EDM is very pleased that the Mocuba Solar IPP project has reached financial close through a well structured public-private partnership between EDM, Scatec Solar and Norfund, and with excellent support from IFC and EAIF as lenders, as well as the Government of Norway”. Norfund’s Mark Davis added, “Norfund appreciates being a partner in this first solar power project in Mozambique. Access to reliable energy is a prerequisite for development. Clean energy is therefore a focus investment area for us”. (Club of Mozambique)

INFRASTRUCTURE

The government of Mozambique extends concession period for the port of Beira

The Mozambican government has approved a 10-year extension on the management concession for the port of Beira, in Sofala province, to Cornelder de Moçambique, the Council of MiMinister’spokesperson said in Maputo. Ana Comoana said that the approval from the Council of Ministers includes a recommendation that the company making the investments needed to increase the processing capacity of the container and multipurpose terminals at the port in the provincial capital. “It is hoped that with the investments to be made by the concessionaire the port of Beira can increase the cargo processed to and from the countries in the region without direct access to the sea and also contribute to the appearance of new shipping lines,” said the spokesperson and Deputy Minister of Culture and Tourism.

Ultimately, according to Comoana, the extension of the concession period and the expected investments should allow the port of Beira to make public investments in the area feasible and profitable, namely the recovery and expansion of National Highway Number 6 (EN6) and the restoration plan for the Machipanda railway line. Comoana said that the terms and conditions of the extension of the concession and the amount of investments have yet to be negotiated between the government and the concessionaire. The current concession contract for the management of the port

was signed in 1998 and is valid for 25 years, and will now end in 2023. Cornelder de Moçambique is a public-private partnership between state-owned rail and port manager CFM and the Cornelder Holding group of the Netherlands. (Macauhub)

Port of Maputo, in Mozambique, repairs docks to increase processed cargo
The cargo processing capacity in the Mozambican port of Maputo will increase by 1.5 million tons by December 2019 following repairs and modernisation of docks 6, 7, 8 and 9, already started by the contractor, said the project manager of the Maputo Port Development Company (MPDC). Paulo Mata said that the repair and modernisation works of those docks had been awarded to Portuguese construction company Mota-Engil, under a contract costing US$64 million. The project director, quoted by Mozambican daily newspaper Notícias, said that the works on dock number 9 will be the first to be completed, with the end scheduled for February 2019, and the work on docks 6, 7 and 8 will be completed in December of that year. The port of Maputo processed 18.2 million tons of cargo in 2017, an increase of 22% compared to 14.9 million tons processed in 2016, following the deepening of the access channel, which was completed in January 2017. The Maputo Port Development Company is a partnership between the state-owned Mozambican port and Railway Company CFM and Portus Indico, made up of Grindrod (South Africa), DP World (Dubai) and local company Moçambique Managers. (Macauhub)

President opens 13 bridges in the north of Mozambique today
President Filipe Nyusi will today inaugurate 13 bridges over the river Lúrio, between of Niassa and Zambézia provinces in the north of the country, the presidency has announced. Lack of bridges is a problem in many parts of the country, often forcing people to resort to dangerous river transport. The symbolic ceremony at the administrative post of Etatara is part of the president's programme during his visit to the north and centre of Mozambique, which runs until Saturday. In Sofala province, the head of state will travel to the Dondo district, where he will visit the flood-affected Samora Machel neighbourhood. Natural disasters in the current rainy season (October to April) have killed 61 people in Mozambique out of a total of 150,000 affected, according to the latest National Institute for Natural Disaster Management (INGC) assessment, carried out. The Minister of Public Works, Housing and Water Resources, Carlos Bonete, will accompany the president. (Club of Mozambique)

Mozambican construction industry threatened by Chinese companies – CTA
Mozambique's main business federation has warned that the country's construction sector is under threat from Chinese companies that work below cost price and in isolation. "The intervention of Chinese companies is frightening: they are using low prices to erode the domestic industry," Nelson Muianga, chairman of the civil construction sector at the Confederation of Economic Associations of Mozambique (CTA), said. Speaking in Maputo at a sectoral meeting promoted by CTA and quoted by the Mozambican Information Agency (AIM), Muianga also complained that Chinese companies won construction tenders without allowing for Mozambican companies' participation. The result was that the construction industry was relying on the passage of the Local Content Law on foreign investments in Mozambique now under consideration in the CTA and for subsequent submission to the Ministry of Economy and Finance, which will take it to the Assembly of the Republic. Castigo Nhamane, deputy chairman of the CTA's Board of Directors, said that the Mozambican construction industry would continue to experience difficulties in the next three to five years if there were no sign of further development and economic growth. "We are striding towards the collective bankruptcy of national construction companies," Nhamane said, calling for government action. Other details worry the industry. Muianga criticized the duplication of procedures in the case of enterprises with foreign financing, as well as projects being awarded to companies owned by employees of the contracting public institutions. (Club of Mozambique)

Angola to invest US$5 billion in water supply

The Angolan government, through the Ministry of Energy and Water from this year plans to invest US$5 billion in the construction and reconstruction of infrastructure to supply water to the population. The announcement was made in Brasilia by the ANgolan Minister of Energy and Water, João Baptista Borges, attending the 8th World Water Forum. In January 2017, the Angolan government approved the National Water Plan (PNA), which sets out the strategy for managing water resources until 2040. Angola has 77 river basins, five of which are shared with neighbouring countries, such as the Republic of Namibia. About 60% of Angola's population, estimated at more than 25 million people, has access to safe drinking water. (Macauhub)

MINING

Mozambique, Equatorial Guinea to Cooperate on Mining and Natural Gas

- *New bilateral agreement signed in Maputo between the petroleum and mining ministries of Equatorial Guinea and Mozambique.*
- *Mozambique's natural gas reserves "will revolutionize the economy"; Equatorial Guinea extends offer of technical and policy advisory.*
- *Equatorial Guinea to benefit from Mozambique's experience in mineral resources, a developing sector in the Central African country.*

Mozambique and Equatorial Guinea signed a memorandum of understanding to enhance bilateral relations in the energy and mining sectors. The MoU was signed in Maputo by Equatorial Guinea's Minister of Mines and Hydrocarbons H.E. Gabriel Mbaga Obiang Lima and Mozambique's Minister of Mineral Resources and Energy H.E. Ernesto Max Elias Tonela.

This agreement is the latest in a series of bilateral energy cooperation MoUs signed by Equatorial Guinea with African oil and gas nations. It primarily seeks to promote the exchange of information, knowledge and experience with respect to petroleum and mining policy. In particular, Equatorial Guinea will provide technical assistance and advice on natural gas monetization and infrastructure building. Mozambique, in return, will assist Equatorial Guinea in the development of its nascent mining sector. Officials and technicians from the two ministries will exchange visits as the first step in realizing closer cooperation.

During the visit of H.E. Gabriel Mbaga Obiang Lima to Maputo, the Minister held meetings with the Directors of the National Institute of Petroleum and the National Institute of Mines, and with the Chairman and CEO of the National Hydrocarbons Company Omar Mithá. "We are excited to work with our brothers in Mozambique and transfer our experiences with natural gas as a catalyst for local content and economic growth," said H.E. Gabriel Mbaga Obiang Lima. "Mozambique's gas resources will revolutionize the economy and the global gas business. I see strong commitment from the leadership to developing them quickly and sustainably, and to learning from our experience." H.E. Ernesto Max Elias Tonela said: "There is much to learn from our African neighbors, particularly in the gas business, where many have been before us. This new agreement with Equatorial Guinea allows us to build a framework for sharing our own experience in mining, and for learning best practice in gas monetization." (Africa and Oil Power)

Xtract Resources signs gold mining contract in Mozambique

Xtract Resources has updated the terms of the contract signed with the Moz Gold Group for the exploration of alluvial gold deposits in the Mozambican province of Manica, under which as early as March it will receive a minimum of 2.25 kilograms of gold, the British company said in a statement issued. From March, the Moz Gold Group, which operates Block M of the western half of the mining concession owned by Xtract Resources, will have to deliver a minimum of 3.0 kilograms of gold every month until the deposits are depleted or during the contractual term of 10 years. The new contract, signed by the 100% owned Mozambican subsidiary, Explorator Limitada, stipulates that the agreed payments will be attributed 40% to Xtract Resources and the remaining 60% to

Nexus Capital Limited, under a collaboration agreement signed on 20 June 2017. The statement said that the new contractual terms will allow the Moz Gold Group to increase gold production and pay off existing debt, which was taken on because so far it had not met the terms of the initial contract. The mining of the eastern half of the Manica concession was contracted to Sino Minerals Investment Company, according to a statement released in October 2017. (Macauhub)

Mustang Resources changes ruby sales strategy

The Australian mining company Mustang Resources announced that it has changed its sales strategy for rubies from its mine in Montepuez, in the northern Mozambican province of Cabo Delgado. This follows a hugely disappointing ruby auction that the company held last November. The company had hoped to raise over seven million US dollars, yet only managed to sell 713,456 dollars' worth of stones. Prior to the sale, Mustang had confidently announced record production at its mine and strong results from its artisanal miner development programme (where the company buys gems from local miners). However, buyers attending the auction in Mauritius expressed disappointment at the poor quality of the stones. As a result, Mustang has decided to close its sales office in Mauritius and open a sales and marketing office in Thailand.

According to the company, this is intended to generate a regular flow of cash from its bulk sampling activities in Mozambique. The company's managing director, Bernard Olivier, explained that "this approach will allow us to place an accurate value on our existing inventory and enable us to assess the projects longer term economic outlook". The office in Mauritius was designed to enable the company to undertake large scale auctions as are carried out by its very successful neighbours in Cabo Delgado, Gemfields. However, it is clear that the stones found by Mustang were nowhere near the quality found at Gemfield's Montepuez Ruby Project.

Mustang's announcement makes clear that "the new initiative is very much about right sizing the company's business structure to fit with the group's existing early stage smaller production". Thus, the facility in Thailand is markedly smaller and lower cost and more in line with the company's emphasis on project and ruby market development and research. Mustang's Montepuez Ruby Project consists of four licenses covering 19,300 hectares directly adjacent to the world's largest ruby deposit, mined by Montepuez Ruby Mining Ltd, which is 75 per cent owned by Gemfields. (Club of Mozambique)

OIL & GAS

Outlook improves for the natural gas industry in Mozambique

The signing of new contracts for the sale of Mozambican natural gas, namely to China, as well as the government approval of the Area 1 project led by US group Anadarko Petroleum, have improved the outlook for this industry in Mozambique in recent weeks. The Economist Intelligence Unit (EIU) said in its latest report on the Mozambican economy that "greater confidence" in the country, especially from 2020/22, related to the outlook for natural gas, led to an upward review of forecasts for growth, investment, and exports. "With the approval by the government [of the Anadarko project] there is a major obstacle to the development of what can be an economically transformative project for Mozambique," said the EIU.

In the first 25 years of liquefied natural gas (LNG) production, according to IMF calculations, the government is expected to take US$30 billion in revenues from this sector, which will account for around 50% of the country's GDP if all planned projects go into operation. The EIU pointed out that these forecasts are subject to significant uncertainty due to the volatility of energy markets and the fact that the details of the project are not known. The EIU also expects that cost recovery guarantees for investors will reduce the tax contribution in the early years of production, regardless of the impact on the economy as a whole. The Government's aim for Area 1 gas extraction to begin in 2022-23 is "ambitious" according to the EIU, and is more likely to occur only in 2025, as sale and financing contract is still under negotiation. "However, an investment of this scale is of great

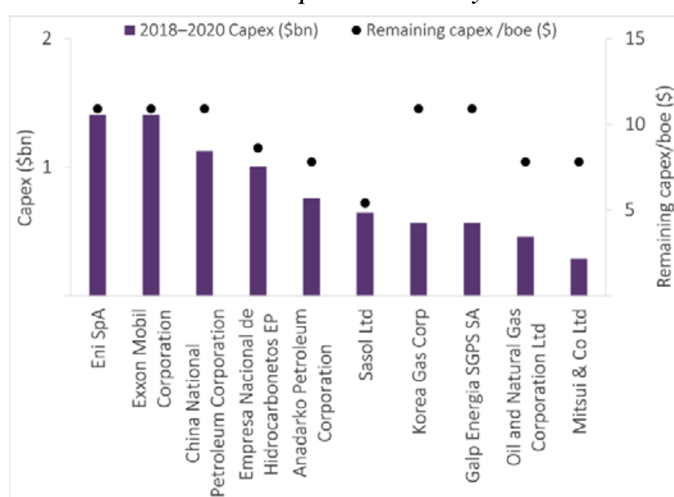
importance to Mozambique's troubled economy (…) Anadarko's ongoing commitment to project development is a vote of confidence that will reassure lenders and investors about the country's prospects in the long run," it said.
Anadarko's share is 26.5% in the consortium, which also includes ENH Rovuma Area 1 (15%), Mitsui E&P Mozambique Area1 Ltd. (20%), ONGC Videsh Ltd. (10%), Beas Rovuma Energy Mozambique Limited (10%), BPRL Ventures Mozambique BV (10%), and PTTEP Mozambique Area 1 Limited (8.5%). The Anadarko group reached an agreement with Electricité de France (EDF) in February to sell 1.2 million tons of LNG per year over a 15-year period.
The Africa Monitor Intelligence newsletter recently wrote, citing sources close to this project that only 40% of forecast production capacity for the Area 1 block has been sold. "Given the unlikelihood of signing the final investment decision before the full sale of production is secured, the possibility of Anadarko not confirming its investment before the end of 2018 is bolstered," Africa Monitor Intelligence reported.
In the last week of February the US group announced that it was negotiating the sale of LNG to a number of Indian companies, including public and independent LNG buyers, such as Petronet LNG, Oil and Natural Gas Corp., Hindustan Petroleum Corp. Ltd, Bharat Petroleum Corp. Ltd, and Gujarat State Petroleum Corp, among others. "The central and favourable geographic location of Mozambique means that the country is well positioned to respond to the needs of customers in the Asian and Pacific markets, in particular by leveraging the growth in demand for energy in China," said Anadarko. (Macauhub)

Residential gas distribution in Maputo to begin by June

Mozambique's National Hydrocarbon Company (ENH) intends to start supplying homes in Maputo with piped natural gas in the first half of this year, according to an ENH press release. A primary network for distribution has been in place since 2014, but it was only in 2017 that ENH launched a tender to select suppliers of materials, equipment and services necessary to pipe the gas to homes in the Aeroporto A neighbourhood, the area chosen for the pilot phase of domestic gas distribution. The initial target is modest: it is for 35 connections to the gas network, with an investment of 17 million meticais (about 274,000 US dollars) from the government in this first phase of a programme for the mass domestic use of gas.
According to ENH commercial director Benjamim Chilenge, the Aeroporto A project is part of the strategy to bring natural gas to an increasing number of consumers. "In Maputo, we have had the network available since 2014, but we don't yet have any residential consumers", he said. "This project seeks to support the households, by financing the cost of connections. The households will just pay the bills for the gas consumed". Chilenge said that a considerable part of the initial investment will be used to develop a remote controlled pre-payment system.
There were two parts to the tender, he explained. One was to select the supplier of equipment, who would also take care of assembly, installation and engineering. The second part was for the supply of the pre-payment gas meters, and the installation and operation of the system to manage the sales.
In 2015, ENH undertook a survey of the Aeroporto A neighbourhood, to find out how many potential consumers of piped natural gas live there. 411 households expressed an interest. Aeroporto A is on the route of the distribution network implemented by a consortium formed by EH and Kogas of South Korea.
The government awarded the concession for the distribution and sale of natural gas in Maputo, and the neighbouring district of Marracuene, to ENH in 2009. To date the consumers of the gas have been industrial. The ENH release points out that the company has 20 years of experience in supplying gas to residential consumer in Inhambane province. Here ENH has 1,530 consumers, most of them residential.
The gas for the projects comes from the Pande and Temane fields in Inhambane, which are operated by the South African petro-chemical giant, Sasol. (Club of Mozambique)

Over US$9B to be spent on Mozambique's upstream capex over next 3 years
GlobalData expects that an average capital expenditure (capex) of $3bn per year will be spent on eight oil and gas fields in Mozambique between 2018 and 2020. Capital expenditure on Mozambique's oil and gas projects will add up to $9.1bn over the three-year period to the end of 2020. Ultra-deepwater projects will be responsible for over 65% of upstream capex in Mozambique, or $6.2bn by 2020. Deepwater projects will account for 25% of upstream capex with $2.3bn by 2020, while onshore projects will require $600m in capex over the period. GlobalData expects that Eni and Exxon Mobil will spend the most in Mozambique, each investing $1.4bn into the country's upstream projects by 2020. China National Petroleum Corporation will follow with $1.1bn investment into its Mozambique projects between 2018 and 2020.

Top ten companies by upstream capex in Mozambique, 2018 – 2020
Source: GlobalData Upstream Analytics



Coral South Project, a planned ultra-deepwater conventional gas field, will lead capital investment with $4.3bn to be spent between 2018 and 2020. Eni East Africa is the operator for the field. Golfinho-Atum Complex, a deepwater conventional gas field in the Rovuma Basin, follows with a capex of $2.3bn. Anadarko Mozambique Area 1, Limitada is its operator. Gas from both projects will be marketed as liquefied natural gas. GlobalData reports the average remaining capex per barrel of oil equivalent (capex/boe) for Mozambique projects at $6. Deepwater projects have the highest remaining capex/boe at $6.80, followed by onshore and ultra–deepwater projects with $5.90 and $5.80 respectively. (Club of Mozambique)

BP/Kosmos consortium signs contracts for oil prospecting in São Tomé and Príncipe
The consortium of British companies BP Exploration Operating and US-based Kosmos Energy signed two oil block prospecting contracts with the São Tomé and Príncipe National Petroleum Agency (ANP-STP), the agency's director said in São Tomé. Orlando Pontes said the consortium will pay a signing bonus of US$5 million for each contract, with payment to be made within 30 days of signing the contracts.
Under the contracts, the BP group will become the operator of blocks 10 and 13, leaving the São Tomé and Príncipe state with a 15% stake in each of them. These contracts are valid for 28 years, with the first eight being for seismic surveys and the remaining 20 for development and production. Block 10 has an average depth of 2,500 metres and an area of 6,839.6 square kilometres, while block 13 has an average depth of 3,000 metres and covers an area of 6,776.9 square kilometres. In addition to the exclusive economic exploration zone, São Tomé and Príncipe also has another joint operation with Nigeria, under a treaty that grants 60% of revenues to the Nigerian state and 40% to the archipelago. (Macauhub)

Italy's ENI starts new oil production in Angola
Italian oil company Eni on Saturday began oil production at the Ochigufu field in block 15/06, in the deep waters off the Angolan coast, increasing oil production in Angola by 25,000 barrels a day.
The Ochigufu field is located at a depth of 1,300 metres, approximately 380 kilometres north of Luanda and is the ENI's first new field in Angola since the beginning of the year. The 15/06 block contains more than 3 billion barrels of oil and 850 million barrels of reserves according to information from the oil company. Production in the Ochigufu field is done jointly by submarine

connection with the Sango project and the FPSO N'Goma ship, operated by Eni, with a share of 36.84% for the contracting group, the same as that of Sonangol Pesquisa e Produção, and SSI Fifteen Limited (26.32%). The Sangos, Cinguvu, Mpungi and Mpungi North and East Hub fields have been in operation in that block since 2014, and now the Ochigufu field. (Macauhub)

Sonangol selects Totsa and Glencor to supply fuels
International companies Totsa Total Oil Trading and Glencor Energy UK Ltd have been selected to supply refined fuels to Angola, based on an international public tender launched by Sonangol last January, for which 20 companies put forward proposals. Totsa Total Oil trading will start supplying gasoline while Glencore Energy will be responsible for importing diesel and marine diesel. According to Angolan state news agency Angop, following this contract, Angola and Sonangol will benefit from a considerable cost reduction on importing refined products in the next 12 months. Angola is the second largest African oil producer, after Nigeria, producing about 1.6 million barrels of crude oil per day, but reduced refining capacity continues to force the country to import a significant part of its needs for diesel and gasoline . Sonangol alone imports 2,352,671 tons of diesel, while gasoline purchases from abroad reached 1,030,070 tons. (Macauhub)

AGRIBUSINESS

Three companies interested in recovering Mozambican agro-industrial complex
Three companies have responded to the public tender launched by the Mozambican state stakeholding institute, Igepe in December 2017 to select a strategic partner to recover the Chókwè Agro-industrial Complex (CAIC), the Mozambican press reported. The CAIC, which cost Mozambican taxpayers US$60 million, financed by a loan from the Export Import Bank of China, "currently produces almost nothing, and is only a burden on the state coffers, which has to secure the wages of workers and the costs related to the maintenance of machinery." The Mediafax newspaper quoted Raimundo Matule, the managing director of Igepe, as saying that after the launch of the public tender, the Institute was contacted by several companies in January and February, and only three of them, whose identity was kept confidential, submitted proposals. The three companies, Matule continued, are now in a second phase where they will have to submit technical and financial proposals, and this stage is expected to end on 23 March.
CAIC, located in Gaza province, southern Mozambique and inaugurated in 2015 by President Filipe Nyusi, has never been able to produce more than 12% of its installed capacity, and despite having the necessary machinery to process rice, tomato and cashew, it has never received enough raw materials from farmers to do so. (Macauhub)

Zimbabwean delegation explores business opportunities in Mozambique's Tete province
A Zimbabwe government delegation headed by the governor Mashonaland Central province Martin Dinha is in Mozambique's resource rich Tete province to explore investment opportunities, state radio reported. Dinha told Radio Mozambique that his delegation was exploring areas of cooperation in the agriculture and transport sectors. "Our delegation is governmental, but there will be another one made up of businessmen," Dinha told the state broadcaster. He said his province is interested in exploring agricultural opportunities due to Tete's enormous potential, coupled with Zimbabwe's extensive experience in using irrigation systems. Dinha underlined the importance of the transport sector, saying that it will allow movement of goods from Zimbabwe to the port of Beira. His local counterpart, Paulo Auade expressed the Mozambican government's willingness to establish synergies with Zimbabwean businessmen. "All investors have space to invest in the areas of their interest, because we have potential, as they saw in the presentation." "We want to see the projects of the government of this province and the Zimbabwean entrepreneurs materialized so that we can bring development to our populations," said Auade. Tete currently has a population estimated at 2.6 inhabitants, compared with 1.2 million in Mashonaland Central. Tete enjoys

enormous potential in agro-livestock, agro-processing, industry and trade, extractive industry, fisheries and tourism. In the agricultural sector stand out the crops of maize, sorghum, potatoes, beans, fruit and vegetables. As far as the extractive industry is concerned, Tete has huge coal reserves. “In Tete there are also minerals such as gold, iron, ruby and limestone,” said the governor, who also took the opportunity to present the potential of the practice of sport hunting and synergistic tourism.
The Zimbabwean delegation also learned more about the Sena railway linking the Moatize district to the Beira port in Sofala and the Nacala line connecting Tete to Nampula province with a cross-border section of Malawi. (Club of Mozambique)

Ghana May Struggle to Repay Lenders' $1.3 Billion Cocoa Loan

- World’s no. 2 cocoa grower unlikely to meet crop target
- Regulator in talks with government over finance for expenses

Ghana Cocoa Board may struggle to fully pay back loans of $1.3 billion as this season’s harvest will likely be smaller than first anticipated, according to the head of the industry regulator.
The world’s second-biggest grower signed for the loans with lenders such as Credit Agricole SA and Natixis SA prior to the start of the annual harvest in October to pay farmers for their beans. Ghana will probably not meet its target of 850,000 metric tons due to dry weather and plant disease, Joseph Boahen Aidoo, chief executive officer of the regulator, said in an interview in the capital, Accra.
While recent rains may improve yields in the smaller harvest that runs from June to September, they may not be sufficient to make up for losses suffered in the main harvest that continues until then, he said. He declined to give a new forecast for the crop. “We are only praying that we’ll be able to meet our collateralized facility because the crop wasn’t as good as anticipated,” Aidoo said. “We just started paying the first installment” in February, he said.
The board purchased 625,111 tons of cocoa for the season through Feb. 22, compared with 640,075 tons for the same period in the previous crop, according to a person familiar with the matter. While Ghana may not achieve its forecast for the season, it’s already selling cocoa at a loss after it chose not to lower prices for farmers even as global prices slumped by a third from July 2016 through the end of last year. The regulator is losing the equivalent of about $600 for every ton sold this season, it said in February. The board is in talks with the government on ways to pay for operational expenses and liabilities as the cost of debt on local markets is too expensive, said Aidoo. Over the past year, it sold bills and notes at rates of as much as 22 %, according to data compiled by Bloomberg. “We are still discussing with government and we’ll find some solutions,” Aidoo said. For the next harvest, the cocoa board will target a harvest of 900,000 tons and again seek to raise $1.3 billion in syndicated loans, Aidoo said. Last month, the International Cocoa Organization forecast a 900,000 tons harvest for the season. Neighboring Ivory Coast is the top global producer. (By Ekow Dontoh, Bloomberg)

Angola issues debt to support farmers

The Angolan government will issue another 5.85 billion kwanzas (US$27.3 million) in public debt to finance the credit to agricultural producers in the country, according to a presidential order. The aim, according to the document is “to boost the Agricultural Credit Campaign and contribute to the dynamism of the rural sector,” and this debt issued by the National Bank of Angola (BNA) will be repaid over 14 semesters. Angola’s Agricultural Campaign Credit was launched in June 2010 to “strengthen small and medium-sized agricultural producers and the credit line for support,” involving Banco Poupança e Crédito, Banco de Comércio e Indústria, Banco Sol and Banco Angolano de Investimento. The interest rate, amounts, borrowed capital limits and contributions of the beneficiaries are set annually by the Ministry of Finance after hearing the members of the Commission for Coordination of Agricultural Credit. (Macauhub)

Takura Capital of Zimbabwe acquires Companhia do Vanduzi of Mozambique
Zimbabwean private equity firm Takura Capital recently purchased Mozambican vegetable producer Companhia do Vanduzi for an undisclosed price via a bidding process managed by Verdant Capital, a corporate finance firm based in Mauritius. The seller is the same UK-based family office that founded Vanduzi in 2004. Vanduzi is based in the Manica province, about 60 kilometres from the Zimbabwe border. The company exports all of its products, which include baby corn and chilli peppers that are sold in the UK, the Netherlands and South Africa. It has 1,400 employees, 900 hectares in production and approximately 500 contracted smallholder farmers. Takura, which was established in 1997, acquired Cairns Holding, a Zimbabwean agri-to-FMCG (fast-moving consumer goods) firm, in 2015. According to US-based business data aggregator Crunchbase, Takura has raised funds totalling USD 92 million. The sale of Vanduzi is the second transaction Verdant has completed in Mozambique since 2016. Verdant, which has offices in the Democratic Republic of Congo, Ghana, Mauritius and South Africa, provides capital raising as well as merger and acquisition advisory services. It operates in the agri-business, clean energy, business services, financial services and manufacturing industries. (Club of Mozambique)

UPCOMING EVENTS

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

The Resource Mobilization and Partnerships Department (FIRM) of the African Development Bank is hosting a Business Opportunities Seminar (BOS) on March 22-23, 2018, at the Bank's Headquarters in Abidjan.
https://frmb.afdb.org/?page=bos&subpage=event§ion=about&event_id=bos_event_all_mars_2018

Africa Investment Exchange: Gas, 11 – 12 April 2018 RSA House, London
https://www.eventbrite.co.uk/e/aix-gas-2018-registration-36924810101

LSE Africa Summit 20th & 21st April 2018
https://lseafricasummit.org/

Africa Energy Forum 19-22 June 2018 in Mauritius
https://www.africa-energy-forum.com/

Mining on Top: ''EUROPE AS A PARTNER FOR AFRICAN MINING'' 3-4 July 2018, Geneva Switzerland
http://ametrade.org/miningontopafrica/

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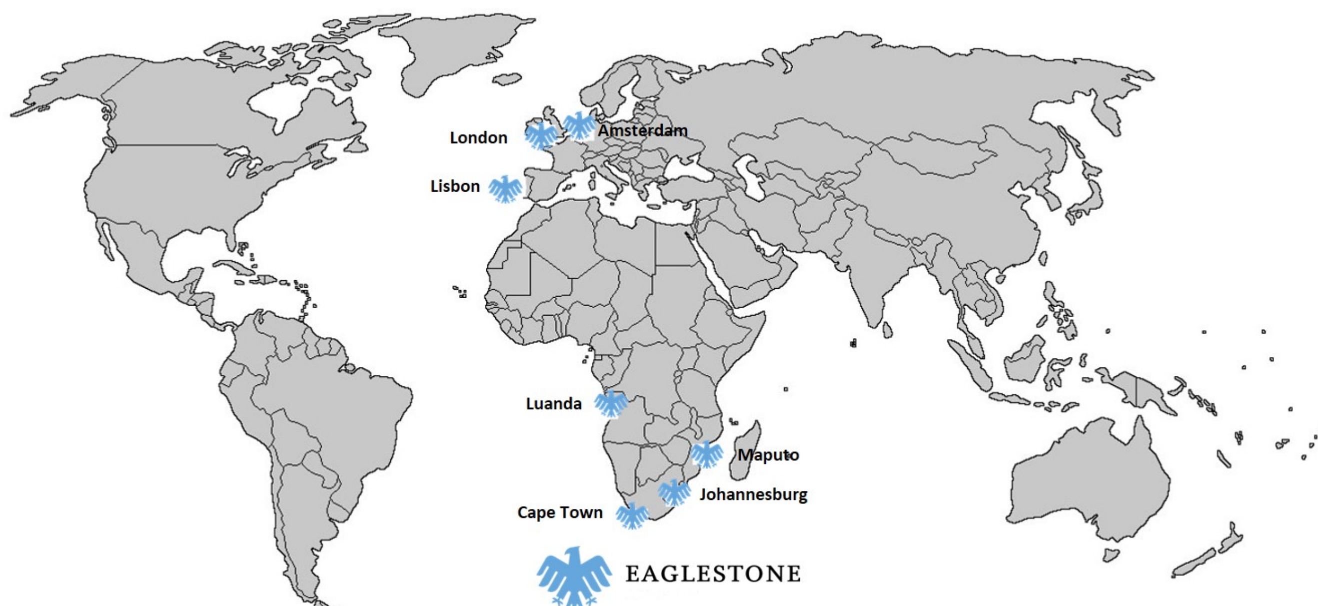

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Disclosures

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

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

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

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

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