INSIDE AFRICA

15 February 2016

Now is the time to invest in Africa

EAGLESTONE SECURITIES

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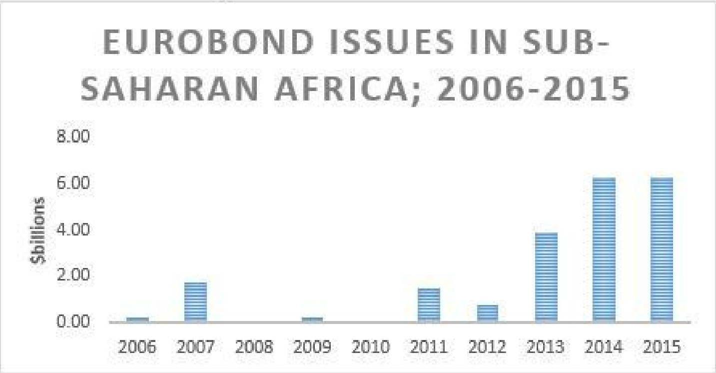
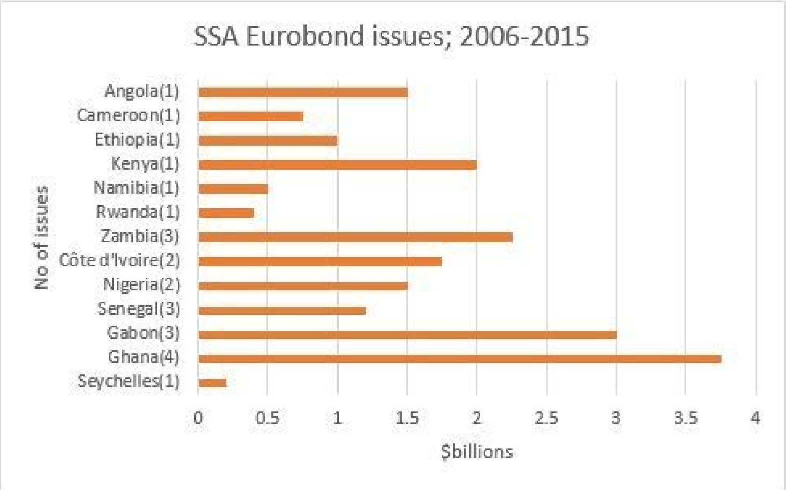
In-depth:

Why Eurobonds are an important source of finance for Africa

High borrowing appetite by African countries has added to the fact that debt, particularly foreign currency debt, has become an important source of development finance for African economies. In the suite of foreign debt, Eurobonds (bonds issued in currencies other than those of the originating country and/or company), have become the most talked about.

In 2006, the Seychelles was the first sub-Saharan Africa (SSA) country, ex-South Africa, to make its foray into the international financial markets with the issue of its $200 million Eurobond. Since then, several other SSA countries (Ghana, Gabon, Senegal, Nigeria, Namibia, Côte d'Ivoire, Zambia, Rwanda, Kenya, Ethiopia, Angola and Cameroon) have issued Eurobonds, with values generally ranging from $500 million to $1 billion. The total value of yearly issues of Eurobonds by SSA governments rose from just about $200 million in 2006 to about $6.3 billion in 2014 and 2015 so far, as can be seen in the figure below, meanwhile the total cumulative value of all Eurobond issues over the same period stands at $20.8 billion.





Source: Brookings & Dealogic

As is illustrated, some countries have tapped the international markets more frequently than others. Such is the case with Ghana, which has tapped the market four times and then Gabon, Senegal and Zambia that have each gone to the market thrice; meanwhile Nigeria, Côte d'Ivoire have issued bonds twice and finally Kenya, Cameroon, Angola, Ethiopia, Seychelles, Namibia, Rwanda have issued Eurobonds just once.

Investor interest in sub-Saharan Africa's Eurobonds

The investor interest, particularly from the US and Europe, to take up these SSA bonds has been very high, to the extent that almost all of these issues have been oversubscribed, sometimes up to ten times, as was the case with the $750 million bond issued by Zambia in September 2012. This bond received orders from investors to the tune of $11 billion - over twelve times the amount the country intended to raise. Zambia's $1 billion Eurobond in 2014 also received investor orders to the tune of $5 billion. In addition to Zambia's Eurobonds, Rwanda's maiden $400 million bond in 2013, Senegal's $500 million bond in 2014 and Côte d'Ivoire's $750 million bond in 2014 were eight times oversubscribed as was Kenya's $2 billion bond in 2014 that was four times oversubscribed.

The keen investor interest in SSA countries' bonds is, in addition to the continent's stellar economic growth (5%+) and macroeconomic stability over the past decade, principally because of the record low interest rate levels in the US and in the developed markets, as a whole. The low interest rates were instituted by the major Central banks in the world, principal of which are the US Federal Reserve, the European Central Bank and the Bank of England, in a bid to stimulate their ailing economies. These low interest rates therefore motivated investors to look for more profitable investments away from their home markets and these they found in SSA countries' Eurobonds which offered far higher yields (interest rates) than those offered by investments in the developed markets.

Eurobonds - an important source of development finance, particularly infrastructure finance

Eurobonds have become a very significant source of development finance, particularly infrastructure funding, for SSA countries and more of these will be issued in the near future, either by the 13 countries above or by any other country that has never been to the market before. Tanzania, for example, is planning to issue a Eurobond in late 2016, after securing a credit rating from Fitch. Due to the challenges in the global economy (China's economic slowdown, the general economic malaise in emerging markets particularly Brazil, Russia, Turkey and South Africa, the Greek debt crisis, the migration crisis in the European Union, the conflicts in the Middle East and the December 2015 increase in the US base interest rate), the present market conditions are unfavourable and so interest rates paid for any bond issued now will definitely be significantly high.

With this in mind, SSA nations that intend to issue Eurobonds should ensure that the proceeds from the bonds are used to finance productive investments and not channeled to finance fiscal budget deficits. The relatively high interest rates (10.75%) paid by Ghana for its October 2015 Eurobond are a reminder that funds raised in international financial markets are costly and ought to be used for intended purposes that yield high returns, thus leaving budget deficits out of scope. In addition to the fact that Ghana's currency, the cedi, has also lost over 30% of its value this year, its fiscal deficit has expanded from 8.3% of GDP to 10.5% between 2009 and 2014. Meanwhile, Ghana's government debt (as a ratio of GDP) doubled in the same period.

The impact on sound macroeconomic management on the interest rates paid for Eurobonds

An analysis of interest rates paid by the SSA countries for Eurobonds suggests that markets "reward" countries with positive macroeconomic balances. Gabon, which has run external trade, current account and fiscal surpluses for several years, paid interest rates in the neighborhood of 6% for all its Eurobonds, relatively lower than those paid by its peers. In addition to Gabon, Senegal has also paid lower interest rates for each subsequent Eurobond - from 9.25% in 2009 to 8.75% in 2011 to 6.25% in 2014 as its fiscal deficit has also remained the same at 7.9% of GDP between 2009 and 2014. Economic growth in Senegal rose from 2.4% in 2009 to 3.5% in 2014.

SSA nations should therefore work hard towards reducing their fiscal deficits and stabilizing their macroeconomic frameworks, as a whole. These countries should also create good institutional frameworks for debt management, as Nigeria has done with the creation of the Debt Management Office some years ago. The West African Economic and Monetary Union (WAEMU) also recently set up a regional agency-Agency UMOA Titres - to support the issuing and management of sovereign bonds. Finally, it is important to point out that prudent borrowing, either in the domestic or international markets, is essential in maintaining macroeconomic stability and promoting growth.

Risk management instruments for Eurobonds

The US dollar has been appreciating in value for over a year now, and is not expected to reduce in value in the next 12 months at least. The plunge in commodity prices has also drained countries' international reserves, thus reducing the stock of funds for monthly Eurobond interest payments. Most if not all Eurobonds issued by sub-Saharan nations have been in US dollars. This has led to significant increases in the present nominal values of the Eurobonds, over and above the values at the time when the bonds were issued.

In the last year, the Ghanaian cedi - for example - has lost over 40% of its value vis-à-vis the US dollar. This has led to a surge in the nominal value of its $750 million 2007 Eurobond to over $3 billion in 2015. SSA nations wanting to issue Eurobonds will therefore have to use financial risk management instruments such as derivatives (options, currency swaps) that will prevent the nominal values of the bonds from rising. Cameroon, for example, obtained a €500 million, currency swap arrangement from the African Development Bank for its November 2015 $750 million Eurobond issue. The risks of international currency borrowing are high as opposed to those of domestic currency borrowing even though the latter usually have relatively short maturity periods (about five years), which is a potential source of liquidity risks. Countries should therefore continue developing their domestic financial markets, in order to enable them issue bonds in local currency. This will be a long term hedge from the risks of international currency borrowing. *(World Economic Forum)*

Africa's growing local currency debt markets

As borrowing in dollars becomes increasingly expensive, the appetite for bonds in indigenous denominations in Africa is strengthening across the sub-Saharan region. However, longer yield curves and cross-border issuance will be necessary for continuing growth.

Africa's local currency debt capital markets are on the rise. Across the continent, ongoing regulatory reforms have unleashed a more powerful constituency of institutional investors just as currencies in the region have collapsed in value against the dollar, driving up the cost of non-locally denominated borrowing. Together, these trends have accelerated the growth of sub-Saharan African capital markets in a profound way, with local currency debt markets now on the path to becoming deeper and more diversified.

This progress marks an encouraging departure from the historical norm. "In previous years, local currency debt markets across sub-Saharan Africa were very shallow. Any debt issuance that did occur was usually dominated by government transactions. In the past 18 months, however, we have seen a dramatic change," says Megan McDonald, global head of debt primary markets with South Africa's Standard Bank.

This change has come as African sovereigns are feeling the strain from a sustained period of dollar-denominated Eurobond transactions. Buoyed by strong commodity prices and loose monetary policy in the developed world, total issuance jumped from about $1bn at the end of 2011 to $6.2bn by the end of 2014, according to Deutsche Bank. Indeed, despite collapsing commodity prices and an increase in US interest rates in 2015, a number of late transactions last year pushed total issuance above $6bn.

Yet, financing this debt is going to become increasingly costly. “Over the past few years, sub-Saharan African sovereigns have enjoyed unusually favourable financing conditions. [But] the tide has turned – these sovereigns will direct an increasing share of revenues over the next three years to servicing their debt,” says Benjamin Young, a primary credit analyst with ratings agency Standard & Poor’s.

LOCAL INVESTORS

The growing cost of dollar-denominated funding is providing further impetus to the development of local currency bond markets across the region. In Nigeria, the dollar borrowing market has become almost prohibitively expensive for local corporates, as the country grapples with a depreciating naira and the impact of foreign exchange controls. This situation has emerged as the authorities in Abuja have instigated a number of regulatory reforms aimed at promoting the growth of an institutional investor base in the country.

“In recent times there has been a gradual loosening of the regulatory restrictions on what pension funds are allowed to purchase. This has provided more opportunity to buy into corporate debt. It has also lowered the credit rating at which this debt can be bought. These changes have led to the emergence of a bigger and more liquid corporate bond market in naira,” says James Nelson, head of debt capital markets at Standard Chartered.

Nigerian pension funds’ assets under management have grown by about 25% per year since 2005, amounting to about $26bn in total managed funds by the end of 2014, according to Asoko Insight, a data provider on sub-Saharan Africa. Standard Bank’s Ms McDonald says an increasing number of Nigerian corporates, as well as local municipal authorities and states, are now issuing local currency bonds.

In particular, Nigerian banks have been quick to tap the local bond market over the past year, with United Bank for Africa, Stanbic IBTC and First City Monument Bank, among others, all issuing naira-denominated bonds in an effort to meet more stringent capital requirements. “[In general,] financial institutions are a good fit for raising local currency debt. Much of their existing exposure is to local currency, while they have a pool of assets that can be used to secure the transaction,” says Chris Low, group managing director of Letshego, a financial services group with a presence across sub-Saharan Africa.

KENYAN ACTIVITY

Elsewhere on the continent, similar forces are shaping the growth of deeper and more liquid local currency bond markets. In Kenya, the first tranche of East African Breweries' Ks11bn ($107m) debt-raising programme was massively oversubscribed in the second quarter of 2015. With a target of Ks5bn, subscriptions quickly reached more than Ks9bn. This successful issuance followed the termination of its Ks5.4bn debut commercial paper.

“Kenya is probably the next biggest local currency market but both the number of investors as well as the total assets under management are considerably smaller than Nigeria. But we have certainly seen the emergence of corporate issuance in local currency for many of the same reasons,” says Mr Nelson.

The growth of local currency bond markets has failed to attract the attention of international investors, however. According to Mr Nelson, this lack of interest is a product of risk appetite, with few investors willing to assume both credit and foreign exchange risk on a single investment. This means that while regional corporate debt can be attractive when denominated in dollars, the overall proposition diminishes when structured in local currency.

CROSS-BORDER BORROWING

For Africa’s larger institutional investors, the investment focus remains in their country of origin. Nevertheless, with various programmes of regional integration afoot, particularly in west and east Africa, it might not be long before issuing and investing in local currency debt becomes both easier and more attractive across borders.

“Institutional investors across the continent are showing growing interest in regional opportunities. In east Africa, moves are afoot to create a more level playing field in terms of issuing and investing in local currency bonds across borders,” says Ms McDonald.

For both regional and international banks, developments in the local currency bond markets offer sizeable long-term growth opportunities. For one, while dollar-denominated Eurobonds enjoyed a bumper year in 2015, with seven different sovereigns tapping the market, the outlook for 2016 is less clear. Accompanying this uncertainty, growing competition among both international and regional banks for a share of the market is making this space an increasingly difficult place in which to operate.

As such, lenders with a large footprint across Africa and long-standing corporate relationships are looking to benefit from the growth of local capital markets. “For Standard Bank, we can capitalise on this trend because we have a presence in many of the key economies across the region. We are already lending in local currency to many corporate entities, so moving this partnership to the capital markets represents a natural evolution of that relationship,” says Ms McDonald.

Equally, Standard Chartered’s Mr Nelson expects his bank to enjoy robust growth in the local currency bond markets. “Although we have the ability to facilitate both dollar and local currency funding, we have to determine where the most liquidity is at any one time. While dollar markets look increasingly fractious for the continent's corporates, alternative currencies and markets are growing in importance," he says.

LIMITATIONS REMAIN

Nevertheless, while the growth momentum in Africa's local currency bond markets is accelerating, there is still a long way to go. Various challenges remain, including a lack of corporates with the size and sophistication to tap the capital markets. In many cases, securing bilateral financing through a banking partner is typically less onerous than completing a debut bond issuance.

Moreover, the relative immaturity of these debt markets means that the creation of longer bond curves is also needed outside larger jurisdictions such as Nigeria. In Rwanda, for example, the government curve is five years, limiting the options available to the country's corporate entities.

"We believe that in order for Africa's economic growth to be sustainable it cannot be fuelled by foreign currency debt alone. In all of these markets the parallel development of a local currency debt market is of paramount importance," says Ms McDonald. *(The Banker)*

IMF, WORLD BANK & AFRICAN DEVELOPMENT BANK

AfDB launches first Africa Visa Openness Index ahead of Africa CEO Forum

The African Development Bank has launched the first Africa Visa Openness Index, which shows how Africa remains largely closed off to African travellers. On average Africans need visas to travel to 55% of other African countries, can get visas on arrival in only 25% of other countries and don't need a visa to travel to just 20% of other countries on the continent.

The findings of the Visa Openness Index, which has been developed in partnership with McKinsey & Company and the World Economic Forum (WEF) Global Agenda Council on Africa, will be presented and discussed at the Africa CEO Forum in Abidjan on 21-22 March 2016.

"Opening up a country's visa regime is a quick-win on development that remains untapped," says Moono Mupotola, Director of NEPAD, Regional Integration and Trade at the African Development Bank. "Visa openness promotes talent mobility and business opportunities. Africa's leaders and policymakers have a key role to play in helping Africans to move freely in support of Agenda 2063's call to abolish visa requirements for all Africans by 2018."

The report highlights regional and geographical differences. Currently, 75% of countries in the top 20 most visa-open countries on the continent are in West Africa or East Africa. Only one country in the top 20 is in North Africa and there are none in the top 20 from Central Africa. The report also shows that Africa's Middle Income Countries have low visa-openness scores overall, while the continent's smaller, landlocked and island states are more open.

"When we started this work, only 5 African countries offered liberal access to all Africans; this number has grown to 13 over the past three years. We are making progress, but need to accelerate the pace" says Acha Leke, Director of McKinsey & Company and member of the WEF Global Agenda Council on Africa.

African countries stand to gain from promoting more visa-free regional blocs and pushing for greater reciprocity, as well as from introducing more visa on arrival policies for Africans. At country level, Seychelles is ranked number one in Africa for its visa openness policy, offering visa-free access for all Africans. Mauritius and Rwanda, who are in the top 10 most visa-open countries, have adopted open visa policies for visitors from other African countries and have seen a big impact on tourism, investment and economic competitiveness as a result.

Follow up events on promoting greater visa openness in Africa will be held during the WEF Africa Summit in Kigali and the African Development Bank Annual Meetings in Lusaka.

EU pledges $218 mln in aid to Mozambique

The European Union has pledged 200 million euros ($218 million) in aid to Mozambique to bolster the public finances weighed down by a falling currency and commodity prices, the southern African country's official news agency said. Under a signed agreement, the money would be used to support Mozambique's budget in developing rural areas and building infrastructure, according to AIM news agency. Mozambican finances deteriorated over the past year as a sharp depreciation of the metical currency pushed up the cost of paying back foreign currency-denominated debt. A collapse in commodity prices has put further pressure on the natural gas-rich economy. ($1 = 0.9187 euros) *(Reuters)*

Nigeria requests $1 bln African Development Bank budget support loan

Nigeria, reeling from the oil price plunge that has slashed vital revenues, has asked the African Development Bank for a $1 billion loan to help fund an increased budget deficit, the AFDB said. The bank said it was considering the loan to Africa's largest economy and oil producer, where the drop in crude prices has hit growth, and that an appraisal mission would visit soon to work with authorities. Nigeria is planning to borrow as much as $5 billion to help fund a deficit due to the slump in global oil prices, which have also sent its naira currency into a tailspin. Finance Minister Kemi Adeosun said this week Nigeria had held exploratory talks with the World Bank and looked at options to borrow from the AFDB and China Exim Bank.

Earlier this month she said that about $4 billion might come from international institutions and the remainder from eurobonds. Nigeria expects a budget deficit of 3 trillion naira ($15 billion) in 2016, up from an initial 2.2 trillion naira ($11 billion) estimate.

The budget, presented by the president at the end of last year, is sitting with parliament, which aims to pass it at the end of this month. At 6.08 trillion naira ($30.6 billion), it is a more ambitious budget than under the previous administration and will see capital expenditure tripled compared to 2015 to about 30 % of the total. ($1 = 199.00 naira) *(Reuters)*

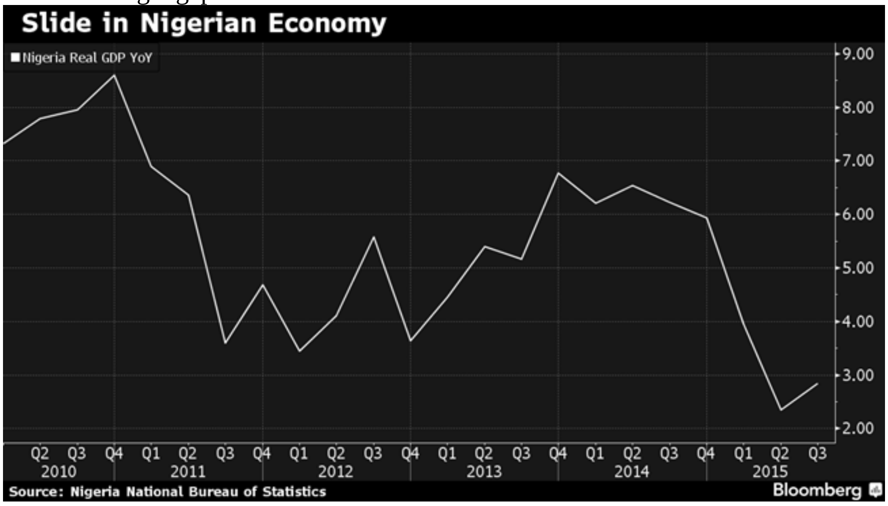
Nigeria Seeks $3.5 Billion in Loans from World Bank, AfDB

Nigeria's government is in talks for concessionary loans worth $3.5 billion from the World Bank and African Development Bank to help finance a planned record budget this year, Finance Minister Kemi Adeosun said. While discussions are going on, a formal request hasn't yet been made to the World Bank for $2.5 billion and the AfDB for $1 billion, Adeosun said by telephone. The government plans to tie them to specific capital projects, she said. A request hasn't been made for assistance from the International Monetary Fund.

The loan talks are "in anticipation of getting the budget approved" and are "not part of an IMF package," Adeosun said.

President Muhammadu Buhari's government is seeking to spend its way out of an economic crisis triggered by a collapse in oil prices. Nigeria is Africa's biggest oil producer and relies on crude for almost all its exports and two-thirds of government revenue.

Buhari has proposed boosting this year's budget to a record 6.1 trillion naira ($30.7 billion). Adeosun said on Jan. 21 that authorities will borrow about $5 billion in external debt from multilateral agencies and the Eurobond market to plug a record budget gap of 3 trillion naira.



Lawmakers in Nigeria's parliament will begin deliberations this week on the 2016 spending plan, Adeosun said. Authorities will begin non-deal roadshow meetings with investors to sound out a potential sale of $1 billion of Eurobonds in February, she said.

Bleak Outlook

"A loan from multilateral lenders would be much cheaper than borrowing on the open market," John Ashbourne, an Africa economist at Capital Economics Ltd. in London, said in a research note. "Where a World Bank loan would really help Nigeria is by plugging part of its current-account shortfall. The country has traditionally run a current-account surplus, but low oil prices have slashed export earnings and pushed the country into deficit." Nigeria has issued dollar bonds twice, most recently in 2013. Crude oil prices have dropped about 46 % since June last year and were trading as low as $34.97 a barrel in London. The West African nation's economy probably grew 3.2 % last year, the slowest pace since 1999, according to a Bloomberg survey of economists. The "government's fiscal outlook is indeed bleak," said Ashbourne. "A $3.5 billion loan is nowhere near enough to address the imbalances in Nigeria's troubled economy," with the country needing about $20 billion to cover its external funding needs. *(Bloomberg)*

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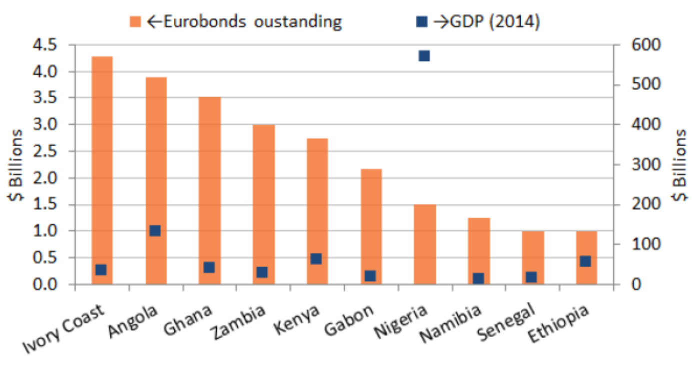
Nigerian GDP Dwarfs Other Ex-South Africa Issuers in Africa



Source: Bloomberg, World Bank

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EXPANDING GEOTHERMAL DEVELOPMENT IN KENYA
PROJECT SNAPSHOT - Menengai Geothermal Development Project
Country/Region Affected: Kenya and East African Rift Valley
Sector: Clean Energy
Afdb-related Financing:
USD 124 million African Development Bank (AfDB); USD 25 million Climate Investment Funds (CIF)
Outputs:

- Expected additional generation of 400 MW steam power through IPPs, equivalent to 26 % of current total installed generation capacity

Expected Impacts Upon Completion:

- Increased additional energy supply to meet the needs of 500,000 Kenyan households, 300,000 small businesses and 1,000 GWh for other businesses and industries
- 2 million tons of CO^2 per annum avoided

SOUTH AFRICAN WIND ENERGY FARM LIGHTS UP OVER 120,000 HOMES WHILE SAVING CARBON EMISSIONS: AfDB/CIF-funded
PROJECT SNAPSHOT - Sere Wind Farm
Country: South Africa
Sector: Renewable energy
AfDB Related Financing:
USD 95 million (USD 45 million from AfDB, USD 50 million from the Climate Investment Funds), part of a larger USD 365 million AfDB/Clean Technology Fund loan agreement signed in 2011
Outputs:

- Construction of 46 wind turbines, Skaapvlei substation and 44 km 132kV distribution line

Impacts:

- Additional supply of 100 MW to the national power grid
- Reduction in almost 6 million tons of greenhouse gas emissions over its 20 year expected operating life
- Average annual energy production of about 298,000 MWh, enough to supply power to electrify about 124,000 standard homes

LARGEST CONCENTRATED SOLAR PLANT IN AFRICA REDUCING MOROCCO'S DEPENDENCY ON EXTERNAL POWER
PROJECT SNAPSHOT - Ouarzazate solar complex (NOORo I; II and III solar plants)
Country: Morocco
Sector: Renewable energy and power generation

AfDB Related financing:
€200 million from AfDB (Noor I, II and III); €200 million from the Clean Technology Fund (Noor I, II and III) of the Climate Investment Funds
Outputs:

- Construction of two concentrated solar power plants with parabolic troughs with 3 hour (Noor I), 7 hour (Noor II), and a concentrated solar power plant with tower 7-8 hour (Noor III) storage capacity

Impacts:

- Reduction in the country's energy dependence through the additional production of: 160 MW power generation expected by end 2015 from Noor I and an additional 350 MW power generation expected by end 2018 from Noor II and Noor III
- Reduction in CO_2 emissions by 762,000 tons per year, or 19 million tons over 25 years from Noor I, II and III
- Realization of its 42 % renewable energy objective in its energy mix by 2020 and the development of a local renewable energy industry
- 250 permanent jobs and 2,400 temporary jobs created during construction of Noor I and 850 new jobs expected from construction of Noor II and II

Stakeholders gather in Abidjan to advance Sustainable Energy for All in Africa
Over 100 stakeholders from Government, private sector, civil society, and international organizations gathered in Abidjan, Côte d'Ivoire, for the annual Sustainable Energy for All (SE4All) Africa workshop.
The workshop was organized by the SE4All Africa Hub, and hosted by the African Development Bank, in partnership with the African Union Commission, the NEPAD Agency and United Nations Development Programme, and supported by the Global Environment Facility-financed Africa Climate Technology and Finance Center project. The event, which took place from February 9-11, was geared towards keeping track of and advancing progress towards Sustainable Energy for All in Africa, mobilizing resources to support implementation of SE4All Action Agendas (AAs) and Investment Prospectuses (IPs), and coordinating energy initiatives.
In his opening remarks, AfDB's Acting First Vice-President and Chief Operating Officer, Charles Boamah, noted that "high expectations have been generated throughout the continent and a rapid improvement of access to modern energy services has been placed at the top of the priorities of many countries."
The AfDB, under the New Deal on Energy for Africa, will "ramp up its investments - equity, loans, grants and guarantees along with co-financing and syndication," he said.
Daniel-Alexander Schroth, SE4All Africa Hub Coordinator, added that "important groundwork in terms of country-level energy sector planning processes and identification of investment opportunities was carried out in many African countries and that the focus will have to shift now decisively to implementation".
Over two working days, participants called for the recognition of the SE4All Action Agenda as a national implementation framework for Sustainable Development Goal number 7 on energy - which aims to ensure universal access to affordable, reliable and modern energy for all, including strengthening inter-ministerial coordination and the set-up of national implementation structures. Participants also recommended the integration of projects identified in investment prospectuses into appropriate web platforms/marketplace; and the organization of investment fora and knowledge exchanges on available funding instruments. The recently launched SE4All Africa website provides a platform to facilitate information-sharing.
"The 3rd annual Africa workshop is an important milestone in the SE4All partnership, demonstrating the strong progress made by countries in the development of action agendas and investment prospectuses, and the valued contribution of all partners towards the implementation of the pipeline of projects emerging from investment prospectuses", said Jane Olga Ebinger, SE4All's Managing Director of Policy and Knowledge, speaking on behalf of Rachel Kyte, SE4All's CEO and Special Representative of the Secretary General for Sustainable Energy for All.
The workshop was followed by a series of side events organized by the US State Department on lessons learned from SE4All processes in Ghana and Bangladesh; International Renewable Energy Agency (IRENA) and its Sustainable Energy Marketplace; Gender, Energy and Clean Cooking by Energia, ECOWAS Regional Centre for Renewable Energy and Energy Efficiency (ECREEE) and the AfDB; and the Global LPG Partnership on Liquefied Petroleum Gas in the context of SE4All country action.

AfDB President outlines strategy to transform Africa, welcomes development partners
African Development Bank President, Akinwumi Adesina, outlined the Bank's new development priorities and underscored the importance of partnerships during his first annual luncheon with ambassadors and the diplomatic corps in Côte d'Ivoire, on Thursday, February 11 in Abidjan.
During the luncheon, Adesina presented the Bank's new agenda, including the High 5s, which aim to light up and power Africa, to feed Africa, to industrialize Africa, to integrate Africa and to improve the living conditions of Africans. He also urged those in attendance to work together to support Africa, especially fragile and conflict-affected States, and to fight climate change. "At the Bank, we are currently accelerating the delivery of our **Ten Year Strategy** through sharper focus on the High 5s," the President said, explaining that energy is key.

The President pointed out that no fewer than 645 million Africans have no access to electricity. The result: businesses and SMEs cannot function adequately, resulting in widespread unemployment. “Energy is crucial, as the region cannot continue to live in darkness and we lose many lives every day due to lack of electricity,” he said.
In spite of the challenges that lie ahead, the Bank Group President affirmed that the continent is resilient, and so is the African Development Bank. “We reached 90% of our African Development Fund (ADF) financing target for the year,” he said. In 2015, “overall loans and grants in the year for the entire Bank amounted to US $9 billion, up from US $7.1 billion in 2014, which is about a 26% increase. Over 50% of the institution’s 2015 approvals went to infrastructure, of which 30% went to transport and 15% to energy projects.”
However, Adesina made it clear that the continent cannot achieve its development goals without its partners. “You are already our greatest champions and advocates,” he said. He affirmed that the continent is indeed resilient and dynamic, and stressed that it has seen economic growth thanks to improved political stability, and solid macroeconomic and fiscal policies. The continent has built its resilience and dynamism on factors such as increased public sector investment in infrastructure and improved private consumption, he added. President Adesina also outlined that despite economic headwinds with declines in commodity prices and weakening demand, the economic prospects are still good for the continent, with growth projected to accelerate to 4.4% in 2016 and strengthening further to 5% in 2017.
Adesina thanked the Government and the people of Côte d’Ivoire for facilitating the smooth return of more than 1,000 AfDB staff members to the Bank’s headquarters in Abidjan, and acknowledged the tremendous progress made over the past years to bolster the economy. “We are proud of Côte d’Ivoire as it has just conducted peaceful and successful elections and looks set to consolidate and accelerate its progress,” Adesina said. “It is good to be back home after 11 years of wonderful hospitality in Tunisia.”
Joseph Spiteri, Dean of the diplomatic corps in Côte d’Ivoire, commended the African Development Bank for its work and its efforts to pull millions of Africans out of poverty. He also called on the international community to support the Bank in this regard. The luncheon ended with a press conference, where local and international media interacted with President Adesina on issues related to African economy, the impact of commodity prices on oil-rich countries and non-oil countries, diversification of markets, and resource mobilization.
Held every year for the past decade, the ambassadors’ luncheon aims to share perspectives and aspirations on African economies and brings together the diplomatic community and representatives of international organizations accredited to the Bank’s host country. “Today is very special for me, as it is my first such occasion, since I took the baton of leadership, as President of the African Development Bank on September 1, 2015,” President Adesina said. Côte d’Ivoire’s Minister of Planning and Development, Nialé Kaba, and Minister of Foreign Affairs, Albert Mabri Toikeusse, were also in attendance, as were private and public sector representatives, AfDB Senior Management and Executive Directors, and key Bank staff.

Gender, Energy and Clean Cooking Solutions on the agenda at SE4ALL 3rd Annual Workshop

On Thursday, February 11, the African Development Bank’s (AfDB) Office of the Special Envoy on Gender (SEOG), in collaboration with the Sustainable Energy for All (SE4All) Africa Hub, the International Network on Gender and Sustainable Energy (ENERGIA) and the ECOWAS Center for Renewable Energy and Energy Efficiency (ECREEE), organized an event that focused on Gender, Energy and Clean Cooking Solutions.
The aim of the event was to raise awareness amongst development partners and African countries that access to clean cooking solutions and renewable energy are critical drivers of gender equality. The Special Envoy on Gender, Geraldine Fraser-Moleketi, emphasized that clean cooking solutions are necessary to achieve global gender equality and energy goals, and can provide significant opportunities for African women’s economic empowerment.
The event offered the opportunity for all participants to discuss best practices and lessons learnt on creating an enabling environment based on the experience of development partners at the (i) policy, (ii) implementation, (iii) supply and (iv) demand level. The scope was to forge new partnerships and to inform the Bank’s work in ensuring the empowering effect of clean energy and entrepreneurship in Bank’s operations – especially for women and girls.
The event featured presentations from ECREEE, the Kenyan Ministry of Energy, the Global Alliance for Clean Cook Stoves, the Global Village Energy Partnership and the World Bank.
As pointed out by the Special Envoy, there are different gender-defined roles in energy production, distribution and utilization in households, communities and the market. The majority of Africans rely on traditional biomass for cooking, this has an impact on day-to-day lives. A recent study found that women spend 3-5 times as much time as men on domestic activities. The same pattern was found in terms of energy collection.
The Special Envoy said that the Bank is committed to “support women with clean cooking stoves – knowing that over 600 thousand people, mostly women and children die from the impacts of indoor pollution, that they walk kilometres and spend hours fetching fuelwood, and then cook with children on their backs, working so hard to feed their families. The New Deal on Energy for Africa will push for the establishment of a Bottom of the Pyramid financing facility. This will form part of a financing facility that is accessible to women. It will be a contribution towards addressing the lack of access to clean cooking solutions for 700 million Africans. We can and must solve their problem – and do so quickly.”
Energy has been placed at the top of the AfDB’s ‘High 5s’ agenda – with a dedicated effort to “Light up and power Africa”. A number of initiatives are underway across the region and the Bank, with its catalytic role, will forge

innovative partnerships to assist in integrating gender considerations in energy programs and projects, and scale these efforts across countries.

INVESTMENTS

Cape-Town based Travelstart gets $40m investment

UK-Based technology investment company Amadeus Capital Partners has injected $40m (R648m) in Cape Town-headquartered online travel agency Travelstart. The investment is expected to help expand Travelstart's presence in more African markets while also boosting its mobile offerings. Travelstart was founded by Stephan Ekbergh in Sweden in 1999.

But Mr Ekbergh, who is the current CEO, then moved the business to Cape Town. Travelstart today has a presence in 16 countries ranging from Botswana, Kenya, Egypt, Saudi Arabia and Turkey. "Basically, what we want to try and do now is solidify our market leadership in SA and use this fund to break into other countries in Africa," Mr Ekbergh said.

"We do have footholds for some years back in Kenya, in Nigeria and also in Egypt. To some extent in Turkey and the Middle East as well," he said.

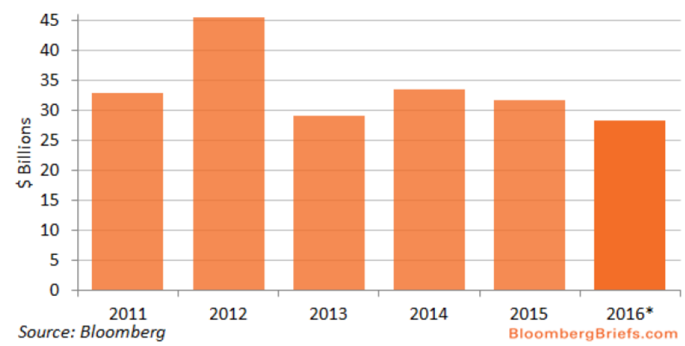
The funding injection, meanwhile, represents Amadeus Capital Partners' first foray into Africa after mobile network MTN became one of Amadeus's "cornerstone" investors in 2013. Travelstart is further expected to tap MTN's reach in Africa and the mobile network's e-commerce channels on the continent. Andrea Traversone, who is an investment partner at Amadeus Capital Partners, said that the investment in Travelstart comes from Amadeus' " digital prosperity fund...which basically invests in companies that address emerging markets and e-commerce". Amadeus' previous investments in the online travel agency space have included high-profile internet businesses such as Europe's Lastminute.com, said Traversone.

The $40m investment in Travelstart then continues that trend for Amadeus, added Ms Traversone. "In terms of the size of the investment, it's just commensurate with the size of the market opportunity that Travelstart has and market leadership it has," Ms Traversone said. "So, we feel that it totally justifies the investment," Ms Traversone added. Amadeus was founded in 1997 and its website says it has raised more than $1bn for investment and backed more than 100 companies in the software, mobile, internet, cyber security and medical technology sectors. *(BDLive)*

2016 Shaping Up to Be a Busy Year for African M&A

This year looks set to be a busy one for sub-Saharan Africa mergers and acquisitions with close to $30 billion of deals either pending or proposed, according to data compiled by Bloomberg. This compares with a total of $31.7 billion of deals closed in 2015, and $33.6 billion in 2014.

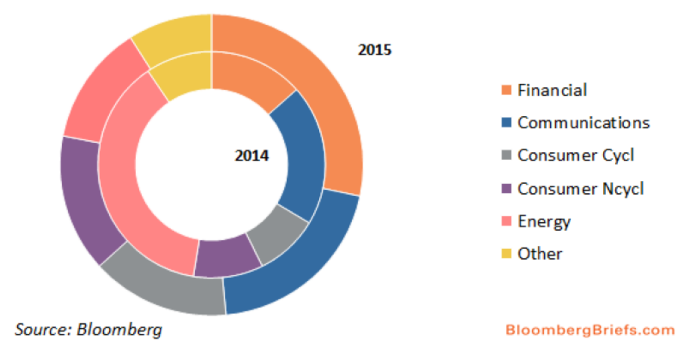
Deal Pipeline Suggests Robust Volume This Year



*2016 total includes pending, proposed deals announced Jan. 1-29.

The largest deal expected to close this year is the acquisition of South African private hospital group Mediclinic International by Abu Dhabi-based Al Noor Hospitals Group for $10.2 billion.

Energy's Share Fell in 2015



This is the second largest deal ever in the medical-hospital industry, according to data compiled by Bloomberg. The energy sector is particularly hot this year, with deals totaling $7.8 billion already announced. This includes the possible $5 billion divestment of Italian oil company Eni's subsidiary Nigerian Agip Oil Co. It is expected to fetch between $2 billion and $5 billion, though no buyer has yet been found. This is an improvement on the sector’s performance in 2015, when deals worth $4.1 billion were closed, but down on 2014's total of $13 billion.

Biggest Five Deals in Sub-Saharan Africa in 2015

Value ($B)	Target	Acquirer	Payment Type
2.9	Capital Property Fund Ltd	Fortress Income Fund Ltd	Stock
2.8	New Look Retail Group Ltd	Brait SE	Cash
2.3	Iceland Foods Ltd	Brait SE	Cash
1.7	OML 29 & NCTL assets	Aiteo Eastern E&P Co Ltd	Cash
1.3	Acucap Properties Ltd	Growthpoint Properties Ltd	Stock
1.2	Avito AB	Naspers Ltd	Cash

Source: Bloomberg

In 2015, $20 billion of the deals were between companies within Africa. Deals involving European companies either buying or selling with African counterparts accounted for $9.4 billion. This is three times 2014’s total involving European companies. The largest African deal in 2015 was between two South African companies: Fortress Income Fund’s acquisition of Capital Property Fund for $2.9 billion. Another South African company, Brait SE, spent over $6 billion acquiring three UK based companies; New Look Retail Group Ltd, Iceland Foods, and Virgin Active Ltd. *(Bloomberg)*

Tax increases, including a ‘wealth tax’, could constrain growth

The South African economy has pneumonia, and the best medicine would be relaxation from some stifling laws and regulations and perhaps a few drops of tax relief.

However, speculations about what medicine Finance Minister Pravin Gordhan is going to apply seems to indicate none of this. Keith Engel, CEO of the South African Institute of Tax Professionals (SAIT), says to make matters more difficult, tax increases can easily constrain growth even further. "This in turn comes at a price with additional taxes hindering future tax revenue itself as a slowdown in growth leads to a slowdown in growth of tax revenue. South African consumers are already under pressure from increased interest rates, low growth, rising food costs and rising electricity costs, to name a few."

A persistent guess is the inclusion of a new tax bracket for individual taxpayers who earn more than R1m in taxable income a year — in other words a wealth tax. Tertius Troost, tax consultant from Mazars, says this new bracket can "easily" be subject to a tax rate of 45% with minimal legislative change. People currently pay 41% of taxable income above R701,300. This will place SA in the same league as China, the UK, Australia and the Republic of Congo.

The government might argue that countries such as Chad, Côte d’Ivoire, Sweden, Portugal, Spain, Denmark, Finland and Zimbabwe all have top tax brackets in excess of 50%. Mr Engel says the minister will be forced into a mixture of tax increases falling largely within the personal income tax arena, given the Treasury’s prior history. "The overall charges will most likely have a solidarity feel with the pain reasonably spread across all classes," he said.

In terms of this approach, one can expect to see only partial marginal bracket relief, with a further increase in the top rate of at least another percentage point.

The wealthy may also expect an increase in the inclusion rates for capital gains tax. Mr Troost said it could be increased to 50% for individuals and 75% for companies. This will be in line with Australia’s regime, where capital gains are included at 50% for individuals and 100% for companies. The inclusion rate refers to the rate at which capital gains are included in a taxpayer’s taxable income. The inclusion rates are currently 33.3% (individuals) and 66.6% (companies).

The effective rates refer to the amount of tax that is paid on capital gains. The current effective rates are 13.65% for individuals and 18.65% for companies. Mr Troost said given the fact that companies were paying 28% on their income, many were tempted to declare some of their income as capital gains, which is taxed at 18.65%.

If the inclusion rate were increased to 75%, the effective rate would be 21%. "By decreasing the gap between the taxing of income and capital, it is less likely that taxpayers will take the risk of classifying receipts (income) as capital in nature because the reward for this would be less," said Mr Troost. He added that an increase in "wealth taxes" was not an international trend, but SA required ways to obtain additional tax revenue, without excessively taxing the poor, but at the same time not alienating the rich. Mr Troost suggested that undistributed dividends held by private investment holding companies could attract a 15% withholding tax in the future. "This tax will be specifically aimed at private investment holding companies. These companies are usually just holders of financial instruments that derive passive income."

The legislation will not be aimed at operational holding companies that have expansion plans, Troost said. The Treasury proposed a similar amendment in 2008 and Mr Troost thinks it may be re-considered to increase tax collections. Mr Engel said it may be a good idea in theory, but it gave rise to many unintended practical difficulties. "Too many exceptions and deviations had to be created, rendering the tax useless." Mr Engel cautioned that there was a limit to what the South African economy could bear. "I believe any tax increase needs to be accompanied with meaningful spending cuts."

• What is the inclusion rate?

A company sells an asset for R1m, which it originally bought for R600,000. The taxpayer thus derives a capital gain of R400,000. The amount that must be included in the taxpayer's taxable income is the capital gain multiplied by the inclusion rate. This is R266,400 (R400,000 x 66.6%).

• What is the effective rate?

The effective rate refers to the amount of tax that is paid on capital gains. If the sale is the taxpayer's only income the company will pay tax of R74,592 (R266,400 x 28%). The effective rate is therefore 18.648% (R74,592/R400,000). A simple way of calculating the effective rate is to take the tax rate multiplied by the inclusion rate (28% x 66.6%). *(BDLive)*

BANKING

Banks

Angola pledges tighter bank regulation in face of dollar drought

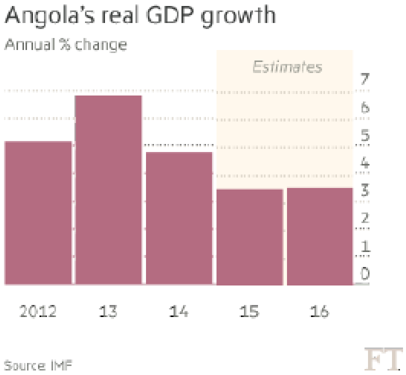
Angola's central bank has pledged to tighten financial regulation and step up anti-money laundering measures after two international banks halted US dollar supplies to the southern African nation.

Bank of America and Standard Chartered decided to stop supplying greenbacks to Angolan banks late last year, apparently over concerns about lax regulation. The oil-dependent nation was one of Africa's fastest growing economies over the last decade, but it is now grappling with the collapse in crude prices, which has led to a shortage of dollars in the economy.

José Pedro de Morais, governor of the National Bank of Angola, told the Financial Times that the central bank had conducted a "fundamental revision of its regulatory framework" to ensure the financial system complies with international standards. He said 41 new regulations had been drafted since 2014, with 23 issued and the remainder to be published this year, covering issues ranging from bank licensing, external auditing, banks' ownership structure and anti-money laundering. Mr de Morais said dollar availability was a concern, but insisted Angola had sufficient foreign reserves and external financing — much of it from China — to last out the economic downturn triggered by the slump in oil prices.

By the end of 2015, the country's gross foreign reserves fell from roughly $32bn in 2013 to $22bn — equivalent to about seven months of imports — according to the International Monetary Fund.

Angola is Africa's second-largest oil producer and attracted increasing investment after the civil war ended in 2002, as billions of dollars was spent on rebuilding the nation's infrastructure. But it is highly dependent on oil, which provides about 98 per cent of export earnings and three-quarters of government revenues.



Under the rule of veteran President José Eduardo dos Santos, who has maintained a tight grip on power since 1979, it has also been blighted by allegations of rampant corruption, weak regulation and human rights abuses.

Standard Chartered, which in 2014 became the first big international lender to open a subsidiary in Angola, said it took the decision to halt supplies of dollars to the country in the wake of a group-wide review of its banking relationships. "As a result of this review, and against the backdrop outlined above, we have taken the decision to exit the USD clearing business and other offshore business we offer to Angolan commercial banks," Standard Chartered said. Bank of America declined to comment.

In response to the slump in oil prices, the government slashed last year's budget by roughly $15bn. It has raised about $10bn in external financing for 2015 and $14.5bn for 2016. The central bank has also increased interest rates and allowed the kwanza to devalue several times, most recently on December 31. In all, it depreciated by about 31 per cent in 2015. The official exchange rate, which is around Kw156 to the dollar, is still far stronger than the informal market rate. Mr de Morais said that in the informal market the kwanza has depreciated by about 120 per cent.

In a bid to deal with the dollar shortage the allocation of greenbacks has been prioritised for strategic areas such as the oil, food and health sectors. This has had a negative impact on companies' ability to pay foreign suppliers and foreign

firms seeking to convert kwanza into foreign currency. The government is “rationing the supply of dollars to the system”, Mr de Morais said, to manage the tight liquidity. Angola is an import-dependent country and Mr de Morais is concerned that if the kwanza depreciates “beyond a certain limit”, it would push up prices and inflation, which he forecast to be about 15 per cent in the medium term. The central bank estimates the economy will grow 4 per cent in 2015 and 3.3 per cent this year — its lowest level since 2009.
The country’s economic woes have caused high job losses, delayed government projects and raised concerns about social stability in a society plagued by inequality. “We continue to be vigilant in what happens in the economy — I think we have reached a very reasonable level of price (of the kwanza) this time around,” Mr de Morais said. Mr de Morais said the government would continue investing in infrastructure, a key driver of growth, even as Angola’s current account deficit widens. The IMF is forecasting it would hit 7.6 per cent of GDP in 2015 from 1.5 per cent of GDP the previous year, while debt rises to 57 per cent of GDP.
The deficit would be financed mainly through external financing with only a “small loss” to the reserves, said the finance minister. “It will allow us to keep employment, to avoid social unrest and to make this country continue to grow,” he said. *(Financial Times)*

Merger of Millennium Angola with BPA completed in April
The merger of Angolan banks Banco Millennium Angola and Banco Privado Atlântico (BPA) is expected to be completed by the end of the second quarter, possibly in April, said the president of Portuguese bank Banco Comercial Português (BCP). Nuno Amado also said profit at Millennium Angola increased 50.1 % last year to 75.7 million euros, about a third of the net profits recorded by BCP in 2015, amounting to 235.3 million euros. BCP will lose most of the capital of Millennium Angola when the merger is implemented, leaving most in the hands of Global Pactum, 14 % in the hands of Angolan state oil company Sonangol and the remainder held by various investors. The current shareholder structure of Banco Millennium Angola is composed of BCP África, with 50.1 % of the capital, Angolan oil company Sonangol, with 29.9 %, Banco Privado Atlântico, 15 % and Global Pactum, with the remaining 5 %. In turn, Banco Privado Atlântico’s shareholders are the management company of the Global Pactum, with 58 %, state oil company Sonangol with 9.5 %, Portugal’s Banco Millennium Angola with 10 % and bank staff with the remaining 22.5 %. The merger process of Banco Millennium Angola and Banco Privado Atlântico came after a failed attempt to merge the latter with the VTB Africa bank, of Russian group VTB. *(Macauhub)*

Mozambique takes on new loan from Exim Bank of China
Mozambique has taken on a loan of about US$150 million from the Export-Import Bank (ExIm) of China to finance technical and scientific research in 2016, Mozambican daily newspaper Correio da Manha reported. The loan will be taken on by the government’s National Science and Technology Park (ENPCT), whose revenues in the first half of 2015 only covered 5 % of expenditure, said the newspaper citing a government source. The Export Import Bank (ExIm) of China has loaned hundreds of millions of dollars to Mozambique to finance construction of both the Maputo Circular and the Maputo/Catembe bridge. These two projects were awarded to the China Road and Bridge Corporation (CRBC), and the Maputo/Catembe bridge is part of a project that includes roads to connect the southernmost area of Maputo province, with a final estimated cost of US$785 million. With the completion of the bridge and associated road network, it will be possible to travel by road between the north and south of the country, “from the Rovuma to Ponta do Ouro” and connect to the road network of the South African region of Durban. *(Macauhub)*

Markets

Nigeria and Angola may have to devalue currency
The Nigerian and Angolan governments’ decision to approach the World Bank and the African Development Bank (AfDB) for concessionary loans could lead to a devaluation of the countries’ currencies. Both countries, Africa’s biggest oil producers, desperately require support to help survive the regime of low crude oil prices and strained public finances. Nigerian President Muhammadu Buhari’s government is seeking to spend its way out of an economic crisis triggered by a collapse in oil prices. Mr Buhari has proposed boosting this year’s budget to a record 6.1-trillion naira ($30.6bn). Nigerian Finance Minister Kemi Adeosun said last month the authorities would borrow about $5bn in external debt from multilateral agencies and the Eurobond market to plug a budget gap of 3-trillion naira.
Legislators in Nigeria’s parliament would begin deliberations this week on the 2016 spending plan, Ms Adeosun said at the weekend. Authorities would begin nondeal roadshow meetings with investors to sound out a potential sale of $1bn of Eurobonds this month, she said. While discussions were taking place, a formal request had not yet been made to the World Bank for $2.5bn and the AfDB for $1bn, Ms Adeosun said. "A loan from multilateral lenders would be much cheaper than borrowing on the open market," John Ashbourne, an Africa economist at Capital Economics, said. Angola has also held talks with the World Bank about securing funding support in a deal that could see the country implementing unspecified reforms.
The World Bank and other institutions such as the International Monetary Fund have recommended that Nigeria and Angola devalue their currencies.

Devaluation could form part of loan deals, two banking sources said. Mr Buhari is against devaluing the naira, which trades at about 197/$ officially, compared to street rates as weak as 305/$, while Angola's kwanza is worth 155/$, but changes hands at more than 400/$ on the secondary market. *(BDLive)*

National Bank of Angola raises key interest rates

The National Bank of Angola decided to increase two key market interest rates, including the basic rate of interest, or BNA rate, which was increased by one percentage point to 12 %, the central bank said in a statement. The interest rate on the marginal lending facility was also increased by one percentage point to 14.00 % and the seven-day liquidity absorption facility was kept at 1.75 %, according to the decisions of the Monetary Policy Committee. The BNA also said that in December the Luibor interest rate (Luanda Interbank Offered Rate) stood at 11.31 % in the overnight and 11.88 % and 12.84 % for maturities of 3 and 12 months, respectively . The primary exchange market, the benchmark average exchange rate in December was stable against the previous month, at 135.315 kwanzas per US dollar. *(Macauhub)*

Angola issues debt to capitalise venture capital fund

The government of Angola plans to issue Treasury bonds in the amount of 1.5 billion kwanzas (US$9.6 million) to capitalise the Angola Venture Capital Assets Fund (FACRA), according to an executive order of the Ministry of Finance. With registered capital of US$250 million, FACRA is the first venture capital fund created by the Angolan government under the Development Program for Micro, Small and Medium Enterprises, focused on supporting innovation and entrepreneurship. Between 2012 and 2015 FACRA applied about US$35 million in ten projects, focused on industry, business, and health services, all in the province of Luanda. "The difficulty has been innovation," said Teodoro Poulson, of the fund's investment commission, adding that "the approved projects are being monitored so hey can be successful." *(Macauhub)*

Angola issues US$2.1 billion in debt in 2016

The government of Angola this year plans to issue over US$2.1 billion in Treasury bonds, US$423 million of which in foreign currency, to finance public works, according to two executive orders signed by the Minister of Finance. One order states that the issue of Treasury bonds in kwanzas amount to US$1.693 billion (264 791 800 000 kwanzas), to be placed under auction, to "finance public works planned in the state budget." In foreign currency, the government will issue Treasury Bonds amounting to US$423.2 million (66.197 billion kwanzas), according to another executive order. Next May, Angola will start paying interest on the first issue of eurobonds in the amount of US$1.5 billion, whose maturity is set for November 2025. The fall in oil prices, Angola's main export and its main source of tax revenues, has forced the government to borrow from various institutions, both in Angola and abroad. *(Macauhub)*

Nigeria to seek China loan, shelves Eurobond sale for now: sources

Nigerian Finance Minister Kemi Adeosun plans to travel to China next week, aiming to negotiate a loan of up to $2 billion to help fund record budget spending, financial and government sources said. They also said Nigeria - which is suffering its worst economic crisis for decades - has shelved plans to meet investors about returning to commercial borrowing on the Eurobond market. One Nigerian government official told Reuters that any loan agreed during Adeosun's trip could be signed by President Muhammadu Buhari in Beijing next month. "The finance minister, in the company of the central bank governor, is scheduled to be in China sometime next week to conclude negotiations on the $2 billion loan," said the official, who asked not to be named. With China largely closed for the Lunar New Holiday, it is unclear how keen Beijing is on the idea, or how tough a bargain it might demand. The official acknowledged negotiations had been underway for some time and that the terms had yet to be agreed. However, he added: "Hopefully it may be sorted out during this meeting and the loan will be signed during President Buhari's visit to China in March this year." The central bank could not confirm whether Governor Godwin Emefiel would be joining Adeosun.

Nigeria wants to raise about $5 billion abroad to cover part of its 2016 budget deficit. This is projected to hit 3 trillion naira ($15 billion) due to heavy infrastructure spending at a time when the slump in global oil prices has slashed it export revenues. Buhari, who was elected in March 2015 on a promise to fix the West African country, wants to turn around the economy by investing in power plants and transport, ending a development paralysis under his predecessor Goodluck Jonathan. The president asked China in December to fund rail and power projects and Adeosun, who already visited Beijing last week, has raised the possibility of seeking a loan from the Export-Import Bank of China.

NO ROAD SHOW

Nigeria had wanted to raise $1 billion from Eurobond investors but has dropped plans to sound them out at a non-deal "road show" which the finance ministry had tentatively planned for March, financial sources say. "They will wait a bit with a road show as they wouldn't be able to get a good deal," said one source familiar with the finance ministry plans.

With world markets in turmoil, investors are wary of lending to anything but highly-rated rate emerging economies. Nigeria's reluctance to devalue the naira currency, which has plunged on the black market, would further discourage investors, meaning the cost of commercial borrowing would be prohibitive. That puts pressure on Africa's biggest economy and top oil producer to borrow more from other sources such as China. Nigeria had up to now planned to raise around $4 billion at concessionary interest rates from sources such as the World Bank. While the government official foresaw a $2 billion China loan, a financial source put the amount at more than $1 billion. The finance ministry could not be immediately reached for comment. Adeosun has said Abuja has held "explanatory talks" with the World Bank. It has also asked the African Development Bank for a $1 billion budget support loan. A World Bank loan would probably be tied to specific goals with strings attached. As well as infrastructure projects, Nigeria also wants loans to refinance existing debt, one financial source said - an idea that would be hard to sell to the World Bank or other development-focused lenders. The World Bank has confirmed talks have been held on "Development Policy Operation" funding, which typically aims to improve infrastructure and create jobs. The multilateral lender has been studying projects to fight poverty in northern Nigeria, where the jihadist Boko Haram group is waging an insurgency.

FREEING THE NAIRA

If talks with China or multilateral agencies fail, Nigeria would struggle to find willing commercial lenders. "It's going to be difficult for issuers to come to market now unless they are at the high end of the credit quality spectrum," said Zsolt Papp, client portfolio manager at JPMorgan Asset Management. Reflecting the higher risks as Nigeria struggles with sharply reduced oil revenue, the average yield spread on its sovereign dollar bonds – the premium investors demand to hold them over U.S. Treasuries – has climbed to 713 basis points. That is a rise of 100 basis points since the start of last month and more than double levels a year ago, according to the EMBI Global emerging debt index. Nigeria's 2023 bond issued in 2013 with a coupon of 6.37 % is now yielding almost 9 %. To excite buyers, Nigeria would have to devalue or float the naira. Investors believe its overvaluation is delaying economic recovery especially as other oil exporters from Russia and Angola to Colombia have devalued their currencies significantly in the past 12 to 18 months. The Nigerian currency hit a new low this week on the black market where a dollar fetched 318 naira, compared with the official rate of 197. "The policy response in Nigeria has been very slow with respect to the currency," said Claudia Calich, head of emerging debt at M&G Investments in London. "If you look at Angola they have allowed the currency to devalue quite a bit so the rate of potential deterioration in Nigeria in future might be higher." ($1 = 198.6000 naira) *(Reuters)*

Fund – Private Equity

Cabo Verde seeks financing for investment fund in Luxembourg

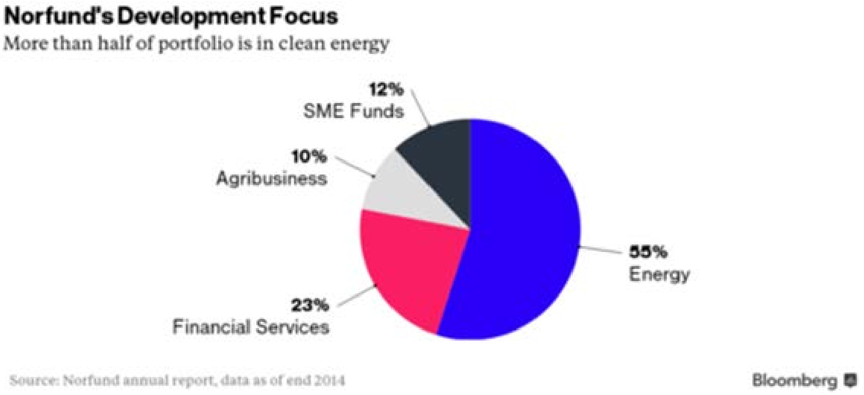
Cabo Verde (Cape Verde) next week in Luxembourg plans to present Fundo de Investimentos Afro-Verde 1 (African Green Investment Fund 1), a partnership between the government and the private sector to finance projects in the northern part of the archipelago, the Prime Minister announced recently. Cited by Cape Verdean press, José Maria Neves said the Afro-Verde 1 was the first large fund to finance economic projects in the region, which includes the islands of Santo Antão, São Vicente and São Nicolau. The Prime Minister also mentioned the possibility in the coming months of creating Fundo de Investimentos Afro-Verde 2 to finance two projects in the south of the archipelago. The Afro-Verde 1 will be presented during the Cabo Verde-Luxembourg Economic Forum Cape Verde, chaired by Prime Minister José Maria Neves, accompanied by a delegation including the Minister of Tourism, Investment and Business Development, Leonesa Fortes. *(Macauhub)*

Norway Fund Mulls W. Africa Expansion With Ghana Investments

The Norwegian Investment Fund for Developing Countries is considering investments in financial-services and clean-energy businesses in Ghana as the institution extends its scope to West Africa. Norfund, as the state-owned company is known, had 47 percent of its about $1.5 billion portfolio invested in Africa, focused in the southern and eastern parts of the continent, by the end of 2014, according to Deepak Malik, 58, the head of the 19-year-old fund's Johannesburg office. Those include stakes in the continent's biggest wind farm and Kenya's largest bank. Norfund prefers to make equity investments in companies and projects rather than providing loans, Malik said. "We've reached a stage of maturity where we can expand into other parts of Africa," starting in Ghana, Malik said by phone on Feb. 2. "More than likely it will be the financial sector where we would make our first investment." More than half of Norfund's investments were in clean energy, based on the most recent available data, and the fund added natural gas last year with the acquisition of a 30 percent stake in London-based Globeleq, which produces power in Africa. The emphasis is on investments in companies or projects that will boost development, said Malik, who also oversees the fund's financial-services investments. Only profitable ventures will be considered, he said.

Ghana Office

Norfund started looking at opportunities in West Africa during the second half of last year and is considering opening an office in Ghana, which would be its fourth on the continent after Johannesburg, Maputo and Nairobi, Malik said. It's looking at both financial-services and energy opportunities in the country and would also consider agricultural projects, he said. The fund may also consider expanding its scope to include Nigeria, he said. "Because we are small in focus we want to go step by step," Malik said. "We are more familiar with English speaking west Africa so we have initially decided to start with Ghana and maybe go on to Nigeria."



Norfund's biggest investment in the financial industry was its purchase last year of a stake in Kenya's Equity Group Holdings Ltd., of which it holds more than 11 percent. Malik sits on the board of the bank, which has 10 million customers and expanded last year into the Democratic Republic of Congo. Norfund's other holdings include stakes in banks in Uganda and Zimbabwe, and the fund's backing has helped those companies get access to more capital, Malik "We want to provide capital where people struggle to raise money," he said.

In the energy sector, Norfund's investments range from a solar park in Rwanda to biogas generation in South Africa and a 12.5 percent holding in Kenya's Lake Turkanawind project, which will be the largest on the continent. It's also invested in agriculture businesses and small and medium enterprise funds. While economic weakness and currency volatility in many African countries have to be taken into account when assessing risk, that doesn't prevent the fund from making investments, Malik said. "Macro economic situations do come into play," he said. "The risk assessments change, valuations change but it doesn't stop us investing." *(Bloomberg)*

Tech

China and Mozambique sign visa waiver agreement

Mozambique and China in Maputo signed an agreement for visa-free travel, which will benefit citizens of both countries who are holders of diplomatic and service passports, according to Mozambican news agency AIM. The agreement was signed by the Foreign Ministers of Mozambique, Oldemiro Baloi, and China, Wang Yi. At the end of the ceremony, Minister Baloi said that delegations from both countries had analysed several international issues, particularly with regard to the Southern African Development Community (SADC) as well as the reform of the UN Security Council. Minister Wang Yi said in turn that the signing of this agreement represented the start of implementation of 10 programmes covering industrialisation, agricultural modernisation, infrastructure, finance, trade, investment, poverty reduction, welfare, health and peace and security. These areas were defined during the Second Summit of the Africa/China Economic Cooperation Forum, held last December in Sandton, in neighbouring South Africa, during which China announced the availability of US$60 billion to strengthen economic cooperation with African countries over the next three years. *(Macauhub)*

E-finance in Nigeria: Slow to grow

For nearly a decade, discussions of Africa's digital payments landscape have centred on M-Pesa, Kenya's globally recognised mobile finance product operated by leading telecoms company Safaricom. Yet in Nigeria, Africa's most populous country and largest economy, digital finance holds even greater commercial prospects but has been slower to take off. Nigeria's person-to-person (P2P) electronic payments penetration is much lower than Kenya's and a dominant mobile payment platform has yet to emerge. In 2015, the Central Bank of Nigeria's (CBN) director of banking and payment systems finance, Dipo Fatokun, admitted that "the expectations for mobile money [in Nigeria] have not been met". He notes annual mobile money transactions in 2014 were approximately N5bn ($25m) for Nigeria's population of more than 270 million. This performance is poor compared to Kenya's, where mobile money transactions in 2014 totalled approximately $23.6bn for its considerably smaller population of 44 million. "In many ways M-Pesa struck lightning in Kenya. They came up with the right product at the right time with a more favorable ecosystem to support it," says Eghosa Omoigui, founder of Africa focused venture capital fund EchoVC. "In Nigeria the digital payments environment offers much greater potential, but it is broken."

Taking context into account

Projections certainly bear out Nigeria's e-payments possibilities. A 2014 joint McKinsey/Gates Foundation analysis estimated the country's e-payments revenue potential at $1.2bn if it were able attain Kenya's digital finance volumes. One of the main differences for the industry in Kenya and Nigeria is the regulatory environment. Prior to M-Pesa's launch in 2007, Kenya's Central Bank completed a risk review of the platform and determined it was not a banking business and so did not require a banking license. This allowed Safaricom to grow its mobile money platform unhindered by traditional banking regulatory requirements in a market ripe for digital finance. Kenya's brick and mortar retail banking sector was relatively limited in 2007, providing only 1.5 bank branches and one ATM per 100,000 people.

While only 19 % of the country's then 35 million population had bank accounts at that time, nearly 40 % already had basic mobile phones compatible with M-Pesa. The Safaricom product become the fastest growing mobile payment service in the world. It is now used by over half of Kenya's adult population to process $12bn in P2P payments annually. By 2014, 75 % of Kenya's population had bank accounts compared to 44 % in Nigeria. And while 58 % of Kenyan adults have mobile money accounts, only 2 % of Nigerians do, according to the WorldBank's Global FinDex database.

Why the difference? When mobile money first emerged, the Central Bank of Nigeria (CBN) plotted a very different course. Critics say some of these initiatives function at cross purposes.

Since 2003, the government has adopted a number of acts and policies to regulate and promote the use of digital payments. A Cashless Nigeria programme, for instance, is designed to incentivise digital transactions through fees on cash transactions and a partnership with MasterCard to create payment enabled national e-ID cards. One of the key differences in Nigeria, however, is that digital financial tech innovations including mobile money are regulated to be bank-led.

In contrast to Kenya's non-bank entities, such as telecoms or other non-bank financial corporations, are obliged to partner with a bank to operate digital payments in Nigeria. Telecoms companies alone cannot operate mobile money wallets or services. "In the case of Nigeria, [the regulators] felt mobile operators adopting financial services to their growing networks without connection to regulated banks could pose systemic risk to the economy," Emmanuel Okoegwale, founder of industry association Mobile Money Africa, tells This is Africa. Mr Okoegwale notes that recently the dominance of M-Pesa has raised financial risk concerns raised in Kenya, as now one platform (M-Pesa) processing the majority of the economy's payment activity yet is not subject to financial regulation.

Despite these concerns, Nigeria's bank-centric approach has not necessarily benefited the financial industry as a whole.

"One of the reasons M-Pesa scaled digital payments so quickly [in Kenya] was their process took away a lot of this friction between banks and telcos that has existed in Nigeria for years. There has been a battle for who will control the rails of the system, and the banks have won so far," says EchoVC's Mr Omoigui."With mobile phones, the telcos have way more passengers than the banks. That reality has slowed the adoption of digital payments in the country," he says.

Gaining mass buy-in

Tayo Oviosu, CEO of Nigeria payment startup Paga, argues that on the technology side, Nigeria's regulatory process is quite advanced. Through the Nigeria Inter-Bank Settlement System's (NIBBS) Central Switch, the central Central Bank has connected all financial players to a single system. "The ability to effect real time electronic transactions across different banks and financial platforms has been achieved. You cannot do that in the US," he says. The challenge, then, is achieving mass market buy-in for digital payments. "Adoption is where we have more issues with digital finance."

Many indicators demonstrate Nigerian consumers still overwhelmingly favour cash. The Better than Cash Alliance estimates only around 1 % of the country's digital payment volume is transacted by individuals. The majority are still government transactions. This even extends to digital commerce. According to leading startup Jumia, 95 % of customers making purchases online through its platform still opt for cash-on-delivery payment, according to CEO Sach Poignnonec.

House of cards?

To move more Nigerians toward e-payments, banks and financial services companies are trying to promote the use of debit cards. The country's point of sale network, however, has slowed direct use of cards for commerce. According to the CBN data, there are 120,000 point of sale platforms for Nigeria's 273 million population.

Out of those, only about 40,000 are active and only about 16 % of Nigeria's 44 % banked population have debit cards. Furthermore, electricity and internet outages in Nigeria make consumers less likely to use cards at places like restaurants and stores."Many people are not comfortable using those cards for payments at a point of sale. They go to an ATM and get cash," says Paga's Mr Oviosu. Both Paga and fintech firm Interswitch are Nigerian digital finance players driving the country's current payment volume. Interswitch's platforms process the bulk of Nigeria's electronic bank, government, and corporate financial transactions.

About 32 million consumers use the company's Verve chip and PIN cards for personal transactions, while its Quickteller payment app processed $2.4bn in digital transactions in 2014, according to Interswitch data. Paga's e-payment platform serves as an intermediary for multiple transactions between consumers, businesses, and banks. The venture capital backed startup added $13m to its capital in a November 2015, and recently announced a payment partnership with Uber Lagos, the digital taxi company. In 2015, Paga surpassed $1bn in payments processed through its online platform and its network of over 9000 Nigerian agents. But Mr Oviosu, the CEO, is hesitant to brand Paga a mobile money company.

The majority of Paga customers still use computers or stop by one of the company's agent locations to transfer funds and pay bills. Going to an agent or a banking branch to make digital payments is common to many Nigerian e-payment transactions and platforms. Market statistics are not available, making it difficult to identify a dominant platform. A 2014 survey by financial inclusion organisation EFina listed GT Bank's mobile app and Firstmonie as the country's most recognized mobile payment brands. But mobile money products could present the greatest opportunity to move millions of the country’s 56 % unbanked population to financial inclusion. “The various players are really attempting to scratch the surface of that market,” says Mobile Money Africa’s Mr Okoegwale. “So far they have only touched a very small percentage of a customer base of over 100 million people.” This could change with greater fintech investment in Nigeria, government incentives to expand mobile payments, and adoption of new payment systems connected to Nigeria’s e-commerce startups.“The current system has a curious combination of way too much friction: too many regulatory directives, too much focus on banks versus telcos, and multiple platforms that require too many steps for people to actually want to make digital payments,” says EchoVC’s Mr Omogui. “[Now] it is about creating payment products that take away all this friction. Products [need to] fit the consumer market and make it seamless for them to adopt digital finance.” *(This is Africa)*

ENERGY

El Sewedy Electric unit in $484.5 mln Angola power stations deal

A subsidiary of El Sewedy Electric has signed a $484.5 million contract to build three power stations in Angola but the deal is "not yet in effect", the Egyptian firm said in a bourse statement. The contract between subsidiary El Sewedy Power and the Angolan government is subject to approval by Angola's president and a specialised court, it said. "The contract involves supplying, building, operating, financing and maintaining the stations. The project will be done during 2016 but the contract is not yet in effect and is suspended on certain conditions, including the president's approval," it said. *(Reuters)*

Mozambique needs US$500 million to expand water supply network

The government of Mozambique needs US$500 million to finance expansion programmes for the country’s water supply network and reduce the current coverage deficit across the country, said recently the Minister for Public Works and Water Resources. The network of the Fund for Water Supply Investments and Assets (Fipag) covers just over 2.6 million consumers, of more than 5.5 million in 19 towns and districts where it is present throughout the national territory. Minister Carlos Bonete said that amount would be invested in the construction, rehabilitation and expansion of water supply systems as well as the installation of distribution networks in the current five-year period. “In the north, for example, we are looking for funds for the cities of Lichinga, Nacala, Nampula and Pemba, with the necessary funding for the latter valued at US$145 million, already under negotiation,” said Bonete, cited by daily newspaper Notícias. In relation to the city and province of Maputo, where the supply system covers more than 1.1 million consumers, out of an estimated total of 2.2 million, Bonete said measures were already underway to improve the system. *(Macauhub)*

Hydroelectric dam reopened in Angola

The Lomaum hydroelectric dam in Cubal, in Angola’s Benguela province, will be reopened, after being at a standstill for 31 years, Angolan news agency Angop reported. With a 50 megawatt production capacity, the hydroelectric plant built in 1959 in the province of Benguela will improve the power supply to over 92,000 of the National Electricity Distribution Company (ENDE) in the four coastal cities – Benguela, Lobito, Catumbela and Baía Farta. The dam resumed commercial production on an experimental basis in June 2015, following restoration and modernisation works, supplying electricity to domestic and industrial customers at low and medium voltage. With a height of 20 metres and 250 metres long, the Lomaum dam, on the Catumbela river, about 200 kilometes southeast of the city of Benguela (the provincial capital), stopped working in 1984 as a result of the civil war, which destroyed much of its infrastructure. The process of recovery and modernisation began in 2009, a venture led by the Guangxi Hydroelectric Construction Bureau Angola, under a partnership with Kanazuro Electric company, which will explore the hydroelectric power for a period of 20 years. The contract awarded to the Chinese company includes construction of a double power transmission line from the dam to Biópio, which will be 89.4 kilometres long and from Biópio to Benguela Sul over a distance of 57 kilometres. *(Macauhub)*

ArcelorMittal South Africa seeks power producer to build new plant

ArcelorMittal South Africa is looking for an independent power producer to build an 800 megawatt gas-fired power station on land at its Saldanha steel works to help ensure its survival, Chief Executive Paul O'Flaherty said. ArcelorMittal, which is reviewing its Saldanha operation partly due to high electricity costs, is willing to take as much as 220 MW of the plant's capacity and the company is in talks with other industrial users and the government to sign long- term contracts for the rest. Building an independent power plant is vital for the survival of Saldanha, O'Flaherty told Reuters, adding that state-owned utility Eskom's rising electricity prices were unaffordable. Electricity accounts for nearly a third of costs at Saldanha, the company's newest and only export-focused plant, compared with less than 10 percent for the rest of the company. "An environmental impact study is underway on our land," O'Flaherty said adding that ArcelorMittal South Africa would not own the project. The company reported a slightly narrower loss than expected, sending its shares soaring. There are also expectations that the government will give local steelmakers further protection beyond the 10 % steel import tariff agreed in August. *(Reuters)*

Renewable energy ventures on the rise in Kenya

Technological advancements in clean energy and the plummeting value of oil are dampening prospects created by the recent fossil fuel discoveries in Kenya.

In 2012, the British firm Tullow Oil in conjunction with Africa Oil Corporation discovered oil in Turkana – some 750km north of Nairobi, the country's capital. It is estimated that 600m barrels of oil are buried in this region.

Experts contend that going forward, the recent oil and coal finds might not be as lucrative as initially thought. According to Larmack Oyath, an energy expert working with Lartech Africa, an energy consultancy firm, these fears stem from the fact that the developed world is investing heavily in green energy technologies, to complement their overreliance on fossil fuel, thereby reducing their future demand for these types of fuel.

In addition, the fact that a steady supply of oil onto the global market appears set to persist, thereby keeping the commodity prices down in the near future, does not augur well for the industry. For one thing, the Organisation of Petroleum Exporting Countries (OPEC) and other players have been unwilling to cut back on production in order to boost prices, for fear of losing their market share. What's more, the impending lifting of the four-decade ban on oil exports by the US and the lifting of international sanctions against Iran last month will only ensure sustained low prices.

Future industry projections – at least in the near term – don't look all that appealing, not least for potential newcomers like Kenya. "By the time the country begins extracting oil from the ground, its value might not be so high and therefore not that attractive," observes Oyath.

But this depressing outlook on the future of oil might just be the spark needed to accelerate investments in cleaner sources of energy. Kenya is already pushing ahead with projects on this front.

Since the injection of 280MW of geothermal power into the national grid, this mode of power currently accounts for up to one-third of the national installed capacity, estimated at around 2,150MW. The geothermal power project (which is the biggest in Africa) comprises the Olkaria IV (140MW) commissioned in October 2014 and Olkaria I additional units 4 and 5 (70MW each) commissioned in February 2015.And the potential for growth in this sector remains tremendous. According to the global consulting firm McKinsey, Kenya possesses 40% of Africa's 15,000 MW of proven geothermal potential. The country has tapped into less than 2%.The Lake Turkana Wind Power (LTWP), which is the largest wind farm project on the continent capable of generating more than 300MW is set for completion at the end of 2016.These environmentally friendly sources of energy are said to be central to the country's push to becoming a green economy.

A report released on 23rd November last year in both London and Washington DC, by the Bloomberg New Energy Finance, acknowledges Kenya to be one of the leading countries on the continent, and indeed the world, to invest big in renewable energy. The Climatescope 2015 report – the clean energy country competitiveness index – places Kenya at position six in the world for large investments in renewable energy. Only South Africa came higher on the continent at number four while Uganda, at position nine, was the other African country to make the top 10 list.

Other ventures

Other notable renewable energy ventures currently under way in the country, albeit on a smaller scale include the generation of between 7-12MW of renewable power from an invasive plant species known as Prosopis juliflora (mesquite wood) at a cost of $32m. This project is supported by Power Africa, a US government initiative to bring power to more people across Africa.Farmers in Baringo County in mid-western Kenya have been contracted by Cummins Cogeneration Kenya Limited (CCKL) to supply the plant, thereby creating up to 2,000 jobs. CCKL is a global joint venture between Cummins Power Generation, a subsidiary of Cummins, Inc in the US and the UK-based Gentec Energy Plc, an engineering, procurement and construction contractor. Cummins Cogeneration is a pioneer in biomass-based power generation. Yash Krishna, the managing director of CCKL, explains that the company's intention was to set up a biomass based power-generation project using Biomass integrated Gasification Combined Cycle technology (BiGCC). Biomass gasification is the incomplete combustion of biomass such as wood, agro-residue, forestry residue and municipal solid waste to generate a mixture of gases, heat and biochar."We use a completely green, sustainable and zero-discharge technology which has no negative impact on the environment," he explains. Also, the first ever on-grid biogas plant in Africa began operations in Kenya in April 2015 at Gorge Farm Energy Park in Naivasha, an hour's drive from Nairobi. Capable of generating up to 2.2MW, the biogas plant utilises the most advanced technology known as Anaerobic Digestion (AD), which uses local organic crop waste as feedstock.Gorge Farm's AD Plant produces power with two containerised Jenbacher biogas engines, which are renowned for their efficiency, low emissions and a long operating life. The engines convert fuel into power in the form of electricity and heat in a process that can achieve efficiency levels of over 90%, thereby limiting emissions.The 2015 statistics provided by the Kenya Electricity Generating Company (KenGen) show that geothermal makes the highest contribution to the electricity generation mix at 49%. This is followed by hydro at 44%, whereas wind and cogeneration account for 0.7 and 0.5% respectively.

According to the Least Cost Power Development Plan for Kenya, the potential for generating electricity from biogas ranges between 29 and 131MW, accounting for about 3.2 to 16.4% of the total electricity production.Solar too is an area set for growth in the near future. With its strategic location on the equator, Kenya is exposed to a lot of sun. The country receives more than 6kW/m2 of radiation daily, according to the Energy Regulation Commission (ERC)."Solar water heating (SWH) in Kenya is projected to grow to more than 800,000 solar water heating units by 2020," explains James

Gachanja, an infrastructure policy analyst at the Kenya Institute for Public Policy Research Analysis (KIPPRA) – a think-tank that advises the government on policy on a range of issues, including energy.The SWH growth is equivalent to 300,000 tonnes of oil equivalent (TOE), representing a 20% growth rate, according to Gachanja.At another level, Kenya is flirting with the idea of setting up the first nuclear energy reactor in East Africa by 2025. It proposes to have four nuclear plants by 2031, each with an installed capacity of 1,000MW, which will provide power for the next 60 years. *(African Business)*

INFRASTRUCTURE

Financing Africa's infrastructure, through good times and bad

Any serious attempt to finance a sustainable development agenda that has the UN's Sustainable Development Goals (SDGs) at its heart will require a major shift in thinking.

The UN estimates that it will cost $3.9tn per year to fund the attainment of the SDGs. This is a tremendous challenge given that there is already have a $2.5tn shortfall. Infrastructure investment – which is covered specifically by Goal 9, and underpins Goals 6 and 7 – is fundamental to the entire SDG project. Right now Africa's infrastructure gap sits at $93bn annually, and by some estimates reduces productivity by up to 40 %. This hampers all other development efforts.

Now, with low commodity prices, high debt levels, slowing emerging market growth and a slowdown of Chinese investment abroad, one could be forgiven for thinking that African infrastructure players are shelving their plans – despite the great need. Thankfully, this does not not seem to be the case.

With Africa's demographic dividend quickly becoming a reality, just as China's workforce begins to shrink, there has never been a better — or more important —time to invest in African infrastructure. If governments and investors commit now for the long term, they would be buying in at the bottom of the market. This would enable scarce resources to go further with massive potential gains to be made in the medium to long term. Of course, this is far easier said than done. The overriding question is how to access financing in order to achieve shared goals, especially under today's challenging conditions. Given the scale and complexity of the projects required, we need close co-operation and co-investment on the parts of governments, the private sector, and multilateral organisations. Qalaa's experience developing and funding the Egyptian Refining Company (ERC) may offer some useful examples. When operational in 2017, this $3.7bn greenfield refinery, which is now 80 % complete and due to begin commissioning at the end of this year, will help transform Egypt's energy economy. The ERC had its genesis in times every bit as challenging as those we face today across Africa, and globally. Nevertheless it stayed on track through the global financial crisis, two revolutions in Egypt, a nuclear disaster in Japan (home to key backers), and the European debt crisis. Another critical point to note is that in this time of global economic and geopolitical uncertainty, enlightened institutions and governments are pushing for closer international cooperation.

Our experience demonstrates that development finance institutions, export credit agencies and sovereign wealth funds are more active than ever in supporting large scale infrastructure projects that have positive economic, social and environmental benefits. So the finance is definitely out there, but the challenge is to convince those who hold it of the merits of the projects in question. In our experience, initial project backers must be willing to reach into their own pockets to hire the best engineers, consultants and legal counsel they can find for feasibility studies. This includes placing local communities front-and-centre through comprehensive environmental and community impact assessments. Early investment in feasibility studies and community engagement programmes of the highest international quality should create a compelling proposition, which will encourage regulators and government officials to get on board. Armed with this kind of coalition, it is possible to build excitement among stakeholders. From there momentum can develop among a wide spectrum of backers.

In the case of ERC, the social and commercial benefits of the project, once quantified and verified, could not be ignored. This helped to keep the project on course despite external volatility. These benefits included an expected one-third reduction in present-day sulphur dioxide emissions through new products for domestic consumption such as Euro V diesel, and a more than 50 % reduction in Egypt's diesel imports. While ERC may be an example that is unique to Egypt, similar opportunities exist throughout Africa. The Grand Inga Hydroelectric Project in the Democratic Republic of Congo is one of them, but many others have yet to be imagined. The recent deterioration of emerging market sentiment will undoubtedly have some negative repercussions for the attainment of the SDGs in the short term. However, investors need not abandon plans to invest in African infrastructure. Bold thinking and strategy, coupled with an understanding of how to harness domestic and international goodwill, can bring the projects underpinning the continent's future to completion. Ahmed Heikal is chairman and founder of Qalaa Holdings, an African investor in infrastructure and industry. He spoke on a panel entitled 'Zero Gap: Financing the SDGs' at the World Economic Forum in Davos. *(This is Africa)*

Port of Maputo, Mozambique, handles less cargo in 2015

The cargo handled at the port of Maputo in 2015 – 15.6 million tons – represented a contraction of 19.17 % compared to 19.3 million tons processed in 2014, said in Maputo the port's management company. The Maputo Port Development Corporation (MPDC) explained the slump with the difficult conditions experienced in international markets, following a sharp decline in commodity prices compared to previous years. The largest declines in tonnage were seen in loading of coal and magnetite, as well as in the car terminal and sugar, the MPDC said in a statement. The MPDC gave assurances it would continue with investments planned for 2016 as part of the master plan set out for the port of Maputo, despite the downturn in international markets, and the main project is to increase the depth of the port's access channel to 14.2 metres. The MPDC is a private company, which is a partnership between state port and rail management company CFM, South African group Grindrod, DP World of Dubai and Mozambique Gestores. *(Macauhub)*

Only one company interested in management of Cabo Verde's ports

Enapor – Portos de Cabo Verde is negotiating to hand over the management of the main ports of the country on a sub-contractor basis with the only interested arty that has not given up on the international tender, Cape Verdean newspaper Expresso das Ilhas reported. The newspaper also wrote that all the other companies that initially expressed interest had dropped out, according to information from Enapor. The Cape Verdean Official Bulletin published the government authorisation for Enapor to proceed with a sub-concession on the ports of Praia, Porto Grande, Sal-Rei and Palmeira. The president of Enapor, Carlitos Fortes, said in October 2015 that his organisation had received expressions of interest from 11 companies in Europe and Asia, adding that more than half met the technical requirements to proceed to the second stage of the tender. The list had interested companies based in Portugal, the United Kingdom, the Netherlands, Philippines, Turkey, China and Singapore. *(Macauhub)*

Grand Inga dreams fail to see the light of day

The Grand Inga dam complex in the Democratic Republic of Congo went another step closer to "zombie" status after the October construction start date, announced by the Congolese government at the signing in 2013 of a treaty with SA to develop the hydropower scheme, came and went without a sod being turned. Politics and finance seem to be the reasons for the bulldozers' no-show at the site on the Congo River.

Versions of the power complex have been on the drawing boards for close to a century. In 1920, the Congo River's Inga rapids were "discovered" by a US geological survey team, which reported that "the Congo basin in its entirety possesses more than one-fourth of the world's potential water power".

The team saw nearly 15km of white water descending about 100m — a source of almost unimaginable reserves of stored energy in the 43-million litres of water rushing by every second. A power station was quickly envisaged. Sadly, apart from a few small installations, the river's potential has never been realised. It is unlikely that it ever will be. It is too expensive, too risky, big dams are rapidly going out of fashion and other renewable and cheaper energy sources are finding more favour.

Two modest schemes were installed at Inga — a 351MW plant commissioned in 1972 and one of 1,424MW in 1982 — but they capture only a tiny fraction of the Congo River's latent power and crank out less than 40% of the energy they should. Both plants are victims of slipshod maintenance and chronic mismanagement, and there is little sign of the spending of billions of dollars from the World Bank meant for an upgrade in 2003. Some effort has been put into getting the third phase under way — the 4,800MW Inga 3 scheme. Investors sat on the fence as the cost estimates ticked up — currently about $14bn with transmission infrastructure and finance costs.

New hope flared in Kinshasa when, in 2013, President Jacob Zuma and Congolese President Joseph Kabila signed a treaty that pledged co-operation in constructing the 40,000MW Grand Inga complex, starting with Inga 3 as a concrete step towards an eventual seven-dam hydropower behemoth. The agreement bound SA to purchasing 2,500MW of Inga 3's proposed 4,800MW output. Work was to start on October 15 last year.

All efforts to obtain explanations from the Presidency, the Department of International Relations and Co-operation, the Treasury and the Department of Energy were shunted off or ignored. The questions posed included: why did construction not begin on October 15? When will a developer for Inga 3 be selected? SA was obliged to pay a $10m deposit; has it been paid and, if so, will it be refunded if the project is stillborn? Have all the environmental issues been satisfied? Is the treaty a bankable document, as a power purchase agreement would be?

Congolese Water and Energy Minister Bruno Kapandji Kalala maintains that Grand Inga is on an unstoppable course, now that it is backed by SA. "Grand Inga will provide more than half of the continent with renewable energy at a low price," he says. "Inga is a factor for integration, at both a regional and international level." Responsibility for the southward transmission of Inga 3's electricity will be split between SA and Congo, with the Congolese delivering the power to its border with Zambia and SA taking it from there. Eskom is investigating having the Inga power hitchhike on the Southern Africa Power Pool transmission lines to the South African grid.

While the governments of SA and Congo, remain mum on the construction start date, non-governmental organisations have been speculating on the reasons for the delay. "The Congo River has been called a place where dreams go to die," says Peter Bosshard, the policy director of International Rivers. "But zombie dams apparently find it a source of eternal life: Inga 3, the third in line after the troubled Inga 1 and 2 dams, has been a twinkle in some demon's eye since the 1920s."Its energy, however, would go almost exclusively for industry and export — not to the 90% of Congo's 71-million citizens who have no access to electricity. "The project will add to the Congo's national debt burden and promote corruption, allowing powerful companies — yet again — to cheaply exploit and export Africa's vast natural resources. Power-hungry SA keeps reviving this one."

According to International Rivers, a four-year upgrade of Inga 1 and 2 started in 2003 with a budget of $200m. About $1.2bn has been spent and the work is not done. The World Bank has been a patient contributor of billions of dollars pumped into the Inga scheme in seemingly endless feasibility studies — it spent $73m on a study for the Inga 3 Basse Chute and Mid-size Hydropower Development Technical Assistance Project.

The International Finance Corporation (IFC), a World Bank member, now seems to be taking a deeper interest in Inga.

The African Development Bank, which has been involved in the project since 2009, is financing base studies and consultants, and has been joined by the French Development Agency, the European Investment Bank and the Development Bank of Southern Africa. "The question of financing is a major issue in the selection process (of the developers)," says Hela Cheikhrouhou, director for energy, environment and climate change at the African Development Bank. "Public-private partnership financing solutions will be vital for the success of the project." A spokesman for the World Bank agrees that the level of investment required for Inga 3 "is so high that neither the public sector nor the private sector alone could bear the full cost of development.” All World Bank Group institutions share the same development mission. The IFC is focused on the private sector for development, and can play a role in structuring the private financing portion, providing capital to project sponsors and catalysing funding from other private financiers. "Inga 3 Basse Chute will help improve electricity supply for 7-million people in Kinshasa, foster economic growth, and allow Congo to export power to other energy-deficient countries. ”The construction costs of Inga 3 Basse Chute development and associated transmission lines are estimated at $11bn." With a projected cost of $80bn-$100bn, the private sector and finance institutions are baulking at the project, made far less attractive by its location in corruption-riddled and war-torn Congo.

So far, SA’s treaty appears to be Inga’s only support of any significance. Congo’s government says three consortia are competing for the project build: Sinohydro and Three Gorges Corporation from China, operator of the world’s largest dam; Actividades de Construcción y Servicios, Eurofinsa and AEE from Spain; and the SNC-Daewoo-Posco Lavalin consortium from South Korea and Canada. Congolese Foreign Affairs Minister Raymond Tshibanda remains optimistic and enthusiastic, but urges careful and thoughtful progress: "It’s critical not to move fast, but to ensure that every step you take is on a solid ground.”We have to mobilise financing and we are talking to the governments of China and SA and from now on, things are going to take another pace." Ali Mbuyi Tshimpanga, director of the Inga 1 and 2 hydropower stations, is philosophical: "The problem is that, with a public-private partnership, you patch up only the part of the grid that interests the private financiers. It’s of almost no benefit to the community." *(BDLive)*

Bolloré Transport & Logistics group to build port in Timor-Leste

French group Bolloré Transport & Logistics has been chosen by the Timor-Leste (East Timor) government to build and manage the deepwater port of Dili under a public-private partnership, the group said in a statement. In a statement issued, the group said that the ambitious project involves construction of a 630-metre long and 15 metre deep dock, as well as onshore facilities on a plot of 24 hectares. According to the statement sent to Macauhub, the partnership will be in place for 30 years, and this project will create 350 direct jobs as well as those created by the companies that build the port. In November 2015, the Prime Minister of Timor-Leste announced that the contract for the public-private partnership with the French group for construction and management of the port of Tibar would be signed in the first quarter of 2016. The Bolloré Transport & Logistics group was better rated than the only other competitor, UK company Peninsular & Oriental Steam Navigation Company, a subsidiary of DP World group, Dubai. Along the way other competitors dropped out including the consortium made up of Portuguese companies Mota-Engil – Ambiente e Serviços, Mota-Engil, Engenharia e Construção and the Besik group and International Container Terminal Services Inc. of the Philippines. *(Macauhub)*

MINING

Kumba Iron Ore's sees FY profit down as supply glut persists

South Africa's Kumba Iron Ore said it expected full-year earnings to plunge as much as 67 % as it battled to cope with slumping prices of the steel-making ingredient, sending its shares lower. The unit of Anglo American said headline earnings per share (EPS) are expected to fall by between 65 % and 67 % to 11.45 rand and 12.05 rand. Headline EPS is the main gauge of profit in South Africa and strips out certain one-off items. Shares fell as much as 8 % before recouping losses to trade 2.3 % lower at 35.54 rand by 0955 GMT. Iron ore prices fell about 35 % in 2015 due to a supply glut and growth concerns in top consumer China, forcing Kumba to cut jobs and restructure its main mine, Sishen. Kumba took a 6 billion rand ($373.75 million) writedown charge for the reconfiguring of the Sishen mine. ($1 = 16.0535 rand) *(Reuters)*

Kenmare Resources extracts less ore in Mozambique in 2015

Irish company Kenmare Resources, which explores heavy sands deposits in Moma, Mozambique, processed less raw material in 2015 and extracted less ore, according to a statement issued to the market. Last year the company processed 27.5 million tons of raw materials, a drop of 19 % compared to the 34.12 million tons processed a year earlier, due to failures in the supply of electricity and damage caused by floods in the first quarter. The company also said heavy mineral concentrate production fell 15 % to 1.1 million tons (1.28 million tons in 2014), the production of ilmenite fell 11 % to 763,500 tons (854,600 tons in 2014) and zircon increased by 2 % to 51,800 tons (50,800 tons in 2014). The export of minerals in 2015 remained unchanged from 2014 – 800 tons – and Kenmare said it had been able to make significant savings in costs per ton. Michael Carvill, the chief executive of the Irish company said in the statement to the market that power cuts as well as poor quality electricity was the main problem in exploring the Moma heavy minerals, although in late December there were improvements due to works carried out by Mozambique's state electricity company, EdM. *(Macauhub)*

Congo government says still plans to change mining code

Democratic Republic of Congo, Africa's top copper producer, has not dropped plans to revise its mining code, the mines ministry said, in an apparent contradiction to comments made by the mines minister. The minister, Martin Kabwelulu, told an industry conference in Cape Town that the government had decided to retain the 2002 code governing the terms for mining operations in the country, abandoning a three-year revision process that met with fierce industry opposition over proposed rises in tax and royalty rates.

But in an email sent to London-based campaign group Global Witness, Kabwelulu's chief of staff Valery Mukasa said that Kabwelulu simply meant to say that the existing code remains in effect until it is replaced. "The government of the Democratic Republic of Congo has not renounced revising the mining code. Quite the contrary," Mukasa said in the email. "However, in the context of targeting potential investors interested in the mining sector, the mines minister sought to reassure that the legal framework that governs the sector is the mining code of 2002, still in effect," he added.

Congo's government initiated the review of the mining code in 2012 in an effort to increase its revenues from the sector. The country is also the world's leading producer of cobalt and extracts significant quantities of gold, diamonds and tin.

A draft code was submitted to parliament last March but has yet to be adopted amid continuing opposition from industry. Global Witness criticised the reported decision to drop the revision process, saying that it represented a missed opportunity to improve management of a sector riddled with corruption. The industry-led chamber of mines applauded the decision, which it said was necessary given the state of metals markets. Benchmark copper fell 25 % last year and copper prices are expected to hit their lowest average in more than a decade this year, according to a Reuters survey of metal analysts last month. Foreign miners with interests in the country include Glencore, Randgold Resources and Freeport-McMoRan. *(Reuters)*

Harmony Gold Seeks Acquisitions, Debt Repayment as Profits Surge

Harmony Gold Mining Co., the best performer on the Johannesburg stock exchange this year, is seeking to make acquisitions and repay debt after a plunge in the South African rand caused its profit margins to increase in the second quarter. The company has a preference for operating mines and will look in its existing locations of sub-Saharan Africa and Papua New Guinea, Finance Director Frank Abbott said on a call with reporters. It will likely repay debt by the end of the year, he said. Harmony's stock has more than doubled this year as the plunging rand -- down 9.7 % against the dollar since Dec. 1 -- combined with a rising gold price and caused its profit margins to surge. The company, which gets almost all its bullion from South Africa, gets its revenue in dollars while its costs are in the local currency. Gold priced in rand has climbed 19 % since Dec. 1 and traded at 18,268 rand ($1,143) an ounce at 8:34 a.m. in Johannesburg. "This rand gold price, which is substantially better than even the previous quarter, does give us cash flow," Abbott said. "We will certainly be looking for possible acquisitions." Headline earnings were 74 million rand in the three months ended Dec. 31, compared with a 523 million-rand loss in the previous quarter, the Randfontein, South Africa based company said in a statement. All-in sustaining costs were 434,834 rand a kilogram, a 7 % improvement. In dollar terms, they declined 15 % to $950 an ounce. "The fall in the rand has assisted a lot in term of profits but I think fundamentally we need to focus on the stuff that we can control which is the safety, the production the grade is and the cost," Chief Executive Officer Peter Steenkamp said on the call. The company produced 287,074 ounces of gold in the quarter, 2 % higher than the previous three months, it said. Output will probably fall this quarter due to the slow startup after the December break, but the company's 1.1 million-ounce forecast for the year remains unchanged, Steenkamp said. Harmony repaid 1.1 billion rand of debt in the quarter, meaning its net debt is now 2.5 billion rand. The higher margins means Harmony is able to fund the development of a mine at Golpu, a deposit in Papua New Guinean that it jointly owns with Melbourne-based Newcrest Mining Ltd. *(Bloomberg)*

OIL & GAS

Development plan of the Sasol group in Mozambique approved

The development plan for the activities of South African petrochemical group in Mozambique has been approved by the government of Mozambique, at a cabinet meeting, the group said in a statement. The Production Sharing Contract (PSC) will be implemented in phases, the first being an operation that includes oil, liquefied petroleum gas and natural gas, adjacent to the area included in the Petroleum Production Agreement (PPA) signed years ago with the Mozambican government. The area of the Petroleum Production Agreement encompasses the natural gas reserves of Pande and Temane, where gas production and processing is currently carried out, before being transported through the 865-kilometre pipeline from Mozambique to neighbouring South Africa. David Constable, chief executive officer of Sasol

Limited, was quoted in the statement saying, “the gas industry in Mozambique is playing an increasingly important role in the regional energy scenario, and this project is an important milestone in the development of natural resources that will benefit southern Africa.” *(Macauhub)*

IMF says ready to lend to African oil producers; no requests yet

The International Monetary Fund said it stands ready to help sub-Saharan Africa's oil exporters cope with plunging crude prices and growing fiscal pressures but has not received any new funding requests from the region. Nigeria and Angola instead have turned to the World Bank for assistance, even though the IMF is typically viewed as the world's go-to crisis lender. Facing an estimated $15 billion budget deficit in 2016, Nigeria's finance ministry has said it is looking to borrow as much as $5 billion. It has held discussions with the World Bank, African Development Bank and China's Export-Import Bank due to their "concessionary rates of interest." The World Bank is discussing potential financing for Nigeria and Angola through a program to support structural changes in an emerging market country's economy and government institutions.

The two sub-Saharan African countries are the latest in what may become a long line of oil-exporting countries to seek financial assistance to help stem growing deficits as falling crude prices crush revenues. The IMF and World Bank are already talking to Azerbaijan about a $4 billion financing package. U.S. crude fell back below $30 a barrel, half its price in June 2015 and down from about $100 two years ago. "The sharp decline in oil prices represents a formidable shock on the oil exporting countries of sub-Saharan Africa, especially in view of their strong reliance on oil receipts for fiscal and external revenues," an IMF spokeswoman said in a statement.

The IMF noted that despite rising deficits, several of these countries still have adequate foreign exchange reserves and low levels of overall debt. This would suggest that a balance-of-payments crisis is not imminent. When IMF managing director Christine Lagarde visited Nigeria in January to meet new President Muhammadu Buhari, she insisted that she was not there to negotiate a loan program. "With the exception of Chad, which already had a program in place with the IMF prior to the oil price shock, we have not received any new request for financial assistance from sub-Saharan African oil exporters," the IMF spokeswoman added. "We indeed stand ready to assist the authorities, should such a request materialize." Although wealthier Gulf oil producers are expected to fare better due to deeper reserves, the IMF issued a warning last week to Bahrain that it, too should cut deficits now reaching 15 % of economic output, which have weakened investor sentiment. *(Reuters)*

Sasol gets approval for Mozambican field development plan

Sasol has obtained approval from the Mozambique Council of Ministers for its field development plan (FDP) that will involve the development of further hydrocarbon resources to support growth in southern Africa. The first phase of the production sharing agreement (PSA) licence area development proposes an integrated oil, liquid petroleum gas (LPG) and gas project adjacent to Sasol’s existing petroleum production agreement (PPA) area. The PPA area is where natural gas from the Pande and Temane fields is currently produced and processed in a central processing facility before being transported via an 865km pipeline to gas markets in Mozambique and SA. "The Mozambican gas industry is playing an increasingly important role in the regional energy landscape and this project represents a major milestone in further developing natural resources, which will significantly benefit southern Africa," Sasol president and CEO David Constable said. "The PSA development is aligned with our commitment to both Mozambique and SA, and will enable us to drive our broader 2050 strategy, which reaffirms Sasol’s longer-term role in southern Africa."*(BDLive)*

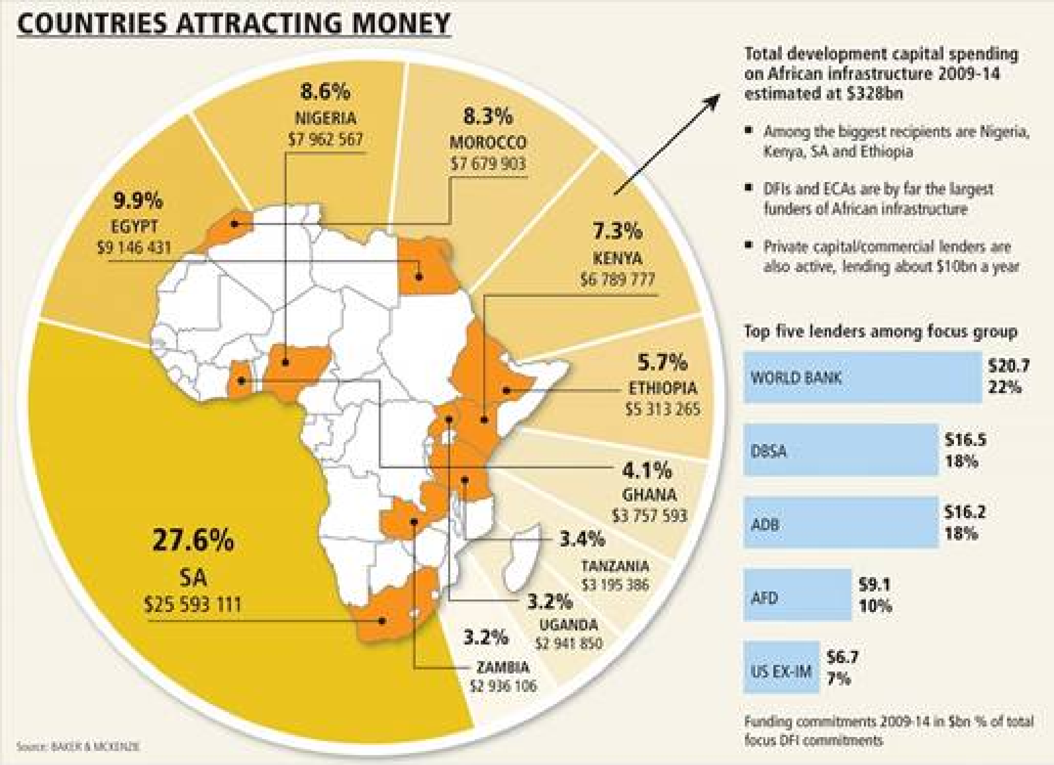
Development capital boosts African infrastructure

A NEW report sponsored by global law firm Baker & McKenzie finds that the funding gap for African infrastructure has narrowed to about $25bn a year, based on a continental need of $90bn worth of infrastructure spend annually. This is good news in the context of the globally squeezed construction sector, and the dismal state that many JSE-listed infrastructure companies find themselves in.

But the survey also shows that in more than seven years of world economic turmoil, the quantum of need has remained static even as the funding gap has narrowed. The World Bank in 2009 estimated that $93bn was needed each year for continental power, transport, ports, water and sanitation projects, but that only about half of that was raised and spent.

The survey, independently researched by the Economist Group, was first released in the UK last month. It assesses 22 African countries. Based on interviews with development finance institutions (DFIs), export credit agencies (ECAs) and commercial banks, it analyses sources of capital inputs for African projects.

Major findings indicate that development finance institutions and export credit agencies are by far the largest funders. Between 2009 and 2014, an estimated total of $328bn was spent on six main categories of African infrastructure. Private capital and commercial lenders fund only about $10bn of infrastructure each year, partly because of a lack of "bankable" project environments in many African jurisdictions. But private sector capital flows have grown by more than 300% between 2010 and 2013, the report says. "I have never come across a deal in Africa that is financed purely by commercial banks," says Jen Stolp, partner in the banking and finance practice group of Baker & McKenzie in Johannesburg. She says China tends to go it alone when it comes to funding, and that three-quarters of this comes from the Export-Import Bank of China. Meanwhile, development finance institutions are not entirely altruistic. The money to close the African funding gap is there, she says, but the "enabling environment is challenging" in the face of local regulation, project risk, corruption, and increasing demands for local skills and enterprise development. China is the largest single funder, while Nigeria, Kenya, SA and Ethiopia are among the largest recipients.



SA received the bulk of development finance institutions and export credit agencies funding in 2009-14 — about 28% of the total, worth $26bn — followed by Nigeria, Egypt, Morocco, Kenya and Ethiopia. But despite some impressive gains, and China's substantial presence in African mining and infrastructure markets, the continent still lacks power, roads, water and irrigation. The report says 50% or more of the populations of about 24 countries in the sub-Saharan region lack access to electricity grids.

Meanwhile, Chinese growth has slowed considerably, along with that of Brazil, whose giant Odebrecht construction group is a big infrastructure player in Angola and Mozambique. Ghana as well. China's ministry of commerce says imports from the continent plummeted about 40% last year. Meanwhile, Nigeria and SA have seen their currencies fall to record lows, mainly on the global minerals commodities rout.

Global Credit Ratings, which focuses on emerging markets, has just issued a negative outlook for SA's construction industry. Patricia Zvarayi, senior corporate analyst, says factors such as regulatory uncertainty, low levels of public infrastructure spend and falling global commodity prices have "converged to create turmoil in the sector". But the Baker & McKenzie report quotes Zhao Changhui, an Export-Import Bank of China chief risk analyst, as saying cumulative Chinese investment in Africa will amount to at least $1-trillion in the next 10 years. Last month, Johannesburg was the venue for the sixth China-Africa co-operation summit. China committed $60bn to African development funding in the next three years, including by debt forgiveness, grants and soft loans *(BDLive)*

Anadarko, Mozambique Put Foot on Gas Exports as Iran Looms

Mozambique and Anadarko Petroleum Corp. are racing to tap gas from one of the biggest discoveries in decades as a global glut looms. After making its initial discovery six years ago in the Rovuma basin off Mozambique's northern coast, Anadarko has yet to make a final investment decision on a $15 billion liquefied natural gas project. That decision may come this year as competition from U.S. and Iranian supplies intensifies in export markets, said state-owned partner Empresa Nacional de Hidrocarbonetos. "Unless we speed the process, we could lose the opportunity," Omar Mitha, chairman of ENH, said in an interview at his office near the waterfront in the capital, Maputo. We are discussing with the government that this is the time "to get ready with all the contracts, the legal framework, the resettlement process," the former deputy minister said.

With the International Monetary Fund projecting total LNG investment of more than $100 billion in Mozambique and the possibility of supplying gas to the domestic market, the discoveries have the potential to help transform one of the world's poorest nations. While Woodlands, Texas-based Anadarko has joined oil majors in curbing investment as crude slumps, the company said that it hopes to conclude negotiations with the Mozambique government this year. Friday's meeting of the Central Committee of the ruling Front for the Liberation of Mozambique will consolidate the power of President Filipe Nyusi, providing an enabling environment for LNG development in the country, according to a Feb. 3

note from Eurasia Group. Mozambique’s longer-term trajectory over the next two years remains positive, Eurasia said. Anadarko needs to finalize legal issues, including marine concessions that dictate ownership of the planned export jetty in Cabo Delgado province, and complete LNG offtake agreements before taking a final investment decision, John Peffer, the company’s manager in Mozambique, said in an interview. “The key is to finish the legal and contractual framework as quickly as possible as this is a critical element in providing project certainty and securing long-term economic value,” Peffer said.

Project Differentiation

Anadarko, which owns 26.5 % of the project, and its partners also need to get approval for resettling about 500 people at the project site, Peffer said. Displaced fisherman will be eligible for compensation, according to a draft of the plan. Despite pricing pressures as crude slumped to the lowest in more than a decade, the company remains confident about the prospects in Mozambique. “The size of this asset, reservoir quality, distance to shore, proximity to the market, and continued progress with the government on the required legal and contractual framework will enable this project to differentiate itself and compete in today’s LNG market,” Peffer said. Anadarko said that it plans to cut spending by almost half as it moves to recover from its worst year since spinning off from Panhandle Eastern Pipe Line Co. in 1986. The third-largest U.S. natural gas producer reduced its 2016 capital budget to about $2.8 billion, after reporting a net loss of $1.25 billion for the fourth quarter.

Development Plan

Anadarko and Eni SpA in December agreed on a plan to develop adjoining areas in the northern Rovuma basin, targeting a combined 24 trillion cubic feet of gas. Mozambique has attracted international energy companies to exploit huge gas finds that could help turn the country into the third-biggest LNG exporter in a decade. ENH is also a minority partner in a gas-to-liquids plant proposed by Royal Dutch Shell Plc. The gas could be used for power plants, methanol and urea production, in addition to GTL, according to a study prepared for the government. Should a final investment decision be taken, the state-owned company would need to add lawyers and accountants, more than tripling its 160 employees, he said. “That partnership is important because it’s an opportunity for ENH to go into the downstream industry and occupy the space along the value chain," Mitha said. “We’ll have to reshape our strategy, our plans, and fiercely fight for tapping new resources as well." A feasibility study has been completed for the plant, which would be a “foundation project” for the domestic gas industry in Mozambique, according to a spokesman for Shell. Discussions are ongoing between Shell, ENH and the Mozambican government on the findings of the study, he said. ***(Bloomberg)***

ArcelorMittal South Africa seeks power producer to build new plant

ArcelorMittal South Africa is looking for an independent power producer to build an 800 megawatt gas-fired power station on land at its Saldanha steel works to help ensure its survival, Chief Executive Paul O'Flaherty said. ArcelorMittal, which is reviewing its Saldanha operation partly due to high electricity costs, is willing to take as much as 220 MW of the plant's capacity and the company is in talks with other industrial users and the government to sign long- term contracts for the rest. Building an independent power plant is vital for the survival of Saldanha, O'Flaherty told Reuters, adding that state-owned utility Eskom's rising electricity prices were unaffordable. Electricity accounts for nearly a third of costs at Saldanha, the company's newest and only export-focused plant, compared with less than 10 % for the rest of the company. "An environmental impact study is underway on our land," O'Flaherty said adding that ArcelorMittal South Africa would not own the project. The company reported a slightly narrower loss than expected, sending its shares soaring. There are also expectations that the government will give local steelmakers further protection beyond the 10 % steel import tariff agreed in August. ***(Reuters)***

TELECOM

MTN hires former U.S. attorney general to help on Nigeria fine

MTN Group has hired a former top U.S. law enforcement official to help challenge a $3.9 billion fine imposed by Nigeria for failing to disconnect unregistered users, the Financial Times reported. Citing people familiar with the situation, the newspaper said former U.S. Attorney General Eric Holder pleaded with Nigerian officials last month on behalf of the telecoms company. Africa's largest mobile phone company was handed a $5.2 billion penalty in October, prompting weeks of lobbying that led to a 25 % reduction to $3.9 billion. MTN, however, was still not prepared to pay the fine and launched a court challenge in December, saying the Nigerian telecoms regulator had no legal grounds to order the penalty. A judge in Lagos, Nigeria's commercial capital, last month gave MTN until March 18 to try to reach a settlement over the fine, which equates to more than twice MTN's annual average capital spending over the past five years. MTN spokesman Chris Maroleng was not immediately available to comment. Holder, who led the U.S. Justice Department from 2009 to 2015 and was one of President Barack Obama's longest-serving cabinet members, returned to law firm Covington & Burling, where he was previously a partner from 2001 to 2009. ***(Reuters)***

Telkom Said to Be Close to $47 Million State Broadband Deal

Telkom SA SOC Ltd. is close to reaching an agreement with the South African government to start a 750 million rand ($47 million) first phase of broadband roll-out across Africa’s most industrialized economy, according to two people familiar with the matter. There have been extensive discussions about the contract between Telkom, South Africa's biggest landline provider, and the government, the company's biggest shareholder with a 40 % stake, said the people, who asked not to be identified as the contract hasn't been finalized. Pretoria-based Telkom has carried out site inspections and studied how to implement the plan in eight districts, one of the people said. Telkom can't comment on a government project, the company said. The telecommunications ministry didn't immediately return phone calls and and an e-mail seeking comment. Telkom shares rose as much as 4.7 % in Johannesburg, before paring gains to trade 0.1 % higher at 53.03 rand as of 9:54 a.m. local time. The stock is down 18 % this year, valuing the company at 27.9 billion rand. The ruling African National Congress has pledged to extend broadband access to every household by the end of this decade. The government will "fast track" the first phase of broadband roll-out to connect more than 5,000 government facilities in eight district municipalities over three years, President Jacob Zuma said in his annual State of the Nation address. The broadband proposal may cost as much as 98 billion rand in total, Telecommunications Minister Siyabonga Cwele said last February.

Internet Stragglers

South Africa is one of the world's stragglers in Internet access with just 3.21 fixed-line broadband subscribers per 100 people in 2014 compared with 11.46 in Brazil, 30.37 in the U.S. and 29.31 in Japan, according to figures compiled by the World Bank. The opposition Democratic Alliance said that awarding the broadband contract to Telkom may be "legally dubious" as there hasn't been a transparent tender process. "Telkom is not within government structures," Marian Shinn, the shadow minister for telecommunications and postal services, said by text message. "It is JSE-listed, not a state-owned company, and government must deal with it as it does other companies in the sector." Vodacom Group Ltd., a Johannesburg-based Internet provider and the wireless operator with the most subscribers in South Africa, said it supports the government's broadband roll-out program. "Vodacom is committed to working with and partnering government and other stakeholders to ensure achievement of the country's broadband goals," spokesman Bongo Futuse said in e-mailed comments. *(Bloomberg)*

Maroc Telecom's net profit dips 4.3 pct to $577 mln

Maroc Telecom, Morocco's largest telecom operator, said its net profit last year fell 4.3 % to 5.59 billion Moroccan dirhams ($577 million) due to losses related to new acquisitions. Last year Maroc Telecom completed the acquisition of majority owner Etisalat Group's west African operations in Benin, Ivory Coast, Gabon, Niger, the Central African Republic and Togo for 474 million euros. Total revenue rose 17 % in 2015 to 34.134 billion dirhams, however. Maroc Telecom also said it would pay a dividend of 6.36 dirhams per share, equating to 100 % of its profit. ($1 = 9.6940 Moroccan dirham) *(Reuters)*

RETAIL

Sonae group partners private fund to buy supermarkets in Mozambique

Satya Capital, a private fund established and chaired by African communications magnate Mo Ibrahim, in partnership with Portuguese group Sonae, has agreed to buy the Extra supermarket chain from the ADC group of Mozambique, according to online newspaper Zitamar News. Citing the Mo Ibrahim Foundation, the newspaper also reported that the purchase will be carried out by S2 Africa, an acquisitions vehicle focused on retail set up in 2014 by Satya Capital, based in London, and Sonae Distribution, which owns the Continente hypermarket chain in Portugal. In 2015 the Sonae group gave up on a partnership with Angolan businesswoman Isabel dos Santos to open a supermarket chain in Angola. The chain now purchased belonged to South African retail group Pick n Pay, which left Mozambique in 2013 after failing to make the business profitable. Pick n Pay eventually sold the chain of stores to ADC, a partnership set up that year by Mozambican retail group Africom Limited and Delta Trading & Companhia, and at the end of 2015 it had 25 supermarkets, including 15 in the capital, Maputo. *(Macauhub)*

AGRIBUSINESS

Nigeria requests $1 bln African Development Bank budget support loan

Nigeria, reeling from the oil price plunge that has slashed vital revenues, has asked the African Development Bank for a $1 billion loan to help fund an increased budget deficit, the AFDB said. The bank said it was considering the loan to Africa's largest economy and oil producer, where the drop in crude prices has hit growth, and that an appraisal mission would visit soon to work with authorities.

Nigeria is planning to borrow as much as $5 billion to help fund a deficit due to the slump in global oil prices, which have also sent its naira currency into a tailspin. Finance Minister Kemi Adeosun said this week Nigeria had held exploratory talks with the World Bank and looked at options to borrow from the AFDB and China Exim Bank.

Earlier this month she said that about $4 billion might come from international institutions and the remainder from eurobonds. Nigeria expects a budget deficit of 3 trillion naira ($15 billion) in 2016, up from an initial 2.2 trillion naira ($11 billion) estimate. The budget, presented by the president at the end of last year, is sitting with parliament, which aims to pass it at the end of this month. At 6.08 trillion naira ($30.6 billion), it is a more ambitious budget than under the previous administration and will see capital expenditure tripled compared to 2015 to about 30 % of the total. ($1 = 199.00 naira) *(Reuters)*

Egyptian dairy firm Domty plans to list in March

Egyptian dairy firm Arabian Food Industries Co. (Domty) is planning an initial public offering (IPO) on the Cairo bourse in March, Chairman and Managing Director Omar El Damaty said. Food is seen as a fast-growing sector in the Arab nation of about 90 million people and is drawing growing investor interest. "The initial public offering for Domty on the Egyptian bourse will be in March," El Damaty told Reuters by telephone, declining to provide more details. Market sources said Domty planned to raise about 1 billion Egyptian pounds ($127.7 million) through the listing. Domty is the latest in a flurry of IPOs, mergers and rights issues on the Cairo exchange since late last 2014. Economic reforms introduced by President Abdel Fattah al-Sisi have lifted investor confidence, following four years of political and economic turmoil since the Arab Spring uprising. Egyptian foodmaker Edita's listing of 30 % of its shares in April was heavily oversubscribed. Cheesemaker Arab Dairy drew keen foreign interest before being bought eventually in March 2015 by Egyptian financial services firm Pioneers Holding. El Damaty's family owns 70 % of Domty, which was founded in 1989, and a Saudi investor owns the rest. It has two factories in the 6th October district near Cairo and plans to start producing yoghurt and cartoned milk, alongside its cheeses and juice. ($1 = 7.8300 Egyptian pounds) *(Reuters)*

Difficulties in obtaining foreign currency limits dairy company Lactiangol in Angola

The difficulty in obtaining foreign currency to purchase raw materials is affecting the production of both milk and other dairy products by Lacticínios de Angola (Lactiangol), said the company’s president. José César Bastos Macedo also told Angolan news agency Angop that milk production had to be reduced from 5 million litres to 3.5 million and that of yoghurt, for example, fell by half, “which leaves the company in a difficult situation.” Lactiangol is currently only able to meet the needs of 10 % of customer requests, including retail chains, supermarkets, convenience stores, small shops, restaurants and others. Despite the difficulties in obtaining foreign currency, Macedo said the company was investing about US$19 million in the acquisition of modern equipment, of which about US$14 million had already been used. The modernisation underway at the company aims to double milk production capacity, by increasing the current production with capacity to produce 6,500 litres for two production lines with capacity for around 13,000 litres per hour, from 2017. Lactiangol was inaugurated in 1994 and currently has about 250 employees, including administrative, technical staff and specialists. *(Macauhub)*

East Africa Tea Sales to Post-Sanctions Iran Seen Up Sixfold

East African tea exports to Iran are expected to jump more than sixfold by 2019 as trade ties with the Persian Gulf nation normalize after western sanctions were lifted, a regional tea traders’ association said.

Shipments from nations including Kenya, the world’s biggest exporter of black tea, may climb to 20,000 metric tons within the next four years from a record low of 3,200 tons last year, said Edward Mudibo, managing director of the East African Trade Association. “The potential for the Iran market could be five-fold the current status without the restrictions there had been over the past five years," Mudibo said in a phone interview from the port city of Mombasa. Iran is among the world’s 10 biggest tea-consuming nations, with consumption estimated at 83,400 tons in 2013, according to Food and Agriculture Organization statistics. Financial and trade sanctions imposed by the U.S. and European countries because of its nuclear program curbed access to foreign currency and limited Iranian buyers’ ability to transact. That posed “payment challenges” to East African tea exporters from Tanzania, Uganda, Rwanda and Burundi, Mudibo said. Most of the tea produced in East Africa is sold at the Mombasa auction, the world’s largest market for the leaves. The weekly sale handled 358.6 million kilograms (791 million pounds) in 2015, compared with 390.2 million kilograms a year earlier, according to data compiled by Tea Brokers East Africa Ltd., a Mombasa-based trader of the crop. It competes with the Colombo auction, which traded 315.5 million kilograms of tea last year, compared with 333.5 million kilograms in 2014, according to data e-mailed by the Sri Lanka Tea Board.

Quality Tea

“Iran seeks good quality tea which our auctions are known for,” Mudibo said. “We are looking at a conservative 16,000 tons, but we could go up to a range of 20,000 tons, which we can safely ship without much effort.”

Kenya, East Africa’s largest economy, generated at least $1.2 billion from tea exports last year, the second-biggest source of foreign-currency earnings after remittances by citizens living abroad. The increased demand from Iran is expected to result in higher prices, Mudibo said. “Increased exports to Iran shall translate to a corresponding increase in tea prices," Mudibo said. The average auction price of tea sold in Mombasa rose 34 % to $2.73 a kilogram (2.2 pounds) last year, according to Tea Brokers of East Africa data. The EATTA exported 40,000 tons of the crop to markets including Pakistan, Egypt and the U.K. between January and November 2015, compared with 49,940 tons a year earlier. “With Iran in the picture, even if we produce more, we know there is a market,” Mudibo said. “Iran is very major to our tea, it has potential to be among the top five key export markets.” *(Bloomberg)*

Nigeria's Cross River State to Expand Cocoa Land, Boost Output

Nigeria's southeastern Cross River state plans to expand land under cocoa cultivation by a third in the current season and revamp old farms in a bid to double output, an official said. "We intend to bring about 4,000 hectares of previously unplanted areas into cocoa cultivation," Egrinya Eneji, state commissioner for agriculture, said Friday in an e-mailed response to questions from capital, Calabar. "We intend to introduce the most modern cocoa hybrids capable of yields of 2 metric tons per hectare." Located on Nigeria's southeastern border with Cameroon, Cross River accounts for about 30 % of the country's cocoa, with the southwestern region producing about 60 %. Nigeria, the world's number four cocoa producer after Ivory Coast, Ghana and Indonesia, estimated its 2013-14 season output to be 350,000 tons. Government-owned estates account for about 4,000 hectares (9,884 acres) of existing cocoa farms in Cross River, while small-holder farmers cultivate another 4,000 hectares around the cocoa-trading town of Ikom, according to Eneji. Farmers will receive 5 million cocoa seedlings to cultivate new farms and revamp old ones at the start of the planting season in March, he said. *(Bloomberg)*

Specialty Coffee Heats Up in Africa

From Rwanda and South Sudan to Zambia and The Democratic Republic of the Congo, African coffee growers are watching market trends tilt in their favor, as retail giants shift from high volume to high-flavor beans. The rise in demand for specialty coffee, which now accounts for one of every two cups in America, has compelled retailers to dive deeper into Africa, bringing on board growers in riskier markets such as South Sudan, Burundi and Congo. Demand for specialty coffee in Europe is also on the rise and now accounts for least 40% of supply, traders say.

As a result, specialty coffee volumes in the region are on the rise, now accounting for nearly 30% of the total production in Africa from less than 15% three years ago, according to African Fine Coffee Association. "What matters most now is the cup quality to the majority of consumers," Phil Schluter, the head of Swiss coffee trading company Schluter Ltd., told an industry conference in Dar es Salaam, Tanzania this week. "African growers cannot continue to look at the size of the coffee beans, [which is how local exchanges grade them]."

Although African coffee only accounts for about 10% of the international market, coffee beans from the continent are highly sought after due to their unique and desirable qualities. Those beans are often used to give flavor to blends of beans from multiple origins that would otherwise be one-noted or bland, coffee roasters and traders say.

That's also helped to distort the market. Mr. Schluter says that often a farmer will be offered something like $1.50 a pound for his beans, while his neighbor will be offered as much as $4.50 a pound, even if the coffee is of near-identical quality. That's because different kinds of specialty roasters, despite their mutual desire for quality beans, are often buying for completely different markets– some in bulk for blends and others who sell $6 cups of single origin brew. "Both markets are there. Both markets are real," Mr. Schluter said. The current world price for arabica coffee on the ICE Futures U.S. Exchange is about $1.20 a pound.

Premiums from specialty coffee beans are shielding African growers from low international prices and helping them to stay afloat, says Abdullah Bagersh, chairman of the African Fine Coffee Association. "These approaches that focus on farmer profitability are the only way to sustain the industry" Mr. Bagersh says. "With quality beans, African farmers have a competitive advantage."

Prices for arabica coffee, which is prized for its mild flavor and typically used in gourmet blends, lost 23% of their value last year while prices for robusta, a more bitter bean often used in instant blends, fell 17%. Strong exports from No. 1 grower Brazil, where a weaker real currency encouraged exporters to dump beans onto the global market, helped send prices lower. Analysts say that producing more specialty coffee gives African smallholders a comparative advantage over large-scale farmers in Asia and Latin America. "More producers can now reach niche coffee markets that offer stronger returns–this is very encouraging for our farmers," said Michael Ndoping, head of Cameroon's coffee and cocoa regulatory body. Still, Africa's share of the global coffee markets has plummeted from as high as 30% of output in the 1970s to the current 10%, due to volatility in the markets, which has encouraged many farmers to switch to other crops.

As a result, African coffee exports continue to trend downwards, says Cafe Africa's John Schluter. "There's a lot of competition for coffee, the land and the labor that goes into it," he says. To make the industry more resilient, African growers should emulate producers such as Ethiopia to consume more of their coffee, says David Barry, the managing director of Kyagalanyi Coffee Ltd., a Ugandan coffee exporter.

Africa's coffee crop yields are the lowest on the planet, due largely to old trees in poor soil, said World Coffee Research's Tim Schilling at an industry conference in Dar es Salaam, Tanzania. Climate change will increase the challenges, including insects and disease. However, a predictive model that WCR has developed shows that No. 1 producer Brazil will lose 50% of its coffee-producing land by 2050, whereas Africa will lose 15% to 20%. "It shows that Africa is getting that increasing competitive advantage relative to other producing countries," Mr. Schilling said, making the continent's coffee-growing countries ripe for investment. "There's a lot of competition for coffee, the land and the labor that goes into it," said John Schluter, chief executive of Café Africa, an NGO that works with coffee farmers. *(Wall Street Journal)*

Improving Food Security and Agricultural Productivity: A Priority for Burkina Faso

- In recent years, notably 2012 and 2013, Burkina Faso was confronted with food shocks and refugee crises.
- Investments in agricultural productivity and food production systems has reduced food insecurity.
- An innovative warehouse receipt system, known as warrantage, is allowing farmers to use their harvests as collateral to obtain credit.

For several years now, life has been a constant struggle for much of Burkina Faso's rural agrarian population. A severe drought in 2011 scorched what were already arid lands. Crops withered under the Saharan sun, yielding poor harvests and leaving meager food stocks for villagers and their animals. Since conflict erupted in neighboring Mali, the Burkinabe people living along the border have also had to confront an influx of Malian refugees, sharing and rationing the few resources they have. Many have had to resort to living off food aid.

According to the 2015 Global Hunger Index, Burkina Faso ranked 87th out of 104 countries in terms of levels of hunger, with 20.7% of its population being undernourished. Weak food production systems, a capricious climate, and significant poverty have created a vicious cycle for Burkina's farmers that is seriously jeopardizing the country's food security.

So how can Burkina's poor producers break out of this cycle when they lack the means to purchase high yielding drought resistant agricultural inputs, or vaccinations for their poultry?

One of the solutions is a matching grant system implemented by the World Bank's Agricultural Productivity and Food Security Project (better known by the French name Projet d'amélioration de la productivité agricole et de la sécurité alimentaire or PAPSA) that helps smallholder farmers share the cost with the project. Under the supervision of the regional Chamber of Agriculture, local community leaders, and local authorities, male and female farmers are invited to contribute their share of the costs through community works such as the preparation of lowlands for rice farming. This includes clearing the land of rocks, turning over the soil, organizing the plots, and constructing water retention systems. Those who have contributed the most to community works are provided cleared plots of land, technical expertise, training, improved seed varieties, and fertilizer for their rice crops.

The project observed that female farmers were the group that participated the most in these community works, thus more than 45% of the prepared lowlands have been distributed to women. For these female farmers, this system has completely changed their lives. "In our culture, it is difficult for women to possess land. Thanks to the project, I now have my own plot of land from which last year I produced four bags of paddy rice. I distributed one bag to my neighbors, I sold the second bag to pay the school fees of my children, and the other two bags are to feed my family and contribute our share to the community savings to purchase inputs for the next planting season," explains Alizèta Kabore, a smallholder farmer from Bissiga, in Burkina's Central Plateau region.

Financed by the World Bank, the Agricultural Productivity and Food Security Project is giving hope back to farmers and increasing productivity. Men and women are going back to tending their fields, and have begun to reap the benefits of this new system. Project support for rain fed lowland rice production has helped clear 7,820 hectares of land for rice production providing 30,000 producers with income, 45% of which are women. In 2014, rice production in Burkina Faso saw a significant boost in the form of an additional 15,000 tons of rice. Thanks to new techniques and better inputs, farmers are learning how to retain more water in their fields and how to fertilize them.

Similar results were observed in poultry, cattle, and pork farms. Techniques such as artificial inseminations are boosting cattle reproduction rates, and the construction of 459 modern chicken coops is reducing poultry mortality. In addition, 54% of local poultry are now vaccinated again Newcastle disease. While poultry and beef makeup Burkina's main meat staples, pork production this past year brought in an estimated 26 million FCFA.

However an increase in food production is only half the battle. Solutions are also needed to address farmers' access to credit, surplus storage, and market distribution. Access to credit remains a big challenge for rural farmers as financial institutions are usually reluctant to finance smallholders farmers due to the lack of collateral and the high risk related to agricultural production.

To improve smallholders' farmers' access to rural credit, the project has promoted the warehouse receipt system also known as warrantage. An inventory credit system, warrantage allows farmers to use their harvests as collateral to obtain credit. "Under the project, a farmer will generally deliver his or her harvest to a local warehouse, whose access is held jointly by a microfinance institution and a farmer's association, usually in the form of two pad locks. Upon delivery of the harvest, the farmer receives credit which he or she uses to buy essential inputs for the next planting season, pay children's school fees, or invest in other revenue generating activities," explains Elisée Ouedraogo, Senior Agricultural Economist at the World Bank Office in Burkina Faso.

The credit advance generally covers a period of several months and allows the farmer to stock their harvest until food stocks run low and they can ask for higher prices. At the end of the credit period, farmers can sell their harvests, repay their credit and use the difference to buy seeds, fertilizer, small pumps and other inputs which help to increase yield and production. Part of the harvest may also be kept by farmers for his or her own consumption. Under the project, 222 warrantage schemes have been promoted and 4,700 tons of grain stored, allowing smallholders farmers to mobilize the equivalent of $700,000 in credit from microfinance institutions.

The Agricultural Productivity and Food Security Project will close in 2018, signaling its long term support for reinforcing Burkina's agricultural and livestock value chains. With more food products available in rural markets, Burkina Faso can significantly reduce risks of food insecurity and improve its economy. Given that the country's economy is primarily based on the rural sector, which employs 86% of the labor force (National Population Census, 2006), a productivity-led growth in the agricultural sector is the key to new employment opportunities, higher incomes, and a brighter future. *(WorldBank)*

UPCOMING EVENTS

Africa Healthcare summit 2016, 17-18 Feb 2016- Olympia Conference Centre **London**
www.africahealthcaresummit.com

Africa 2016 – Business for Africa, Egypt and the World, 20-21 February 2016 – Sharm el Sheikh, Egypt
organized by the Ministry of Investment, Ministry of Foreign Affairs, Ministry of Industry and Foreign Trade, and Ministry of International Cooperation, in partnership with the Egyptian Agency of Partnership for Development and COMESA Regional Investment Agency, and under the umbrella of the African Union Commission.

Système de santé le nouveau pari africain, 25th -26th Feb Marrakech, Morocco
http://www.i-conferences.org/forum-afrisante/

The Nigeria Summit 7-8 March 2016 InterContinental Lagos - Lagos, Nigeria
Over the years, The Economist Events' Nigeria Summit has charted a country in the process of great transition. *emeaevents@economist.com* ; *www.nigeriasummit.economist.com*

Tanzania International Forum for Investments 9-11 March 2016, Julius Nyerere International Convention Centre, Dar Es Salaam, United Republic of Tanzania. *registration@tziforum.com*
www.tziforum.com

First meeting of the 14th Replenishment of the African Development Fund (ADF-14), March 17 and 18, 2016 in Abidjan, Côte d'Ivoire
https://frmb.afdb.org/?page=adf&subpage=adf-14-rep

Bonds & Loans Africa 14-15 March 2016 Westin Cape Town
Bonds, Loans & Sukuk Africa is the continent's only Pan-Africa debt event, bringing together African issuers and borrowers looking to raise capital with nanciers and investors. *registrations@GFCconferences.com*
www.bondsloansafrica.com

The Africa CEO Forum: 21–22 March 2016, Abidjan – Côte d'Ivoire (Ivory Coast) Hotel Sofitel Ivoire
www.theafricaceoforum.com

World Economic Forum on Africa 2016 Kigali, Rwanda 11 - 13 May 2016
http://www.weforum.org/events/world-economic-forum-africa-2016

2016 AfDB Annual Meetings to focus on energy and climate change will take place from Monday, May 23 to Friday, May 27, 2016 at the Mulungushi International Conference Centre in Lusaka, Zambia.
Full details on registration will be announced shortly, and a dedicated website will follow.

18th annual Africa Energy Forum (AEF) 21-24 June 2016 2016 - The Intercontinental 02 London
http://africa-energy-forum.com/

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Disclosures

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

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

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