02 March 2018

INSIDE AFRICA

Now is the time to invest in Africa

EAGLESTONE

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In-depth:

Africa's Year of Opportunity

In many corners of the world, 2018 is shaping up to be yet another disappointing year, with inequality and poverty continuing to fuel anger and populism. While Africa will not be entirely immune from such developments, its inhabitants have at least eight good reasons – far more than most people elsewhere – to be optimistic.

GENEVA – 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.

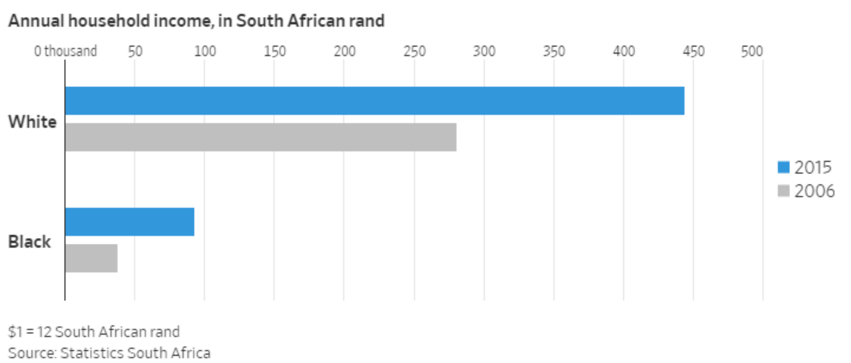
Finally, greater attention is being paid to developing a pan-African identity, and African fashions, films, and foods are expanding to new markets. As these cultural connections grow, Africa's soft power will continue to rise and extend far beyond the continent.

In many corners of the world, 2018 is shaping up to be yet another disappointing year, as inequality and poverty continue to fuel anger and populism. Africa will not be entirely immune from such developments. Nonetheless, the continent's inhabitants have at least eight good reasons – far more than most people elsewhere – to be optimistic. (By Caroline Kende-Robb, former chief adviser to the International Commission on Financing Global Education Opportunity, is a senior fellow at the African Center for Economic Transformation.- Project Syndicate)

New South African Leader's Challenge: Boost Opportunity

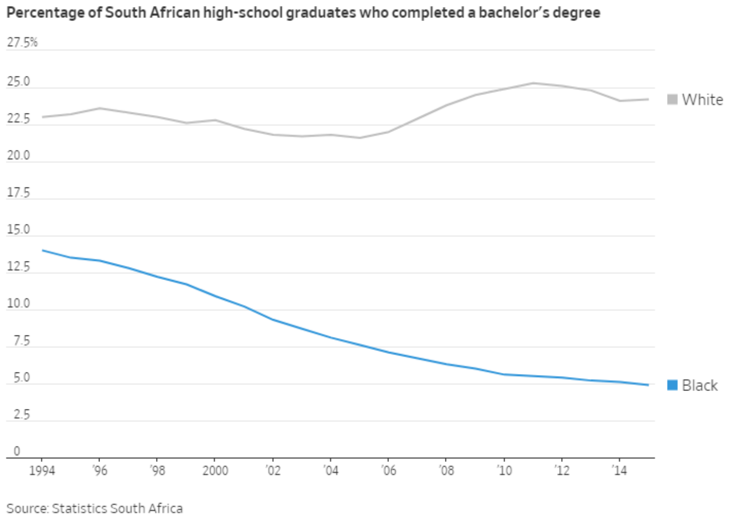
Cyril Ramaphosa has pledged to create jobs, ease unemployment and lift economic growth

CAPE TOWN—The departure of South African President Jacob Zuma leaves his successor a year to convince voters the ruling African National Congress can shed the corruption scandals that have battered the party and change the sense among many poor and black people that—a quarter-century after the end of apartheid—it has failed on its promise to deliver racial equality.



Once Nelson Mandela's heir apparent before becoming one of South Africa's richest black men, Cyril Ramaphosa is expected to be sworn in as president, following Mr. Zuma's announcement that he was stepping down after nine years at the helm of Africa's most developed economy.

Mr. Zuma—who spent 10 years in prison alongside Mr. Mandela—had been stalked by allegations of corruption since before he took office in 2009. He has denied any wrongdoing.



The events that led to his departure following an order from his own party to relinquish power were set in motion in December, when Mr. Ramaphosa became head of the ANC after promising to restore financial discipline and boost economic growth.

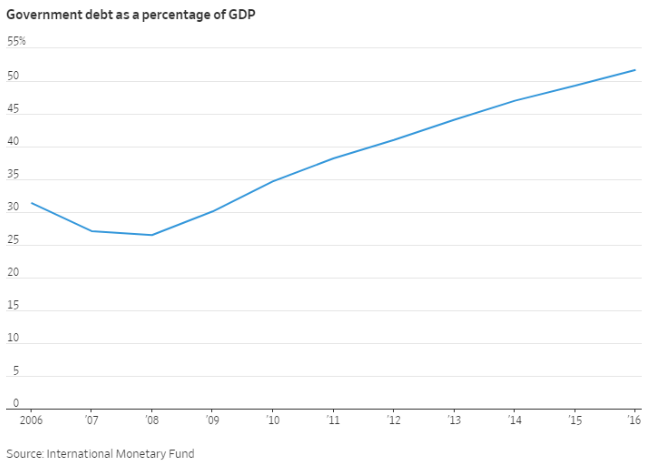
South Africa's currency, the rand, has rallied since Mr. Ramaphosa's ascent to the party leadership and many lenders and the South African Reserve Bank have increased their growth forecasts for the coming years. Some business leaders say they are already seeing some positive signs, such as engagement with industry on a controversial new mining law.

"That hasn't happened in the last 10 years," said Neal Froneman, chief executive of Sibanye Gold Ltd., South Africa's biggest gold producer.

Others question whether Mr. Ramaphosa, who has been serving as Mr. Zuma's deputy, will be able to push through unpopular overhauls demanded by the business community, including making it easier to fire workers.

Mr. Ramaphosa is expected to seek a full term in national elections in 2019, when the party risks losing its absolute majority in parliament for the first time since Mr. Mandela was elected in 1994.

"In order to win the vote again he has to work very hard to show that he is going to bring some changes," said Yonela Dyonta, who said she was ready to throw her support behind the opposition after years of faithfully voting for the ANC. "I'm very disappointed by them. Those people, we thought they were going to fight for us. What are they doing?"

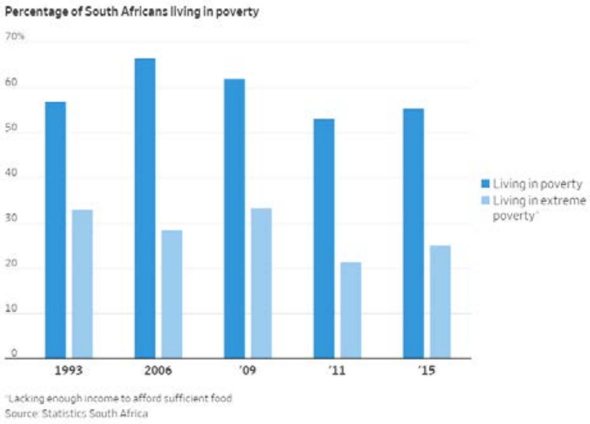


Her job cleaning bathrooms in Cape Town's luxurious waterfront shopping and dining complex earns Ms. Dyonta around $300 a month, in a country where white-collar salaries can approach those of Western Europe or the U.S. While the incomes of black South Africans have increased at a higher rate over the past decade, they on average still make less than a fourth of what white South Africans earn.

After graduating from high school a decade ago, Ms. Dyonta wanted to study to be a social worker, but didn't have enough money to pay the registration fees for university, which can be as much as her monthly salary, let alone tuition. While the number of black high-school graduates has increased sharply since the end of apartheid, the percentage going on to earn bachelor's degrees dropped from 14% in 1994 to 4.9% in 2015.

Now, Ms. Dyonta puts aside $25 a month to pay for her baby son's schooling. She hopes he will one day benefit from one of the ANC's new signature policies—free university tuition and housing for students from poor or middle-class households.

That policy—announced by Mr. Zuma just days before Mr. Ramaphosa won the party leadership in December—poses the new president's first significant test. On Feb. 21, the government has to present a new budget and explain to ratings firms how it will cut its deficit, currently targeted for 4.3% of gross domestic product, and stop its debt from breaking past 60% of GDP.

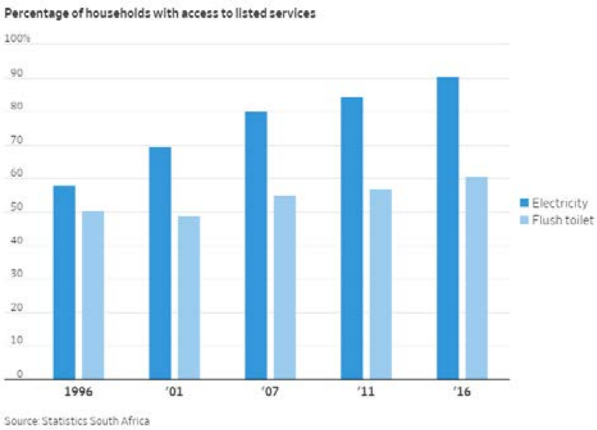


Moody's Investors Service, the one such firm that still rates South Africa's debt as "investment grade," estimates that the higher-education plan will cost around 1% of GDP and potentially much more in the future.

Mr. Ramaphosa, a former union leader who headed the ANC team negotiating the end of apartheid and helped write South Africa's first democratic constitution, won December's party leadership contest with the promise of a "new deal" for the country's hamstrung economy. He narrowly beat Mr. Zuma's ex-wife, who based her campaign on a promise of "radical economic transformation" and attacks on "white monopoly capitalism."

Mr. Zuma survived eight no-confidence votes in parliament during his nine years in office. Over the past year, thousands of leaked emails and other documents have buttressed suspicions among many South Africans that Mr. Zuma handed outsize influence to a controversial business family, the Guptas, who had partnered with his son, Duduzane. Mr. Zuma, his son and the Gupta family have all denied wrongdoing.

Mr. Ramaphosa is widely seen as more economically liberal than Mr. Zuma, yet the 65-year-old's policy agenda remains vague. He has pledged to create a million new jobs, to ease 26.7% unemployment, and lift economic growth to 3% this year, from an estimated 0.9% in 2017, and to 5% by 2023.



He is also under pressure from his own party to redistribute wealth from the white minority to the black majority. In addition to free higher education, the ANC is calling for the expropriation of land without compensation—a practice that many South Africans associate with the brutal land invasions that displaced white farmers in neighboring Zimbabwe.

After moderate gains in the first decade of democratic government, poverty has been inching up again in recent years.

A system of social grants for poor pensioners, children and disabled people has alleviated some of the most abject poverty, but around a quarter of the nation's 55 million people still don't earn enough money to afford sufficient food, according to the national statistics agency. While 90% of households now have electricity, up from 58% 20 years ago, 39% still don't have flushing toilets in their homes. (By By Gabriele Steinhauser, Wall Street Journal)

IMF, WORLD BANK & AFRICAN DEVELOPMENT BANK

Digital finance is a powerful lever for real change, African Development Bank Vice-President Pierre Guislain tells Resilience Forum

"Africa is a pioneer in mobile banking and digital finance is a powerful lever we can use to deliver real change for the people at the bottom of the pyramid," African Development Bank Vice-President Pierre Guislain told participants at the second Africa Resilience Forum held last week in Abidjan.

Guislain chaired the session on digital finance and resilience for people at the bottom of the pyramid, hosted by the Bank's Private Sector, Infrastructure and Industrialization Complex. Panelists included Ivorian business executives – Gaël Briot, CEO of Advans; Olivier Akeya

Nguessan, Head Distribution and Consumer Banking at Ecobank; and Iba Seck of Orange Money. Discussions focused on exploring linkages between digital technologies and development impact focusing on innovative solutions that can enhance the quality of life of the people in Africa. “Africa has benefited hugely from the cellular revolution,” Guislain said, noting that about half the world’s mobile money providers operate in Sub-Saharan Africa, where as many as 80% of the people have access to mobile phones. “Africa is a pioneer in the FinTech space and I firmly believe that there is huge potential that can be unlocked by leveraging innovative digital tools for inclusive growth in emerging economies. The digital revolution holds the same potential today as the cellular revolution 20 years ago. We need to unlock it,” Guislain said.

The African Development Bank’s objective is to provide universal financial services to 90% of African adults by 2025. A number of transformative digital payment projects have been launched to support this objective. Agri Porte Monnaie Electronique (E-wallets), a joint project of Togo’s Agriculture and Digital Economy ministries is one such initiative. The project, launched in 2016, provides subsidies to farmers through electronic wallets. To date, 76,522 out of 150,000 small-scale farmers have been identified and registered for the project. Unique identification was flagged as one of the major challenges undermining efforts made by digital finance players to accelerate financial inclusion of the most vulnerable populations. Guislain urged actors to reflect and learn from best practices, especially Aadhaar, a unique authentication and identification platform in India. Aadhaar is currently the world’s largest biometric ID system, with over 1.2 billion enrolled members. The second edition of the Africa Resilience Forum was organized by the African Development Bank’s Transition Support Department on the theme, “Building Resilience at the Bottom of the Pyramid”. The two-day event brought together over 400 participants.

African Legal Support Facility launches PPP capacity-building course for Nigerian Government officials

The African Legal Support Facility (ALSF) has launched a suite of capacity-building workshops which aim to strengthen the capacity of Nigerian Government officials in the area of public-private partnerships, particularly as they relate to infrastructure development.

Organized on the basis of a cost-sharing grant provided by the ALSF to the Government of Nigeria on January 23-25, the first training event was designed to demystify the process of identifying and structuring public-private partnership infrastructure projects, and was co-hosted with the Nigerian Federal Ministry of Finance.

More than 51 Government representatives participated in the workshop. The participants benefitted from training provided by legal experts from Norton Rose Fulbright, an international law firm, and Olaniwun Ajayi, a Nigerian law firm, appointed by the ALSF to support the Government’s efforts to build capacity in the public-private partnership infrastructure sector. The two participating law firms were supported by Canadian Pacific Consulting Services, which provided the financial advisors in developing public-private partnership infrastructure projects.

The event benefitted from remarks delivered by high-level government officials, including Larai Shuaibu, Advisor to the Minister of Finance; Tor Tsavsar, Director of Technical Services at the Federal Ministry of Finance, who spoke on behalf of the Permanent Secretary of the Federal Ministry of Finance; Chidi Izuwah, Acting Director General of the Infrastructure Concession Regulatory Commission (ICRC); and Folarin Alayande, Special Assistant to the President for the Economic Recovery and Growth Plan.

How are PPP projects identified and structured? Do the appropriate institutional capacities exist to manage a PPP project? How best do we implement a transparent and competitive procurement process? The course responded to these questions and many more in modules spread across the three-day event.

In view of the presence of Nigerian officials from 12 different Government Ministries – in addition to delegates from the Office of the Vice-President – additional efforts were made to develop sector-specific presentations which elaborated on the challenges and opportunities associated with PPP projects in the extractives, agricultural and rural development, transportation, and power sectors. "The skill and knowledge gained here will contribute in achieving the future plans of the Ministry of Water Resources and will help facilitate our organizational goals, by setting up sensitization programs on how best to attract private-sector financing for water infrastructure projects," said Esther Oyeniyi Ajibewa, PPP Desk Officer at the Federal Ministry of Water Resources. ALSF Legal Expert Nchumunya Ndulo added: "PPP structured projects are key to curbing the financing gap at the root of Africa's infrastructure deficit. Stakeholder engagement and developing common negotiation positions are also key elements in making such projects succeed for Governments."

The African region is facing an increasingly precarious infrastructure deficit, particularly in the power and transportation sectors. For African economies to maintain their steady growth, it is estimated that US $130-170 billion a year will need to be invested over the next decade to bride the infrastructure gap, and much of this investment is expected from the private sector.

Japan provides US $700 million to African Development Fund

The Japan International Cooperation Agency (JICA) has signed a loan agreement with the African Development Fund (ADF) designed to provide an Official Development Assistance (ODA) loan to the tune of 73.601 billion Japanese Yen (approx. US $700.9 million). The loan is part of Japan's contribution to the African Development Fund's Fourteenth Replenishment (ADF-14). This is the first JICA loan provided to the ADF.

The loan will provide the African Development Fund with resources to support recipient countries during the ADF-14 period (January 1, 2017 to December 31, 2019), and contribute to economic growth as well as poverty alleviation in Africa's least developed countries.

The President of the African Development Bank Group, Akinwumi Adesina, acknowledged the landmark event and expressed the Bank's gratitude and appreciation to the Government of Japan. Signing the Notes of Exchange, Adesina said, "Thanks to Japan and its Government for keeping a promise. One often hears about many international pledges of development cooperation remaining unfilled. I would like to commend the full accomplishment of Japan's commitments to Africa's development. With its US $700-million loan, which came on top of US $328 million in the form of a grant, Japan has significantly contributed to the ADF commitment capacity for the period 2017-2019." Adesina stated that Japan was a longstanding development partner for Africa, with a significant portion of its aid commitments to the continent channeled through the African Development Bank Group. "Japan is the second-largest contributor to the ADF in cumulative terms, and it has increased its contributions significantly over time." Also speaking on the occasion, Japan's Ambassador to Côte d'Ivoire, Hiroshi Kawamura, said he was glad to sign the accord to bolster Africa's socio-economic development. "Our contributions to the ADF-14 replenishment will allow the Government of Japan to increase its contributions to 7.3%, against 6.7% for the ADF-13," he stated. According to Kawamura: "We hope the loans and grants will be used effectively to improve economic and social conditions of less privileged people in Africa. Also, the reason of our meeting today would further contribute to accelerating the Tokyo International Conference on African Development (TICAD)."

The Japan International Cooperation Agency (JICA) Chief Representative in Côte d'Ivoire, Tsutomu Iimura, said his institution fully adheres to the African Development Bank's High 5s. "There is no limit in the potential collaboration and synergies between the two institutions." Iimura expressed the hope that JICA's projects and contributions to ADF-14 would bolster the Bank's capacity to carry out the objectives of the High 5s in countries where support is most needed.

Co-signing the accord for the African Development Bank, Acting Vice-President for Finance, Hassatou N'Sele, thanked the Japanese Government and its people for "exceptional support" to the ADF-14 replenishment, noting that, "These investments by Japan will make a difference in the lives of many Africans. Japan is one of the African Development Bank's most privileged partners. Your various financial instruments will help us meet our development goals".

The African Development Fund is part of the African Development Bank (AfDB) Group and provides support primarily to least developed and poor countries in the form of very long-term, low-interest financing. In contrast, the African Development Bank, which is the other arm of the African Development Bank Group, provides financing to middle-income countries in Africa.
Since its inception in 1972, the African Development Fund has conventionally received subscriptions in the form of grants from donor countries, including Japan, as a source of funding to achieve its development mandate. During the negotiations of its fourteenth replenishment, the African Development Fund offered donor countries the opportunity to include concessional loans within subscriptions to the Fund for the very first time.
JICA also provides private sector development support through projects under Enhanced Private Sector Assistance for Africa (EPSA), which the Government of Japan and the African Development Bank launched as a strategy for support in Africa in July 2005. It is JICA's policy to maintain its relationship with the African Development Bank Group as an important development partner contributing to economic growth and poverty alleviation in Africa.

African Development Bank and Mozambique sign US$ 29 million grant agreements to finance agriculture and skills acquisition projects
On Wednesday, 21 February 2018, the African Development Bank and the Government of Mozambique signed grant agreements for two operations totaling US$ 29 million. The first intervention will support the uptake of agricultural technologies and techniques, as well as small scale irrigation equipment to increase climate resilience of small agricultural producers in southern Mozambique. Another operation will strengthen the curricula and teaching facilities at the University of Lurio, in the north of the country, focusing on creating skills for agriculture and engineering. Speaking at the signing ceremonyon behalf of the Bank's President, Akinwumi Adesina, the Country Manager for Mozambique, Pietro Toigo, said: "The gas discoveries in Northern Mozambique are likely to transform its economy, but to make these resources improve lives, Mozambique needs to invest now in economic diversification. This is why the Bank is investing in agriculture and skills to ensure the country has a solid economic base." The Minister of Finance and the governor for Mozambique at the Bank, Adriano Maleiane, underscored the close alignment of the Bank's High 5s with the Government of Mozambique's priorities, noting that "These two operations support two pillars of the Government strategy, enhancing agricultural resilience and improving skills for young people to compete in the market place."

African Development Bank supports Gabon's Optic Fiber Backbone Project
The African Development Bank and the Gabonese National Agency for Numerical Infrastructure and Frequency (ANINF) have signed agreements a feasibility study for the country's component of the Central African Backbone (CAB) project. The project is an integrated, innovative and transformative infrastructure which consist of completing the 901.8 km fiber optic connectivity to cover 14 missing links on the Gabonese national backbone.
The project will enhance regional integration in the Central Africa region through fiber optic infrastructure enabling cross-border interconnection exchange with neighboring countries – Congo, Cameroon and Equatorial Guinea. It will open up opportunities that will integrate Gabon in the information and communications community, among other initiatives poised to close the digital divide especially in rural areas and empower marginal communities. The total project preparation cost is US$ 900,000 provided by the Bank through the NEPAD Infrastructure Project Preparation Facility Special Fund (NEPAD-IPPF) which enables African countries to prepare bankable regional infrastructure projects to promote integration to support socio-economic transformation. The Bank will coordinate the preparation, structuring and packaging of the project as lead arranger to ensure subsequent fundind and implementation.
The CAB-Gabon project is considered to be among the most innovative digital projects that the Bank plans to implement. Sponsors will be identified to participate in the project under a win-win

collaborative partnership with global players to invest in the best ICT technologies. The envisaged large internet broadband will boost regional integration with Gabon endowed with the largest ICT hub in Central Africa and able to attract international companies within the central free trade zone with innovations in various sectors. Digital innovations that that can be derived from the project will include services such as the duty free money transfers.
The financing of fiber optics and e-government infrastructures (datacenters) in Central Africa will significantly lower the cost of internet fees considered to be the highest on the global scale, and will add competitiveness to regional exchanges and provide an important demonstration effect for new public and private sector infrastructure projects in the region.The Agreement was signed on 20th February 2018 by the Director General of ANINF, Bernard Bongo Odimba and Mr. the Bank's Director-General for Central Africa, Ousmane Dore.

African Development Bank Board Approves Rockefeller Foundation Trust Fund with initial US$ 3 million to support the High 5s

The Board of Directors of the African Development Bank Group has approved the establishment of a Rockefeller Trust Fund to be hosted by the Bank.
With an initial endowment of US$ 3 million dollars, the Fund will support the Bank's activities, particularly with regards to two of its five high priorities – Feed Africa and improve the quality of life for the People of Africa. Subsequent contributions may also be received to support other areas of the High 5s. Established in 1913, the Rockefeller Foundation's mission is "to promote the well-being of humanity throughout the world." "Together with partners and grantees, The Rockefeller Foundation strives to catalyze and scale transformative innovations, create unlikely partnerships that span sectors, and take risks others cannot," the Foundation says in its mission statement. The foundation's goals tally with the Bank's effort to catalyze Africa's transformation over the next decade by leveraging its own resources and significantly scaling up development finance for the benefit of its Regional Member Countries (RMCs). The trust fund will foster the joint effort of the Foundation and the Bank in establishing a strategic partnership that can help to the transformation of Africa. The two activities targeted by the trust fund are support to the Leadership for Agriculture Platform under the Bank's Feed Africa priority and support to the Jobs for Youth for Africa Coding for Employment Flagship Programme under the Improve the Quality of life for the People in Africa priority. The Rockefeller Foundation Trust Fund is the Bank's second formal collaboration with a foundation, following the establishment of the Bill and Melinda Gates Trust Fund in March 2015.

INVESTMENTS

Mozambique: Turkey injects $270m in direct investment

The Turkish ambassador to Mozambique Zeynep Kiziltaney said her country's direct investment in Mozambique has so far reached $270 million over the last six months. The diplomat was quoted by Radio Mozambique as saying that the figure could reach other levels this year judging by the enormous potential in the country. "There is still great potential to increase and diversify Turkish investment, including in infrastructure, agriculture, tourism and energy, areas of priority for the socio-economic development of Mozambique," Ms Kiziltan said. According to the broadcaster, the diplomat made the announcement during the official inauguration of the $50 million Turkish Limak cement factory in the industrial city of Matola, just on the outskirts of the capital, Maputo, an event attended by the Mozambican president, Filipe Nyusi. She said Turkish president Recep Tayyip Erdoğan has proposed to increase bilateral trade with Mozambique to $500 million by the end of 2018. Zeynep Kiziltan said as a way of stimulating investment and trade, negotiations are underway to avoid double taxation between the two countries. Talks began since January on a preferential trade agreement between Maputo and Ankara. (Club of Mozambique)

Mozambican Regulatory Amendments to the Customs Tariff and Excise Duty| Alfandegas Circular

In a newsletter sent today, Maputo Corridor Logistics Initiative highlights the "important Circular No 07/DGA/2018 from the Autoridade Tributaria de Moçambique's on the inclusion of the loading, unloading and handling rates on imported goods in the Customs Value". Please read below:

There has been several amendments to Mozambican Laws that have an impact on Corridor activities, eg.Amendments to the Specific Regime of Taxation and Fiscal Benefits of Petroleum Operations and the Commercial and Foreign Exchange Control. Of specific interest is the amendments to the **Customs Tariff and Excise Duty:**

With effect from January 1st, 2018, it was published in the Bulletin of the Republic Law No 18/2017 of December 28, concerning the revision of the text of **Customs Tariff**, approved by Law No 11/2016 of December 30 and has resulted in the following changes:

- Creation of new tariff headings, as a result of the taxation of a new beer produced from maize.
- Withdrawal of the tax exemption (customs duties) on the import of frozen fish (carapau) (outside SADC), now taxed at a 20% rate.
- Increase in the surcharge on imports of Portland Cements (tariff heading 2523.29.00) from 10,5% to 20%.
- Reduction of customs duty rates (20% to 7, 50%), of certain goods used by the printing industry.

Introduction of surcharge in the importation of the following products:

- Goods of textile materials and similar goods, used, with a surcharge of 25MZN / kg;
- Electric conductors, with a surcharge of 10%.

The new Code on **Excise Duty** (Law No 17/2017 of 28 December which amended Law No 2/2013 of December 7, 2007 with effect from 1 of January 2018) covers the following main changes:

- Increase in the minimum taxation amounts for 2018, 2019 and 2020.
- Introducing minimum values for beer taxation for 2018, 2019 and 2020 and reduced rates of 20%, 25% and 30% in the 1st, 2nd and 3rd year respectively for new brewery undertakings under tariff heading 2203.00.10
- Amendment of the formula for calculating the minimum values for the taxation of spirits. The revoked Code provided for a single minimum value of 120MZN / L, and the new code predicts for a minimum value per litre per each 100% of alcoholic strength in volume.
- The distinction between hard and soft packets has been removed in tobacco taxation;
- Creation of new categories in cosmetic products (baby powder, retail bottled, skin and glycerine lotions), which will allow the reduction of tax rate;
- Addition of plastic bags to excise duty and introduction of minimum values for 2018, 2019 and 2020;
- Creation of the concepts of "used vehicles with more than 7 years" and "new and used vehicles under 7 years" in the taxation of vehicles;
- Reduction of tax rates for new and used vehicles with less than 7 years. (Club of Mozambique)

Hungary to invest $172 mln in Angolan economy

Hungary will invest 172 million dollars in the Angolan economy through various projects including a line of credit through its export-import bank, the European nation's trade minister said in Luanda. Hungarian foreign and trade minister Péter Szjjárto said companies from Hungary operating in Angola, mainly in the agriculture and energy sectors, would make the investments resulting in a 16-fold increase in bilateral trade, according to state media agency Angop. Szjjárto was meeting with Angolan vice-president Bornito de Sousa. (By Herculano Coroado, Reuters)

Thailand to invest $6.5b in Mozambique – Official

The ambassador of Thailand to Mozambique, Russ Jalichandra, has announced that his country will fund various socio-economic development projects in Mozambique to the tune of $6.5 billion this year, within the framework of bilateral cooperation, APA report. The diplomat was quoted by state-controlled Radio Mozambique as saying Thailand is investing in several areas including gas, infrastructure, hotels, agriculture and aquaculture. “Thailand will continue to make provide support to Mozambique, and this $6.5 billion will be disbursed for various development projects in Mozambique”, Jalichandra declared after visiting Unilurio University, an institution that this year will work closely with the embassy in the promotion of aquaculture. The ambassador said Mozambique is one of the African countries where Thailand is investing most. (Club of Mozambique)

Meliá enters Mozambique market, Maputo Hotel opens in May

Meliá Hotels International has announced that it will open a Meliá Maputo Hotel, the group’s first in Mozambique, in May this year. The hotel is located in the heart of the Mozambican capital, just 20 minutes from the international airport, and is the result of a partnership with the Portuguese Hoti Hoteis group. The Meliá Maputo offers 171 rooms and suites, meeting rooms, event spaces including an auditorium that can accommodate up to 150 guests, a restaurant and a coffee bar. Founded in 1956 in Palma de Mallorca, Meliá Hotels International is one of the largest hotel groups in the world and a leader in the Spanish market, with over 375 hotels in more than 42 countries on four continents, divided between the Gran Meliá Hotels & Resorts, Paradisus by Meliá, ME by Meliá, Meliá Hotels & Resorts, INNSIDE by Meliá, Sol by Meliá and TRYP by Wyndham. (Club of Mozambique)

BANKING

Banks

Millennium bim opens two more branches Maputo

Millennium bim bank has opened two more branches in Maputo, at the Mozambique Post Office building on Avenida 25 de Setembro. These branches are aimed at customers in both the mass market and prestige segments, reinforcing the bank’s network in the capital, and making it more robust and more capable of responding to the needs and expectations of its customers. The bank’s expansion strategy reinforces its position as “a bank of all and for all”, reaffirming its commitment to providing greater access to financial products and services.

During the inauguration ceremony, Rui Cirne Fonseca, Chairman of the Board of Directors of Millennium bim, said: “With these new branches, we want to serve our customers better and better, always with quality, since for Millennium bim the customer is the first concern.” The inauguration ceremony was attended by Maputo mayor David Simango, Director of Economy and Finance representative of the Government of Maputo Province, Piedade Macamo, representative of the Bank of Mozambique and Director of the Branch of Maputo, Henrique Matsinhe, and chairman of the Correios de Moçambique, Valdemar Jessen, who in their speeches stressed the importance of spreading the provision of financial services in the country. The two new branches bring Millennium bim’s network of branches throughout the country to 190, providing banking products and services to 1,800,000 customers. (Club of Mozambique)

Angolan Parliament approves Law on the repatriation of capital

The Angolan parliament approved the draft Law on the Repatriation of Financial Resources Domiciled Abroad, put forward by the President of the Republic and the draft Law on the Extraordinary Regime of Asset Regulation, proposed by UNITA, the largest opposition party, Angolan news agency Angop reported. The two documents approved for discussion in detail came after a proposal made by the President of the Republic, João Lourenço, in December 2017, with a view to Angolans with financial resources abroad repatriating this capital in order to revitalise investments in Angola. The government's proposed law stipulates that Angolans with undeclared deposits of over US$100,000 abroad will have six months to repatriate the money to Angola without being subjected to any criminal, tax or foreign exchange investigation, while the draft presented by UNITA outlines payment of a 45% tax on repatriated cash. The move includes bank deposits of organisations and individuals, in excess of US$100,000 "or the equivalent in another foreign currency, depository certificates, securities and other financial instruments," including life insurance policies linked to investment funds and capitalisation operations of the life insurance segment. (Macauhub)

Markets

Mozambique has 84% of its public debt in foreign currency

Mozambique is the country in sub-Saharan Africa with the highest percentage of public debt denominated in foreign currency – about 84% – and should not return to the markets to finance itself before reaching an agreement with the International Monetary Fund (IMF), according to a report from the Standard & Poor's rating agency. The report on expected debt issues for sub-Saharan African countries this year, which S&P sent to investors, said that Mozambique will not return to the international financial markets "in 2018, due to the recent default" on the payment of coupons related to the issuance of debt in foreign currency in 2016 as well as two State-backed loans taken on by public companies. The report on the public debt of the 17 countries that the agency rates in Sub-Saharan Africa show that these countries will increase their indebtedness by another US$57 billion this year, according to Portuguese news agency Lusa. For Africa as a whole, S&P expects the commercial debt to reach US$392 billion by the end of this year and total debt to reach US$514 billion. (Macauhub)

Angola will be the second country in Africa to issue most debt in 2018

In 2018 Angola will be the sub-Saharan African country to issue the second-largest amount of public debt, with a total of US$15.9 billion, exceeded only by South Africa, which will take on another US$18.7 billion in debt, according to credit rating agency Standard & Poor's (S&P).

The report on the debt levels of African countries said that the amount of debt to be issued by Angola is an increase of 26.5% over the amount recorded in 2017 and is the highest since 2014 when the country went to the markets to raise US$17.3 billion. The report on the 17 countries the agency rates in that region of the world shows that these countries will increase their debt levels by another US$57 billion this year. This is an increase of 7.4% compared to the US$53 billion in debt issued last year and proves that the commodity price crisis, which began in 2014, continues to have a strong effect on these natural resource-dependent economies to balance their budgets. For the whole of Africa, S&P expects commercial debt to reach US$392 billion by the end of this year and total debt to rise to US$514 billion. (Macauhub)

Angola makes second issue of Eurobonds in February

Angola is expected to make its second issue of Eurobonds later this month, of around US$2 billion, Finance Minister Archer Mangueira said in statements in Luanda at the National Assembly. The minister, speaking after final approval of the proposed State Budget bill for 2018, said there would be a number of banks working with the Ministry of Finance to prepare this sovereign debt issue in foreign currency. This Eurobond issue comes at a time when the government's public debt (which excludes debt contracted by Angolan state companies), is above of 67% of the country's Gross Domestic Product (GDP), according to January figures released by the Ministry of Finance. The general state budget (OGE) expenditure for 2018 is one of the main concerns of the Angolan government, which according to Finance Minister Archer Mangueira, aims to "change the current trajectory" through a "fiscal consolidation exercise." Angola made its debut in the issuance of Eurobonds in November 2015, raising about US$1.5 billion in the foreign market through a syndicate of banks led by the US-based Goldman Sachs International, which included Germany's Deutsche Bank and China's ICBC International. (Macauhub)

South Africa's JSE to launch project bonds in March

Africa's largest bourse, the Johannesburg Stock Exchange (JSE), will begin listing "project bonds" from mid-March, an official said, giving institutional investors a window to invest in infrastructure projects.

The bonds will provide private firms a chance to get a foothold in infrastructure projects in Africa's most industrialised economy, where project financing has traditionally come from banks and government. "We launch Project Bonds in the second week of March," said spokeswoman Pheliswa Mayekiso, adding that details of the listing would be made public closer to the launch.

"Government and banks alone cannot fund South Africa's infrastructure programme," the Treasury said in a review of the 2018 budget released last week. "These bonds will be underpinned by the cash flows of a ring-fenced project, such as infrastructure or energy projects," it said.

Capital markets have already reduced lending to some state-owned companies, such as sole power supplier, Eskom.

South Africa plans to spend billions of dollars over the next three years to build and revamp roads, power stations and ports, government officials said. (By Wendell Roelf, Reuters)

Nigeria Sells $2.5 Billion Eurobonds to Replace Naira Debt

- Yield was 7.1% on 12-year tranche, 7.7% for 20-year notes
- Finance ministry says order book in excess of $11.5 billion

Nigeria sold $2.5 billion of Eurobonds as it sought to lower funding costs by using the notes to refinance higher-yielding naira debt.

Africa's biggest economy sold $1.25 billion of 12-year securities with a yield of 7.14 % and a separate 20-year tranche, also $1.25 billion, at 7.7 %, the finance ministry said on Twitter. Investors placed more than $11.5 billion of orders, according to the ministry.

The sale completes a program of selling more foreign debt to help reduce the burden of double-digit yields on local-currency bonds. Nigeria says the extra funds will be used to improve infrastructure and help revive the economy after it contracted in 2016 for the first time in a quarter-century.

The level of demand for Nigeria's bonds was "impressive," especially given that global risk appetite is "significantly higher" today than when it last issued, Neville Mandimika, an analyst at Rand Merchant Bank in Johannesburg, said in a note to clients.

Nigeria sold a record $4.8 billion of Eurobonds last year, most recently in November, when it issued $3 billion of 10- and 30-year debt. Yields on the latter rose six basis points to 7.7 % by close, the highest since they were issued. Nigeria's local bonds have an average yield of 13.7 %, according to data compiled by Bloomberg. Citigroup Inc. and Standard Chartered Plc managed the latest deal, while Standard Bank Group Ltd.'s Nigerian unit was a financial adviser.

Nigeria follows Egypt, which became the first African sovereign to tap the market this year when it sold $4 billion of debt on Feb. 13. Egypt, which Moody's Investors Service rates B-, one level below Nigeria. Egypt paid 6.59 % for 10-year notes and 7.9 % for 30-year bonds and attracted $12 billion of bids from investors. Angola, Ghana, Ivory Coast and Kenya have all said they are considering Eurobonds soon. (By Paul Wallace and David Malingha Doya, Bloomberg)

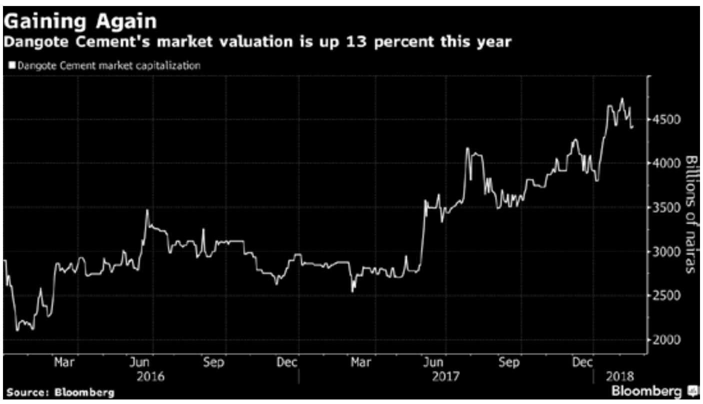
The African Development Bank updates its African Bond Index

The ABABI index family has two additional sub-indices - the ABABI capped and the ABABI excluding South Africa indices - providing more diversification and reducing investors' exposure to one major country. The African Development Bank has updated its composite index available to Bloomberg Professional® service subscribers via {BADB Index}. The index, which is enriched with two sub-indices (BADBC and BADBX), was released in January 2018 to improve African debt market liquidity and transparency. The new {BADBC Index} is the capped version of the African Bond Index (ABABI) with a maximum exposure of 25% per country, while the {BADBX Index} excludes South Africa. The enhancement of the composite index family will provide investors with more diversified baskets, thus reducing their exposure to one major country. The African Development Bank (AfDB) through the African Financial Markets Initiative (AFMI)[1] launched its AfDB/AFMI℠Bloomberg® African Bond Index (ABABI) in February 2015. Calculated by Bloomberg Indices, the composite index is comprised of the South Africa, Egypt, Nigeria, Kenya, Botswana and Namibia local currency sovereign indices. In April 2017, Zambia and Ghana were added to the composite index. The AFMI works to deepen the continent's local currency bond markets and strives to create an environment where African countries can access financing at variable terms. By providing transparent and credible benchmark indices, the AFMI℠ Bloomberg® African Bond Index equips investors with a tool to measure and track the performance of Africa's bond markets. (AfDB) For more information on the AFMI visit **www.africanbondmarkets.org**

Africa's Richest Man to Revive Dangote Cement London IPO

- Continent's largest cement maker is seeking about $1 billion
- Move comes as Nigerian stocks soar with rising oil price

Dangote Cement Plc, owned by Africa's richest man, has revived plans for a share sale in London that could raise about $1 billion, according to people familiar with the matter. The Nigerian company, controlled by Aliko Dangote, has approached investment bankers to discuss a potential U.K. listing, said the people, who asked not to be named as the talks aren't public. Once banks have been appointed, it will probably take at least five months to complete the process, one of the people said. The cement maker is also considering issuing a debut Eurobond, according to two different people familiar with the matter. Discussions are ongoing and a listing of Africa's biggest cement maker may not go ahead, the people said. "We have not, to the best of my knowledge, taken such a decision," Anthony Chiejina, Dangote Cement's spokesman in Lagos, said in an emailed response to questions, without commenting on the banker talks.



Fresh capital would enable Dangote Cement to fund expansion plans in sub-Saharan Africa and broaden its base of investors. The company sees London as a more favorable place to attract about $1 billion than in its home base of Lagos, Nigeria's commercial capital, where no company has raised more than Starcomms Plc's $796 million in 2008.

Dangote Cement has a free float in Lagos of 14.9 %, according to its head of investor relations, Carl Franklin, and a market valuation of $12.2 billion. It mulled raising equity in London in 2010. At the time, Goldman Sachs Group Inc., JPMorgan Chase & Co. and Morgan Stanley helped it prepare a sale that could have raised as much as $5 billion, before the move was abandoned.

The revival of the plan comes as Dangote Cement shares climb to near records as the Nigerian economy recovers from a downturn caused by the 2014 slump in oil prices. The economy of Africa's most populous nation went into recession in 2016 as government revenue plunged. Nigerian stocks are up 11 % this year in dollar terms, the sixth best performance globally according to data compiled by Bloomberg.

Aliko Dangote has a net worth of $13.5 billion, according to the Bloomberg Billionaires Index. His Dangote Industries Ltd. conglomerate has interests in sugar, flour and packaged food as well as controlling the cement company. The 60-year-old has repeatedly expressed a desire to bid for London's Arsenal Football Club and is building a 650,000 barrel-a-day oil refinery near Lagos, which will cost more than $10 billion. (By Loni Prinsloo, Paul Wallace, and Ambereen Choudhury, Bloomberg)

Kenya raises $2 bln Eurobond but concerns over deficit linger

Kenya shook off a downgrade and the loss of access to an IMF standby credit facility to raise a $2 billion dollar bond at competitive yields, but market participants said it still needs a credible plan to tackle its fiscal deficit. Kenya received $14 billion worth of bids. It took just $1 billion in a 10-year note with a yield of 7.25 %, and another $1 billion in a 30-year tranche with a yield of 8.25 %, Thomson Reuters news and market analysis service IFR reported. "They were in line with the yield curve," said a fixed income trader in Nairobi. The eventual yield reflected a tightening of the initial pricing area by about 30 basis points. It was close to the comparative yields for other African sovereigns like Nigeria, the trader said. Last week, credit ratings agency Moody's downgraded Kenya's debt rating to B2 from B1 while officials were in the middle of the bond roadshow abroad, angering the government. More bad news emerged, after the International Monetary Fund said it had frozen Kenya's access to a $1.5 billion standby facility last June, after failure to agree on fiscal consolidation and delay in completing a review. "They (the government) were able to weather the knocks of the Moody's downgrade and the IMF issue," said Aly Khan Satchu, a Nairobi-based independent trader and analyst.

But he warned that the government needed to convince investors it has a plan to tackle the fiscal deficit. "People are worried about debt-to-GDP ratios and they want to see a stronger language about how this will be addressed," he said.

Kenya's total debt is about 50 % of GDP, up from 42 % in 2013. It has borrowed locally and abroad to build infrastructure like a new railway line from Nairobi to the port of Mombasa.

The finance ministry has published a plan to lower its fiscal deficit to 7 % of GDP at the end of this fiscal year in June, from 8.9 % in 2016/17, and to less than 5 % in three years' time. Satchu said it was not enough for investors. They want to see more targeted infrastructure investments that will ensure a return, and attempts to reign in a ballooning public service wage bill and other recurrent expenditure. "We have got to walk the talk. We are not even talking the talk yet," he said. (By Duncan Miriri, Reuters)

ENERGY

Construction of solar power plant begins in Mozambique in March

Construction of the Mocuba solar power plant in Mozambique's Zambezia province starts next March and is due to come on stream 10 months later, said the chairman of state-owned Electricidade de Moçambique (EdM) during a business forum between Mozambique and Norway held in Maputo.

The plant will have the capacity to produce 40 megawatts of electricity, will cost US$84 million and is the result of a public-private partnership involving the Scatec Solar group, the Norwegian Development Assistance Fund (Norfund) and EdM.

This solar energy project will be built by the Scatec Solar group, and the contract for the sale of electricity to state-owned EdM was signed in November 2016. The project, which is the first major solar power plant in Mozambique, will be located in the city of Mocuba, Zambezia province, and is expected to supply 77,000-megawatt hours to around 175,000 homes annually.

In June 2017 a US$16.9 million loan contract was signed by Electricidade de Moçambique with the Emerging Africa Infrastructure Fund (EAIF) under the guarantee of the International Finance Corporation of the World Bank Group. EAIF, which operates under the umbrella of the Private Infrastructure Development Group, is currently funded by the governments of the United Kingdom, the Netherlands, Sweden and Switzerland and by developments banks KFW of Germany and FMO of the Netherlands, according to the EAIF website.

On the same day, a shareholder agreement was signed between KLP Norfund Investments AS (22.5%), the Scatec Solar group (52.5%) and EdM (25%). The IFC will provide US$64 million (76%) to finance the project and the remainder will be guaranteed by the shareholders, and the share of Electricidade de Moçambique will be provided by the Government of Norway through a donation. (Macauhub)

World Bank approves $486 mln credit to Nigerian power grid work

The World Bank has approved a $486 million credit facility to Nigeria for electricity grid improvements, the lender said. “The investments under the Nigeria Electricity Transmission Project will increase the power transfer capacity of the transmission network and enable distribution companies to supply consumers with additional power,” the World Bank said. Nigeria’s dilapidated power sector is often criticised by economists for holding back the country’s economic growth. Businesses and households are subject to frequent blackouts, and many depend on their own generators that are expensive to run. (By Paul Carsten, Reuters)

Kenya's KenGen says to add extra 1,745 MW to grid by 2025

State-run Kenya Electricity Generating Company (KenGen) plans to add 1,745 megawatts (MW) of electricity from geothermal sources by 2025, part of a government push to end power generation from fossil fuels. “You are aware that going forward, the government policy which all generators including KenGen and including independent power producers, is to eliminate generation from fossil fuels,” Moses Wekesa, Business Development Director, said during a visit to KenGen’s geothermal plants last week.

Kenya has an installed generating capacity of 2,370 MW and peak demand of about 1,770 MW. Of this, KenGen, which is 70 % owned by the government, has an installed capacity of 1,631 MW, with 533 MW from geothermal.

Demand for electricity is growing at about 8 % per year until 2020, and will rise to 9 % in 2021, after which it will stabilise at 7 %, according to the government’s transmission and generation plan. “First as a rule of thumb, your supply must always be ahead of demand. The reason being, that it takes a while to put up a power plant,” Wekesa said.

The East African nation is ramping up electricity production and investing in its grid to keep up with growing demand for power and to reduce frequent blackouts. It relies heavily on renewables such as geothermal and hydro power. Kenya is ranked at No.37 worldwide by Ernst and Young’s latest Renewable energy country attractiveness index, issued in October. The Geothermal Resources Council ranks Kenya at no.8 worldwide in terms of installed capacity from geothermal. (By George Obulutsa, Reuters)

Executive seeks over 247 million Euros for Laúca Dam

Luanda - More than 247 million Euros is the approved global amount of the financing agreement between Angola and Standard Chartered Bank to cover the energy transportation system associated with the Laúca Hydroelectric Plant. The financial agreement approved in a presidential Decree published in State Gazette on February 20 to which Angop had access, will be initialed by the Minister of Finance. This funding from Chartered Bank in favor of the Laúca dam will be added to another US $ 75 million, which will be made available by the South African Development Bank

(DBSA). Two of the six planned 334 MW turbines of Laúca dam are already in operation and the third starts operating in March. When fully completed (by 2018), the dam will bring energy stability and the start of the process of interconnecting the north, central and southern systems of the country, and production will increase by about 122 %. (Angop)

Businesspeople expect Lauca energy to compete for local production

Lubango - The business people based southern Huíla province are waiting for energy from Lauca dam in Malanje province to bring down production costs and make local products competitive over imported ones. The highvoltage transport line of 400 kilovolts Lauca / Huambo is under construction. However, from this line will leave an extension that will extend to the province of Huíla. To this end, a substation is under construction at the Kilemba center for this purpose. Currently with the serious situation of irregular supply of electricity from the public network, companies have an additional cost structure between 16 and 20 %, with electricity from generators, which makes local products less competitive, according to the secretary general of Association of Local Commercial and Industrial Livestock (AAPCIL), Elísio da Costa Lobo, who spoke to Angop. APPCIL was founded in 1991 and currently has 600 associates. (Angop)

London PE Firm Eyes $250 Million in African Energy Projects

- London-based fund to invest $250 million across Africa
- Denham has developed and sold 6.5 gigawatts of power projects

Denham Capital Management LP, a London-based private equity firm, plans to channel at least $250 million into energy projects in Africa. The company has established a partnership with Neo Themis, a power supplier based in Casablanca, Morocco. It’s currently developing about 400 megawatts of renewable energy and gas-fired projects across Africa and seeks to have 1 gigawatt under construction by 2019.

Projects in the works include 44 megawatts of hydropower in Ivory Coast and a 50-megawatt solar plant in Nigeria. The partners are also considering projects in Madagascar and Kenya. “We work in emerging markets where there’s a real need for more power,” said Scott Mackin, managing partner and head of Denham’s power team, in an interview in London. “Africa is a great example of this, there is so much capital looking for good projects in Africa. It’s definitely a seller’s market.”

Denham’s strategy is to avoid markets with high subsidies and without government support, seeking opportunities in between these two extremes. It has won projects in renewable energy auctions in Brazil and South Africa recently and is generally looking to lock in long-term contracts for power sales.

Sales Plan

The private equity firm has invested almost $1 billion into electricity projects to date across Europe, Latin America, Asia and Africa. It has sold 6.5 gigawatts of energy assets with over 70 % in renewables, typically exiting through sales to strategic buyers such as utilities and other energy companies. SunPower Corp. and SunEdison Inc. are among the companies that have acquired projects from Denham in the past. He’s seeing interest from African pension funds, Chinese state-owned enterprises and energy companies based in Europe, Japan and the Middle East. Beyond Africa, Mackin expects Brazil and the Philippines as two key markets for renewables going forward. “Wind is still going strong in Brazil, but I expect solar to also be a good play,” he said. “Solar PV will become more competitive than wind in Brazil in about two years.” (By Anna Hirtenstein, Bloomberg)

INFRASTRUCTURE

Mozambique seeks $544M for urban transport system

Mozambique’s Transport and Communications Minister Carlos Mesquita says his government needs to mobilize $544 million from foreign partners to implement the Automated Guideway

Transit (AGT) system, APA can report. AGT is a non-piloted transportation system whose operation depends on computer systems and will link downtown Maputo to the Zimpeto neighbourhood, in the Mozambican capital. Mesquita made the announcement during the presentation of the project's feasibility study. The feasibility study was funded by the Japan International Cooperation Agency (JICA) based on a memorandum of cooperation signed in April 2017 between Mozambique and Japan, to improve the quality of urban public passenger transport services in the metropolitan area of Maputo. "The AGT Project is an expression of cooperation between Mozambique and Japan", Mesquita declared, and the event was attended by the mayor of Maputo city, David Simango, and the ambassador of Japan in Mozambique. "The AGT Project came to fruition with the visit to Japan of Mozambican president Filipe Jacinto Nyusi in March 2017," according to Measquita, who added that for the implementation of the project, a team of Mozambican technicians travelled to Japan in November 2017, where they completed a training programme in installing the Urban Transport System. (Club of Mozambique)

Zimbabwe, Botswana and Mozambique revive massive railway project

Zimbabwe and Botswana have revived talks on the construction of a railway line that would link the two countries to Mozambique. If the project succeeds, it would become one of the most notable infrastructure projects in the region, as it would link more than two Southern African Development Community countries. The railway line is expected to link Francistown in Botswana, Bulawayo in Zimbabwe and the Mozambican port of Techobanine to facilitate enhanced regional trade.

In an interview in Harare, Zimbabwe's Foreign Affairs and International Trade Minister, Dr Sibusiso Moyo, said the three countries have revived dialogue over the envisaged railway line. Moyo said the matter was one of the items under discussion during Zimbabwe President, Emmerson Mnangagwa's state visit to Botswana last week. "There were a lot of talks that we held with our colleagues in Botswana on economic projects that will facilitate greater regional integration. "One of the projects that we talked about was the construction of a railway line, which will be a tripartite agreement between Zimbabwe, Botswana and Mozambique. The plan is that this railway line will get to the port in Mozambique thereby laying the platform for enhancement of trade," he said. Moyo said the three countries are now working on timelines to facilitate implementation of the project. "This is going to be a win-win project for all the three countries. Respective Ministers from all three countries are now working on this deal and we have set the timelines for feedback. "We are also going to review the agreements that have been already signed and give ourselves timeframes for implementation as prescribed by these agreements." Moyo said the three countries' Governments as well as private partners are expected to provide funding for the project.

In 2016, the three countries signed a memorandum of understanding (MoU) for the project. According to that MoU, each country is expected to provide US$200 million towards the cost of the project with the rest of the work to be done through public-private partnerships (PPPs). Upon completion, the venture will facilitate inter-regional trade through the movement of passenger rail traffic and up to 12 million tonnes of goods per annum through the three countries. (Club of Mozambique)

MINING

Triton Minerals takes full control of Grafex, Limitada in Mozambique

Triton Minerals has taken full control of the share capital of Grafex, Limitada, the Mozambican subsidiary in which it had an 80% interest and which gave it access to three mining licenses in the districts of Ancuabe, Balama and Montepuez in the province of Cabo Delgado, the Australian company said in a statement. The deal, which Triton Minerals says will allow it to secure mining concessions, customers for the graphite to be mined and better financing conditions, came after the company reached an agreement with partner Gregory James Sheffield to buy the remaining 20% stake for US$1.5 million. Director-General Peter Canterbury said in the statement that an investment decision should be made in the second quarter of the year for the graphite exploration project in Mozambique. Triton Minerals earlier this month signed a five-year agreement to sell 16,000 tons of graphite per year to be extracted from the Ancuabe project to Chinese company Qingdao Tianshengda Graphite. The Ancuabe project contains estimated graphite deposits at 3.04 million tons and the definitive economic feasibility study concluded that the concession could produce 60,000 tons of graphite concentrate per year over a 27-year period. (Macauhub)

DR Congo exports ore through port of Lobito in Angola

The first train carrying 50 containers loaded with manganese from the Democratic Republic of Congo is expected to arrive in the Angolan port of Lobito in March after being initially scheduled to arrive on Monday, 19 February, according to a source from the Benguela Railroad (CFB) in Moxico. The source told Angolan news agency Angop that everything was ready to receive the train laden with ore from the Kisenge mining region in the province of Katanga, and the railway's management company had already sent container wagons to pack and transport the manganese to the port of Lobito, from where it will be exported by sea. The shipment of ore from the Democratic Republic of Congo, which will be the first for over 30 years, takes place at a time when the CFB branch line is already in place, as far as the cross-border railway bridge over the Luau River. The border municipality of Luau, in Angola's Moxico province, is the gateway and location of the first station of the CFB in eastern Angola, whose final destination is Lobito, in Benguela province. The route is 1,344 kilometres long and it is possible to reach the cities of Beira (Mozambique) and Dar-es-Salam (Tanzania) via Zambia's railway lines. (Macauhub)

OIL & GAS

Anadarko agrees Mozambique LNG sale, banks discuss finance terms

Anadarko Petroleum's plan to export liquefied natural gas (LNG) from Mozambique moved a step closer to completion after it agreed a 15-year LNG sales and purchase agreement (SPA) with Electricite de France. France's state-controlled utility will take 1.2 million tonnes of LNG annually from the Mozambique Area 1 marketing venture led by Anadarko and consisting of Japanese trader Mitsui, India's ONGC Videsh and Thailand's PTT, among others.

In all Anadarko has agreed commercial terms including volume and price for 5.1 million tonnes per annum (mtpa) of LNG off-take deals from Mozambique, closing in on its 8.1 mtpa target needed to trigger a final investment decision (FID), said company spokeswoman Helen Wells. The Texas-based energy company plans to build a plant estimated to cost around $15 billion and start exporting LNG drawn from vast finds in Mozambique's offshore Area 1 block from 2022 or 2023.

Deals so far include Anadarko's first binding SPA with EDF as well as an earlier SPA with Thailand's state-run PTT that is still undergoing government approvals. There is also a preliminary deal with Japanese utility Tohoku Electric. "Additionally, we are in advanced negotiations with a variety of buyers to meet our FID target," Wells said. The choice of European customer diversifies Anadarko's Asia-weighted supply offering and could see east African LNG flowing into the region's terminals as declining indigenous gas production makes Europe more reliant on imports, especially Russian piped gas. "Reaching this SPA continues to validate Mozambique LNG's position as a competitive long-term LNG supplier and as one of the world's leading greenfield projects," said Mitch Ingram, Anadarko's executive vice president of International and Deepwater Operations and Project Management.

LNG project developers across the board have struggled to find the long-term buyers needed before banks and export credit agencies could commit financing for new plants. Low oil prices, surging global LNG output and buyer's demands for flexibility, shorter contract terms and competitive pricing have challenged the profitability of many projects and delayed investments in new ones. Anadarko's SPAs hint at a potential thaw in buyer-seller relations and a chance at becoming the

first major East African LNG project to reach FID just as rising demand lifts prices and encourages investments in new supply.
The tug-of-war between buyers and sellers has unsettled lenders. A typical financing model asked buyers to pay for a plant's entire output over 25-years, thereby guaranteeing returns on loans.
Buyers' growing rejection of this model has led to calls for shorter terms, smaller volumes and flexibility to adjust or divert supply as circumstances change, making it harder for banks to commit funds in light of new project risks. "With regards to our project financing efforts, lenders are keenly engaged and have indicated a willingness to support the initial project with the necessary levels of project finance commitments," Wells said. "We are actively negotiating the terms and conditions of the financing." (By Oleg Vukmanovic, Reuters)

Angola's Sonangol concludes proposals for refinery construction this month
Angolan state oil company Sonangol is due by the end of this month to finish analysing the technical proposals received for the construction of refineries in Angola, the company's chairman said in Benguela. Carlos Saturnino, who was accompanying President João Lourenço on a visit to the facilities to support the construction of the future Lobito refinery, at a standstill since 2016 as a result of the economic crisis, said the group that is working on this by the end of this month should conclude the analysis of the 23 proposals received and then submit a report to the government. The same official also said that, according to the last update on 10 February, there are a total of 23 proposals split between the Lobito and Cabinda projects, in addition to a series of intentions related to the provision of services in terms of engineering and construction.
Sonangol said in a statement issued on 1 February that it had received 63 technical, economic and financial proposals from both domestic and foreign companies to build refineries in the country. Saturnino argued it was necessary to make a general review of the project for the Lobito refinery so that the initial value of around US$12 billion could be halved, according to the Angop news agency.
The future refinery, construction of which began in January 2013, a month after the first stone was laid, is located 10 kilometers from the city of Lobito, in an area of 3,805 hectares and is expected to process around 200,000 barrels of oil per day.
In December 2017, the President of the Republic created a working group made up of members of the Ministry of Mineral Resources and Oil and Sonangol to analyse and give due consideration to proposals for the construction of refineries in Angola. Angola is currently the second largest oil producer in Africa, after Nigeria, and produces more than 1.6 million barrels of oil per day. (Macauhub)

Angola's Sonangol Prepares Sale of Oil-Block, Bank Stakes

- Sonangol head invites firms to bid for offshore-block stakes
- Chairman Saturnino criticizes predecessor Isabel dos Santos

Angola's Sonangol plans to sell stakes in oil blocks and several local banks as the state-owned company seeks to recover from the crude-market slump that began in 2014. Chairman Carlos Saturnino is trying to reduce debt and bolster revenue at a company that's a key economic driver for the southern African nation: oil accounts for more than 90 % of Angola's exports. He also criticized his predecessor Isabel dos Santos, the daughter of the country's former president, whom he succeeded last year. Sonangol will open a tender for possible bidders to study its stakes in Blocks 21/09 and 20/11 off the coast of Angola, Saturnino told reporters in the capital, Luanda. "I'd like to extend a general invitation to the oil industry to analyze the data on these oil concessions," Saturnino said. "The goal is to have a business group that is less heavy, smaller and more agile." Sonangol's debt declined to $4.8 billion in 2017 from $9.8 billion a year earlier after the government provided the company with $10 billion in financing, the chairman said.
Angolan Banks
Sonangol is also reviewing its investments in airline SonAir and five Angolan banks including the country's second-largest lender, Banco Angolano de Investimentos, in which it holds an 8.5 %

stake. “It’s possible that we can sell our stakes in these banks,” Saturnino said. “The total invested in these banks is very big and we’re only speaking about Angola. We have other investments abroad.” Sonangol holds an indirect stake of 33.34 % in Portuguese oil company Galp Energia SGPS SA, and 15.24 % of Lisbon-based lender Banco Comercial Portugues SA. Both investments are “strategic" and Saturnino described the Galp holding as a “good” one. It was “premature” to talk about Sonangol’s plans for the bank stake, he added. Saturnino said his predecessor had authorized the transfer of $38 million from Sonangol to a company in Dubai on Nov. 19, four days after being dismissed as chairwoman of the state oil company. He also said Dos Santos had increased business ties between Sonangol and some of the banks in which she holds stakes. “How can people that had been dismissed by the government still carry out transfers,” said Saturnino, who was fired from Sonangol by Dos Santos in 2016. “It absolutely cannot be an act of good faith.” A spokesman for Isabel dos Santos in Lisbon wasn’t immediately available for comment. Dos Santos is the billionaire daughter of former President Jose Eduardo dos Santos, who stepped down in September after almost four decades in power. (By Candido Mendes and Henrique Almeida, Bloomberg)

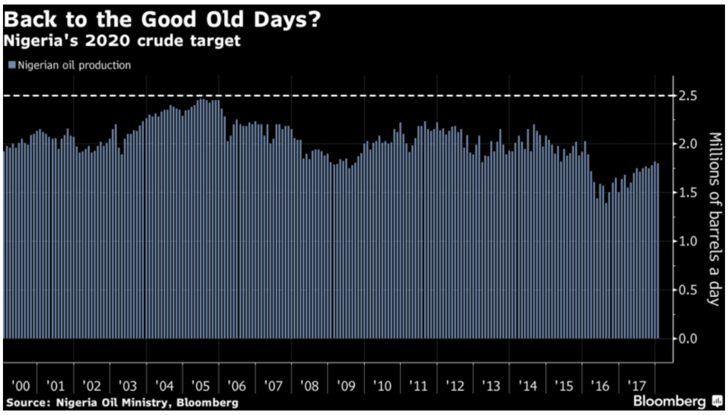
Natural gas from Mozambique supplies Électricité de France
US group Anadarko Petroleum will provide 1.2 million tons of liquefied natural gas (LNG) to Électricité de France (EDF) under a contract made public in Houston. The contract was signed by the Mozambique LNG1 Company, which brings together the interests of the groups and companies involved in natural gas exploration in the Rovuma Basin Area 1 block, in Cabo Delgado province, northern Mozambique. Mozambique LNG, in which US-based Anadarko Petroleum is an operator, already has purchase and sale agreements with Thailand’s state-owned PTT group, which is undergoing approval by the country’s government and with the Tohoku Electric Power Company of Japan. This project will have two onshore natural gas processing plants with a capacity of 12.88 million tons per year, which will transform the gas extracted from the Golfinho/Atum fields to be exported later. The consortium is made up of Anadarko Petroleum (26.5%), Japan’s Mitsui & Co (20%), India’s Oil and Natural Gas Corporation Limited (16%), Mozambique’s ENH (15%), with smaller stakes held by two Indian companies, Oil India Limited (4%) and Bharat Petro Resources (10%) and Thailand’s PTTEP (8.5%). (Macauhub)

Total expands in Libya with Waha stake buy from Marathon
French energy company Total said it acquired a 16.33 % stake in Libya’s Waha concessions from Marathon Oil in a $450 million transaction. Waha Oil Company is a subsidiary of Libya’s state-owned National Oil Corp (NOC) and currently produces 300,000 barrels of oil equivalent per day (boe/d). That is expected to rise to 400,000 boe/d by the end of the decade, Total said. “This acquisition is in line with Total’s strategy to reinforce its portfolio with high quality and low-technical cost assets whilst bolstering our historic strength in the Middle East and North Africa region,” Total CEO Patrick Pouyanne said. Other Waha stakeholders include NOC with 59.18 %, ConocoPhillips with 16.33 % and Hess with 8.16 %. Total’s share of Libyan production stood at 31,500 boe/d in 2017 from its concessions in the offshore Al Jurf field and the onshore Sharara field.
Marathon's sale marks a full exit from Libya, something it has been considering since at least mid-2013 but has been prevented from doing so by the NOC. “Our relentless focus on portfolio management has driven seven country exits since 2013 and generated proceeds of over $4 billion just in the last 2 years,” said Lee Tillman, Marathon president and CEO. The Marathon sale marks the second exit for a U.S. company from Libya in recent years. Occidental Petroleum Corp sold a 7 % stake in the Nafoura oilfield to Austria’s OMV in late 2016. (By Ahmad Ghaddar, Reuters)

Nigeria’s Oil Producers Are Itching to Pump More
- Nigeria limiting oil production to 1.8 million barrels a day
- Domestic companies are planning to bolster their output

Add independent Nigerian drillers to the list of oil producers itching to supply more crude at a time when OPEC and allies like Russia are trying to restrict output and prop up prices. Domestic Nigerian producers are aiming to pump almost 250,000 barrels a day more crude by 2020 as part of a wider plan for the nation to lift output to 2.5 million a day, Oil Ministry data show. Shoreline Group, the third-biggest independent, wants to double output by December with Seplat Petroleum Development Co., the second-largest, also intending to produce more.

They are planning to add barrels at the same time as Nigeria participates in a global pact to restrict oil supply that's being led by the Organization of Petroleum Exporting Countries and non-member nations including Russia. If any one country relents -- and similar internal pressures are bubbling up elsewhere -- then the entire deal could come under strain. "If they can pump more in Nigeria, I don't see why they wouldn't," said Warren Patterson, a commodity strategist at ING Bank NV. "If you get Nigeria exceeding the cap, then you're going to get others who pump a little bit more. The longer the deal goes on for, the more likely it's going to fall apart."



Not Alone

Countries and companies both inside and outside OPEC are looking to add production. Iraq is building infrastructure to allow a huge increase in capacity, while Iran's oil minister has said the country can produce more almost instantly. An Angolan field will come on stream by year end and add 250,000 barrels daily, while companies in Russia pushed to pump more before the country renewed its supply-curbs deal with OPEC late last year. Along with Libya, Nigeria's involvement was critical when OPEC agreed with non-member producers to extend global curbs to oil production until the end of 2018. It pledged not to let output exceed 1.8 million barrels a day in 2018.

The country's total planned increase is 700,000 barrels a day. Just over a third will come from the state-run Nigeria Petroleum Development Co., a third from independents, and the remainder from oil majors. The expansion depends, among other things, on peace being maintained in the Niger Delta. A militant group said last month it would attack oil and gas facilities.

Refinery Feed

One probability is at least some of the extra Nigerian supply will end up feeding the Dangote oil refinery, the continent's largest, which is due to start operating next year. While doing that would help rid Nigeria of its dependence on fuels produced overseas, it wouldn't extricate the country from its commitments to OPEC.

Back in 2016, Shoreline had to cancel a planned $500 million Eurobond. With oil prices rallying, the company is making a comeback. It agreed a $530 million deal with financiers led by Vitol Group, the world's biggest independent oil trader, as it seeks to double crude output to 100,000 barrels a day by year end. "It represents a massive vote of confidence in the future growth of our operations and of Nigerian upstream producers," Kola Karim, chief executive officer of Shoreline, said in an interview. Shoreline's progress mirrors that of other Nigerian independents. Seplat, said to be among companies bidding for Petroleo Brasileiro SA's African oilfields, expects to ramp up drilling this year after output recovered from militant attacks and low prices, according to company statements. There are at least a dozen small to mid-sized Nigerian producers pumping between 5,000 and 100,000 barrels each day. Together, they plan to add incremental supply of at least 150,000 barrels a day this year. Aiteo E & P Ltd., Nigeria's largest independent, didn't immediately comment about its expansion plans.

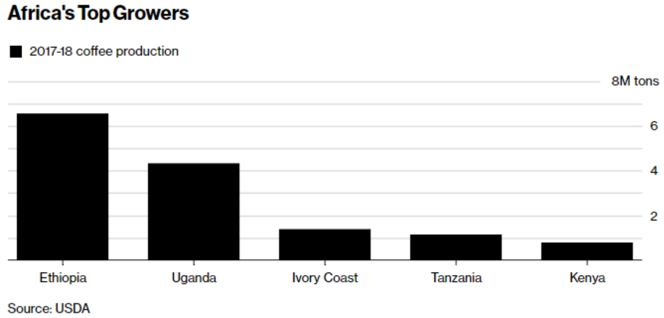
Half a decade ago, these producers were hailed as the future of Nigeria's production because of their potential to pump 40 % of the OPEC member's output. They had bought oilfields that hold at least a third of the West African nation's 37.5 billion barrels of crude reserves from companies including Royal Dutch Shell Plc, Total SA and Eni SpA. Their day may still come. The OPEC deal is currently in place until the end of this year and global demand is rising fast. The International Energy Agency this month revised up its growth estimate for world oil consumption by 100,000 barrels a day, taking it up to 1.4 million. "As the oil market rebalances in the years ahead, OPEC will have to lift its production cap," Pabina Yinkere, an energy analyst at Lagos-based Vetiva Capital Management, said by phone, adding that a lot of extra Nigerian crude could be used to feed the Dangote refinery. "Moves to raise production is in view of expected demand growth." (By Elisha Bala-Gbogbo, Bloomberg)

Nigerian economic body and state oil firm discuss gasoline price change
An economic body that advises Nigeria's government is in discussion with the state oil company to determine whether gasoline is appropriately priced in the country, a state governor said.
The price of gasoline is a highly charged subject in Nigeria, Africa's largest oil exporter. President Muhammadu Buhari in 2016 raised the top gasoline price to 145 naira ($0.4603) per litre, a 67 % hike, but did not remove a cap for fear of hurting people with a low income. The price cap makes it tough for many importers to profit from gasoline and NNPC has imported as much as 90 % of the nation's gasoline needs over the past year. Fuel shortages have gripped much of the country in the last few months.
A committee of the National Economic Council (NEC), which advises the government, has been in talks with officials at the Nigerian National Petroleum Corporation (NNPC) "with a view to determining the correct price for PMS [petrol]", said Mohammed Abubakar, governor of the northern state of Bauchi. He said the NEC committee and NNPC would look at gasoline prices while considering the price of fuel in neighbouring countries because price differences encourage smuggling out of Nigeria. The relatively cheaper cost of Nigerian fuel combined with crude oil price rises in the last few months mean smugglers can make more money selling fuel intended for the Nigerian market across borders, creating shortages in the West African giant.
Nigeria's refining system means it is almost wholly reliant on imports for the 40 million litres per day of gasoline it consumes. Efforts by Buhari's predecessor, Goodluck Jonathan, to end expensive subsidies in 2012 led to riots in the streets because the move would have doubled gasoline prices, angering citizens who see cheap pump prices as the only benefit from living in an oil-rich country. (By Alexis Akwagyiram, Reuters)

AGRIBUSINESS

African Coffee Output May Almost Double in Five Years

- Production may rise by 2-3 million bags a year, body says
- Nations are boosting plantings and recovering from conflicts



African coffee output could almost double in the next five years as some countries boost plantings and make farming more productive, according to the African Fine Coffees Association.
Production could rise by between 2 million and 3 million bags in each of the next five years, partly as farming improves in nations previously affected by conflicts, Ishak Lukenge, the association chairman, said in an

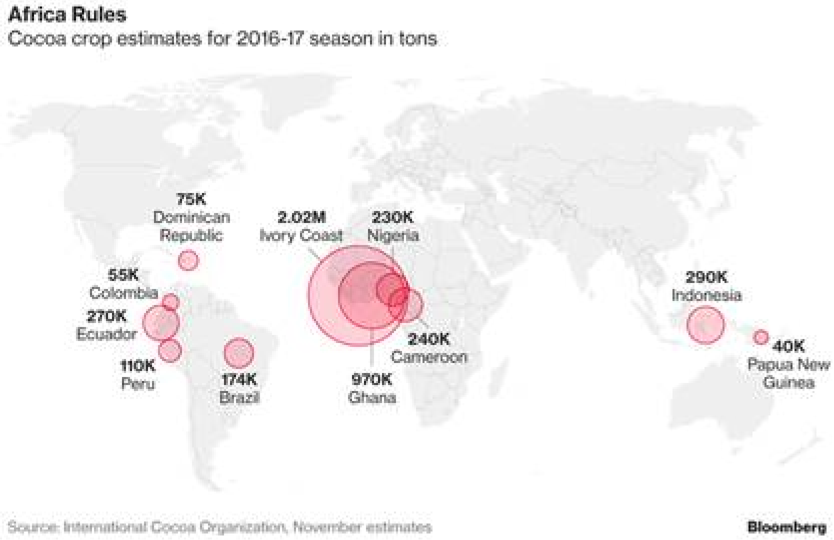
interview in Kampala, Uganda. African output is expected to total about 16 million bags this season, U.S. government data show. A bag weighs 60 kilograms (132 pounds).
Ethiopia, Uganda and Tanzania are leading efforts to increase areas, while other African countries are either diversifying crop varieties or improving farming. The continent, which accounts for about a 10th of world supply and has lagged global output growth in the past decade, is trying to grab more market share, Lukenge said.
One of the biggest supply increases may come in Uganda, which plans to more than quadruple output to 20 million bags by 2025. The continent's top exporter has now contained the wilt disease that destroyed half the number of the robusta trees that it had before the disease was detected in the 1990s.
Some African countries are also investing in promoting local coffee drinking as an additional source of demand, Lukenge said. Consumption is generally low across the continent, except in Ethiopia, he said. "We need to promote more coffee in the market," Lukenge said. (By Fred Ojambo, Bloomberg)

Chazeiras de Moçambique plans to increase tea exports this season
Chazeiras de Moçambique, one of Mozambique's leading tea producers, plans to export 1,350 tons of tea in the current production campaign, an increase of 5.6% compared to the 1,278 tons exported in 2017, a company representative told daily newspaper Diário de Moçambique.
Expected tea exports, Almeida Lee told the newspaper, point to revenue of US$1.83 million, after reaching US$1.63 million in the previous season. "The value of revenue in dollars varies from 5.0% to 10%, and the exchange rate of the dollar in relation to the metical also plays an important role in the stability of the tea producing companies, considering production costs, which are mostly in meticais," Lee said. Lee also told the newspaper that demand has grown annually in both the domestic and international markets, with an increase in international prices expected in 2018, of between 10% and 15% due to the drop in production in some large tea producing countries, including India and Kenya. Chazeiras de Moçambique, one of the few companies able to survive in the area of tea cultivation, processing and marketing in Mozambique, has a limited activity to the district of Gurué after previously operating in other districts such as Ile, Lugela and Milange, all in the province of Zambézia. (Macauhub)

Ivory Coast Cocoa Farmers Get Relief as Rains Return Early
- Rainfall will help development of the smaller mid-crop
- Smuggling of beans into Ghana remains a problem in the east

Cocoa farmers in Ivory Coast, the world's top producer, got some welcome relief in the past week with higher-than-normal rainfall across the main growing regions.
It rained heavily night for more than six hours, said Robert Glaou, a farmer in the western town of Bangolo. Harmattan conditions have ended, he said, referring to winds from the Sahara that bring dry weather and coolness to West Africa from December to February. "The weather is currently very good," said Narcisse Konan, the head of a cooperative in southwest Ivory Coast. "There were small pods on the trees and we needed some rain to make them stronger." The Harmattan overall was very mild this year, he said.
Ivory Coast is nearing the end of its main crop, the larger of two cocoa harvests that runs from October to March. The rain will help development of the smaller mid-crop, although wet weather tends to slow harvesting. Satellite imagery from the U.S. Climate Prediction Center for Feb. 18 to 24 suggests well-above-average rainfall across Ivory Coast, as well as the biggest-producing regions of neighboring Ghana, the No. 2 grower.
Small Pods
"It has been raining in the area for several days," said Jeannot Assi, a farmer in the southern town of Alepe, in Ivory Coast. "We are now seeing flowers and small pods" on the trees. There has also been heavy rain in Tiebissou, in the center of Ivory Coast, that will allow the trees to bloom, said

farmer Moussa Kouassi. Growers have begun maintenance work for the mid-crop harvest, he said. While the weather has improved, harvesting volumes have decreased as the main crop peters out and farmers in the west and southwest said they've seen bean size and quality deteriorate. "The beans are small," said Vincent Zadi, a farmer in Grand Zatry, in the southwest. More rains are needed to help the cocoa trees to bloom and produce small pods, he said. For farmers in the east of the country, the smuggling of beans into neighboring Ghana remains the biggest concern, said farmer Kobenan Kouame.



Cocoa futures climbed 1 % to $2,215 a metric ton in New York, extending the gain this year to 17 %.

In other West African cocoa-producing countries:

- Dryness continued in south-central Ghana and is negatively affecting crops, Boadi Yeboah, 69, who oversees a group of 2,000 farmers around Kwabeng, said.
    - There was "only a short period of drizzle and that was the first sign of rain in weeks."
- In Cameroon, there was some light rain last week that resulted in early flowering of some cocoa trees, said Ojong James, a farmer near Buea, in the west of the country
    - There's a risk those flowers may struggle as normal seasonal dryness resumes, but rain should fall again in March.
- In eastern Nigeria, farmers are optimistic about the mid-crop as periods of mildly hot and humid weather help new flowers develop on many trees, said Emajore Mapair, a grower in Taraba state; there is no dust and soil moisture levels are good.
    - In the southwest of the country, it rained consistently for four days and plantations are looking healthy with bright green leaves on every tree and new flowers emerging, said Yakubu Aminu, a farmer in Edo state; there's some concern about potential flooding. (By Baudelaire Mieu, Bloomberg)

EU pledges 370 mln USD for rural development in Mozambique

The European Union (EU) in Mozambique told Xinhua in Maputo that it has an aid package of more than 300 million Euros (about 370 million U.S. dollars) to support the country's rural development in the Northern Province of Nampula and central Zambezia, in sectors of energy, agriculture and transport.

According to Isabel de Almeida, Head of Cooperation for the EU delegation in Mozambique, the aid program will be carried out for a period of seven years, as part of the EU Development Fund, which will bring considerable benefits for local small farmers. "The program linked to agriculture competitiveness should be the first to implement, later will follow the energy project, and the last part of cooperation will be that of transport," said Isabel.

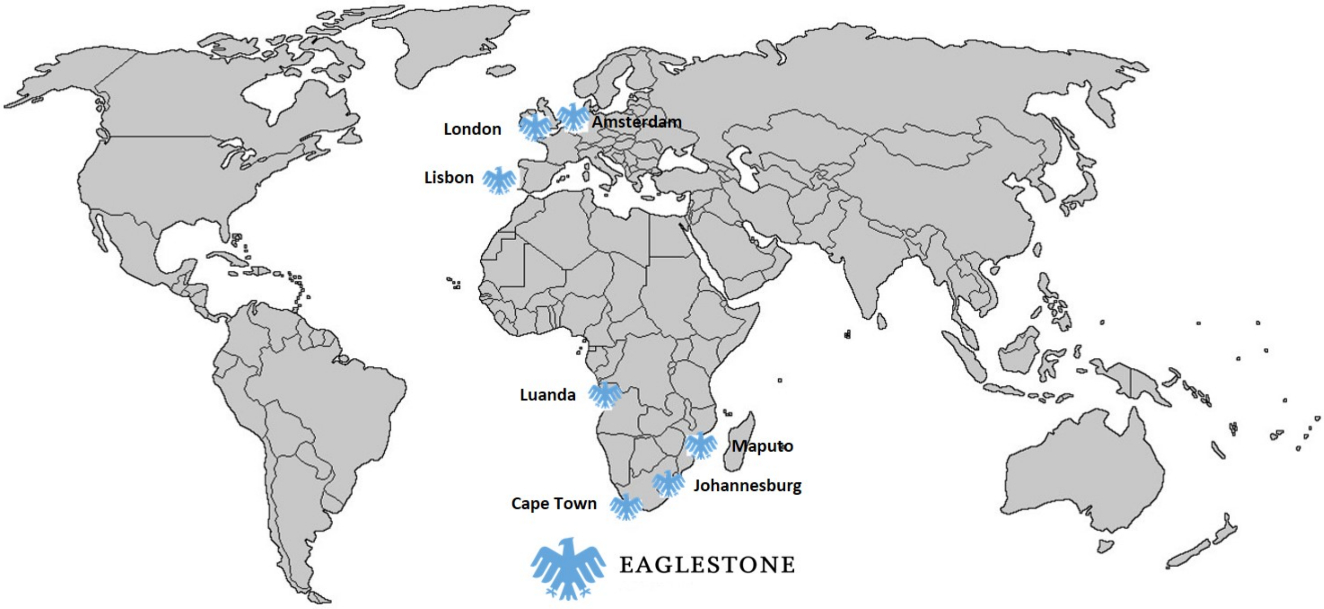
The EU expects to have the three components targeting the two provinces in full implementation by 2020, an initiative fully controlled by the EU itself, to facilitate access to alternative energies and transform precarious road access into the drive for trade. “Our objective is to bring down poverty levels and create an inclusive and sustainable development, which means more agri-business by facilitating access to the market and business for small farmers,” added Isabel.
The EU official clarified that the intention to improve small farmers’ access to agri-business doesn’t mean to directly promote Mozambican products in EU market, but to work with selected value chains to explore the potential for investment and identify means to add value to agricultural products, including processing for national and external markets.
EU expects that neighboring provinces in central and northern regions of the country will also benefit from this investment.
The EU says it is pleased with the cooperation with Mozambican government, characterized by dialogue and mutual consultation so far. “We evaluate the cooperation with the government positively, there is an excellent cooperation with the national office and the decision to work in Nampula and Zambezia is a result of long-term discussion and consultation as we worked together,” said Isabel. (Club of Mozambique)

AfDB & Mozambique sign US$29M grant for agriculture and skills acquisition
On Wednesday, 21 February 2018, the African Development Bank and the Government of Mozambique signed grant agreements for two operations totalling US$ 29 million.
The first intervention will support the uptake of agricultural technologies and techniques, as well as small scale irrigation equipment to increase climate resilience of small agricultural producers in southern Mozambique. Another operation will strengthen the curricula and teaching facilities at the University of Lurio, in the north of the country, focusing on creating skills for agriculture and engineering.
Speaking at the signing ceremony on behalf of the Bank’s President, Akinwumi Adesina, the Country Manager for Mozambique, Pietro Toigo, said: “The gas discoveries in Northern Mozambique are likely to transform its economy, but to make these resources improve lives, Mozambique needs to invest now in economic diversification. This is why the Bank is investing in agriculture and skills to ensure the country has a solid economic base.”
The Minister of Finance and the governor for Mozambique at the Bank, Adriano Maleiane, underscored the close alignment of the Bank’s High 5s with the Government of Mozambique’s priorities, noting that “These two operations support two pillars of the Government strategy, enhancing agricultural resilience and improving skills for young people to compete in the market place.” (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)

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



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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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