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SUMMIT 2007

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From November 14-16, 2007 the Corporate Council on Africa held its sixth biennial *U.S.-Africa Business Summit* in Africa for the first time. While the decision to place our very successful Summit in Africa was a financial risk, we were driven by our belief that the larger concern is to increase U.S. investment and trade in and with Africa. Although the United States is still the single largest investor in Africa, much of this investment is in

PRESIDENT'S MESSAGE

the extraction industries. If we are to strengthen long-term relations with Africa, we must broaden our base of investment and open our markets to African produce. To do that, we must also overcome a persistently negative media image of Africa. For us, one of the most effective ways to do this is to bring more U.S. businesses to Africa to see the variety and the potential for economic development in Africa as well as in the United States. Therefore, we convened our Summit in Africa for the first time in the hope and expectation that more U.S. businesses would see the advantages of investment in Africa. I am pleased with the outcome of the Summit and the support that we received from businesses and governments in Africa and in the United States. During 2008 we must all work together to build upon the networks and relationships that were formed during the Summit. I invite each of you to join CCA in the challenge to turn these opportunities into business with the Continent. •



Stephen Hayes, *President*
The Corporate Council on Africa

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Mission Statement

The Africa Journal is a quarterly publication of the Corporate Council on Africa, a non-profit membership organization dedicated to enhancing trade and investment relations between the United States and the 53 countries of Africa. The Africa Journal aims to raise Africa's profile as a business destination with numerous and diverse opportunities.

The Africa Journal's objectives are to:

- Provide a synopsis of important trade policy and political developments in Africa;
- Introduce key figures and stakeholders in the U.S.-Africa business & government community;
- Feature analysis and in-depth features on current economic & political developments;
- Highlight CCA member companies and businesses' success in Africa; and
- Inform readers of CCA's programs, services and events.



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Editor:

Ilda Diffley ildiffley@afriacacncl.org

Copy-Editor: Timothy Diffley

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The Africa Journal, initially a tabloid publication, was founded by Abdoulaye W. Dukule, PhD. In 2003, all rights were purchased by CCA from Mr. Dukele, and the publication was converted to its present magazine format.



DEAR READER: It is my great pleasure to report to you that CCA's Summit, the sixth since the Council was founded in 1993, and the first in Africa, was a success. The Cape Town meeting was well attended by the U.S. and African private sectors, as well as several African Heads of State and officials from the U.S. and African Governments. U.S. Secretary of the Treasury Hank Paulson, the closing speaker, highlighted the increasing opportunities of expanding business relations between the United States and Africa and CCA's role in bringing this about. Robert Mosbacher, the President of the Overseas Private Investment Corporation, took the occasion of a lively panel discussion to outline what OPIC is doing and plans to do to assist and participate with U.S. companies investing in Africa, at a time when competition from other nations is increasing. Representatives of the Departments of State, Commerce, Transportation and Energy, EX-IM and MCC actively participated in many of the workshops.

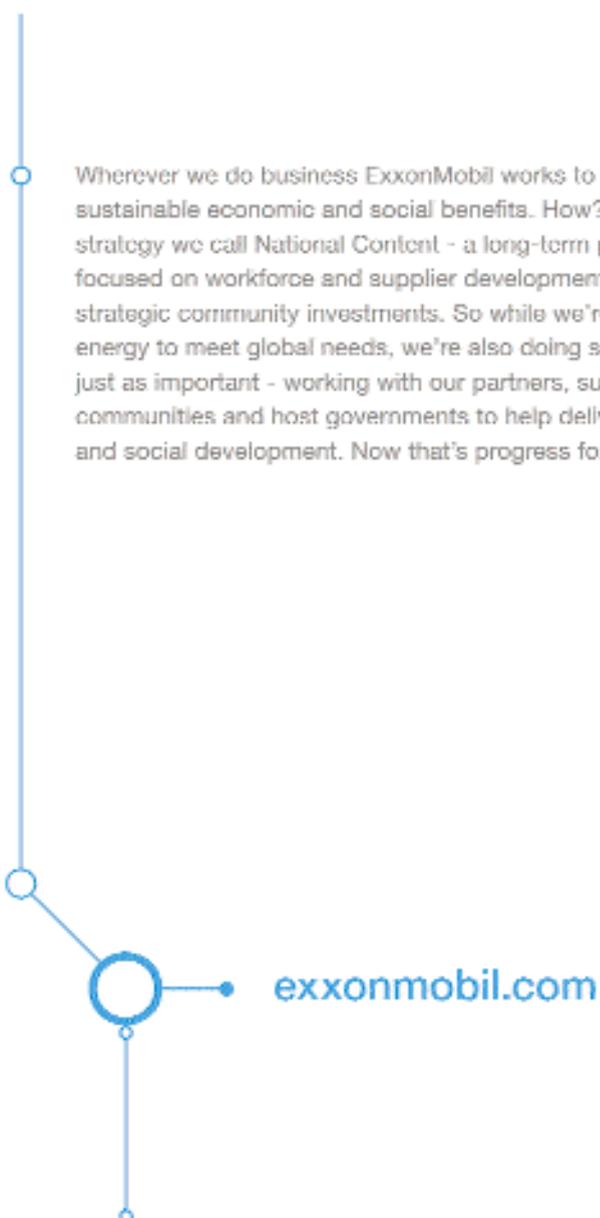
The presentations and discussions at these workshops and plenaries —(and I made it a point to attend or look in at all of them) —were useful and relevant to companies doing business in Africa or seeking to do so. There were many opportunities for networking, and press coverage of the conference was quite extensive. The CCA Summit highlighted the changing opportunities as well as the challenges that U.S. business faces in the African market.

I hope that the Summit met the business expectations of those of you who attended. I also hope that CCA members, while pursuing their business goals, continue to strengthen the ties between the world's largest economy and the growing economies of Africa. We all benefited from the wisdom, experience and aspirations of the leaders who were there with us: the exchange of ideas and the frank discussion of problems and how best to address them; the opportunity to network; and last but not least, some moments to enjoy the traditional warm hospitality of our hosts and the beauty of Capetown.

Steve Hayes and CCA's staff worked very hard to make it happen and deserve credit for its success. All in all, this first CCA Summit on the African continent reinforced CCA's capacity to fulfill its mission for the benefit of its member companies. My special thanks to all the sponsors and participants for making this possible.

Maurice Tempelsman,
Chairman of the Board of Directors
The Corporate Council on Africa

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AMBASSADOR JOHN DANILOVICH

CHIEF EXECUTIVE OFFICER

October 26, 2007

Dear Summit Participants:

Thank you for inviting the Millennium Challenge Corporation (MCC) to join you in this important dialogue between the U.S. business community and Africa. Indeed, I am hopeful that CCA's biennial U.S.-Africa Business Summit will help forge new partnerships and highlight Africa's immense potential for trade and investment.

Designed to reduce poverty through economic growth, MCC is a federal agency offering an innovative approach to U.S. development assistance. We understand that foreign aid is critical to helping the world's poor, but the true tipping point for winning the fight against poverty will be found in the sustained economic growth and activity generated by private enterprise.

MCC works with countries practicing good governance, investing in the health and education of their citizens and encouraging economic freedom. This creates an environment where the private sector can thrive. As our partner countries develop and implement their funding proposals to reduce poverty and stimulate growth, I encourage the international business community to be part of the process, offer insights, and consider procurement opportunities.

Recently, we launched a new *Private Sector Initiative* to foster and increase linkages between the business community and MCC's work of reducing poverty through economic growth. Going forward, we will look for new collaborative mechanisms to leverage MCC investments through collaborations with the private sector and determine if those investments can be a springboard for parallel or complementary commercial activities. Please visit our website at www.mcc.gov to learn more about MCC.

Working together, I know we can create opportunities in Africa for economic growth, and the hope that comes with it.

Sincerely,

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INFRASTRUCTURE

DRC—Lonrho is to manage the five star hotel forming part of the proposed Luano Grand development in Lubumbashi.

Kenya—Delta Airlines is to launch flights between Nairobi and New York via Dakar starting 2008.

Rwanda—Trade Point Rwanda is to implement an electronic single window to clear trade, tax, and transport documents electronically.

South Africa—Indian airline, Jet Airlines, is planning new service between India and Johannesburg.

Southern Africa—Botswana, Namibia, and South Africa have agreed to conduct a feasibility study for the Trans Kalahari rail link. The four shipping lines, Safmarine, MOL, DAL and Maersk Line, in the SAECs vessel-sharing agreement in the trade between Europe and Southern Africa are to add a seventh vessel to the 'SAECs Core Service'.

Uganda—The feasibility of re-opening the Kamala Kasesa railway line is being studied.

Western Africa—Benin, Cote D'Ivoire, Ghana, Nigeria, and Togo have agreed to interconnect their borders for constant exchange of information.

MINING AND METALS

Botswana—CityView is to acquire 100% of Petro Energy Africa.

Zambia—Kenmare's uranium mine has gone into production. State-owned Ports and Railways Company is progressing the construction of a \$180 million terminal in Beira.

Russia—Evraz bought a stake in Highveld Steel and Vanadium for \$219 million.

Southern Africa—Mozambique and South Africa are looking to invest \$1 billion in building an iron and steel foundry.

Zambia—Metorex has received the green light to build facilities for processing 10,000 tons of finished copper per year.

OIL AND GAS

Angola—Japan is in talks to build oil refining facilities in exchange for secure crude oil supplies.

Chad—China's largest oil producer signed an agreement with the government to invest in an oil refinery.

Egypt—Dana Petroleum purchased Devon Energy's Egyptian upstream petroleum business.

Nigeria—The federal government will embark on massive investment in petrochemical plants.

South Africa—Pioneer started gas production offshore, extending the life of PetroSAs Moss gas plant to 2012.

Southern Africa—Ayr Logistics plans to construct an oil refinery in Mozambique and a silicon refinery in South Africa.

Western Africa—Noble Energy made an oil discovery offshore Equatorial Guinea and another offshore Cameroon.

Zimbabwe—A Qatari company will invest around \$1.5 billion to build an oil refinery.

ELECTRICAL POWER AND TELECOMMUNICATIONS

Ghana—China's Shenzhen Energy Investment plans to build a 200-megawatt gas-fired plant in a venture with the China-Africa Development Fund, estimated to cost \$4,137.2 million.

Mozambique—Mpanda Uncua Dam, about 60 kilometers downstream of the existing Cahora Bassa Dam, will proceed. The country plans to build a \$1.7 billion hydro-electric development on the Zambezi River.

Senegal—The government has invited tenders for a third mobile operator while Senegal's National Electricity Company is to be privatized.

South Africa—Two new open cycle gas turbine power stations have been opened.

Zambia—Olympic Milling Company has won the tender to set up a mini hydro power station on the Kalungwishi River.

FINANCE

DRC—The African Development Bank approved a \$100 million loan for the Tenke Fungurume copper and cobalt project.

Mozambique—Ireland pledged Euros 208 million for poverty relief efforts.

Nigeria—The Delta State Government is planning to establish the Koko Free Zone.

South Africa—Naspers is to make a public tender offer for 100% of leading Warsaw-listed Polish Internet company Gadu Gadu.

Zimbabwe—Lonrho acquired 80% of Blueberry International Services. Lonrho intends to list Zimbabwean investment fund, LonZim, on London's Alternative Investment Market.

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THE SUMMIT IN SOUTH AFRICA

From November 14-16 more than 800 leaders from the public and private sectors from the United States, Africa and other continents convened for the 6th biennial Corporate Council on Africa 2007 U.S.-Africa Business Summit at the Cape Town Convention Centre in Cape Town, South Africa.

After years of hosting the Summit in the U.S., CCA took on the very courageous challenge of hosting the Summit in Africa for the first time—and like many investment opportunities on the continent, it was a high-risk venture that resulted in high returns for CCA and Summit delegates. The environment created by this Summit was conducive to participants receiving what they came for—a better understanding of the issues facing the continent, and meeting representatives who will help them make inroads into the business world in Africa.

With experts naming Africa as the world's emerging market of the future, the

Summit was a perfect time and occasion for key stakeholders to discuss the future of investment and economic growth on the continent.

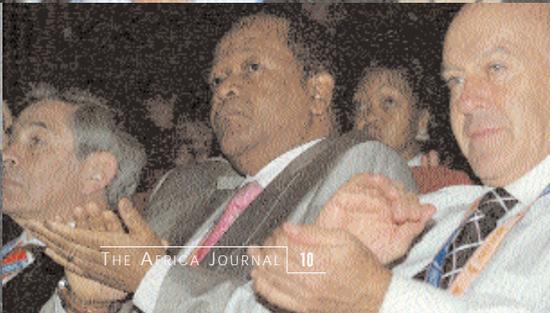
The Summit kicked off with an Opening Gala Dinner which featured a line-up of esteemed business leaders, including an address by South Africa's Deputy President, Her Excellency Phumzile Mlambo-Ngcuka.

The Summit featured six plenary sessions focusing on important timely issues facing business leaders on both sides, including a discussion between U.S. business leaders and an African Head of State, energy and power, the impact of Chinese investment in Africa, health, finance and African stock exchanges. Summit delegates also attended several of the 36 workshops offered. Workshop topics included telecommunications, tourism, bio-fuels, and many more.

H.E. Hifikepunye Pohamba, President, Republic of Namibia; H.E. Yoweri

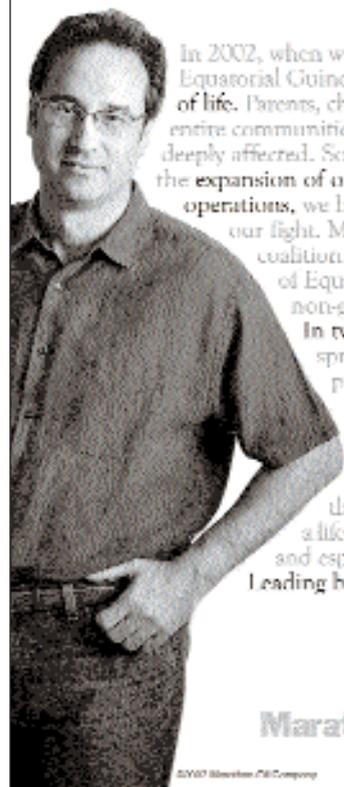
Museveni, President, Republic of Uganda; H.E. Rama Krishna Sithanen, Deputy Prime Minister, Republic of Mauritius; The Honorable Henry M. Paulson, Jr., Secretary of the Treasury, U.S. Department of the Treasury; H.E. Mandisi Mpahlwa, Minister of Trade and Industry, Republic of South Africa; The Honorable Robert Mosbacher, Jr., President, OPIC; Mr. Ferdinando Beccalli-Falco, President & CEO, GE International; Mr. Geoffrey White, CEO, Lonrho PLC; The Honorable Thomas Pickering, Vice Chairman, Hills & Company, Professor Yang Guang, Director General, Institute of West-Asian and African Studies, Chinese Academy of Social Sciences; Ambassador Princeton Lyman, Council on Foreign Relations, Former United States Ambassador to South Africa and Nigeria; The Honorable Joseph Grandmaison, Member, Board of Directors, U.S. Export-Import Bank; Mr. N.N. Kitomari, Chairman, Commercial Bank of Africa; Mr. Arnold Ekpe, CEO, Ecobank Transnational Inc; and Mr. Kenneth Ofori Atta, CEO & Founder, Data Bank, Ghana were just some of the leaders who offered their opinions and expert analyses during Summit sessions.

More than 130 print and broadcast stories ran in various local and international media outlets. ●



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U.S. CONGRESS TO BACK STATE-LED DIVESTMENT INITIATIVE ON SUDAN

By Philippe de Pontet

Under pressure from human rights activists, the U.S. Congress is likely to pass legislation during the 110th Session to support the state-led pension fund divestment campaign aimed at companies doing business in Sudan, many of them Chinese. The House of Representatives overwhelmingly passed HR180 just days before the summer recess (by a margin of 418-1), expressing Congressional backing for the state-led divestment initiative. This bill requires the Secretary of the Treasury to establish a list of companies that conduct business activities in Sudan. It authorizes state and local governments to divest their pension fund holdings from companies on the list and contains "safe harbor" provisions that remove specific legal barriers for managers of mutual funds and corporate pension managers who choose to do the same. Finally, the measure bans U.S. government procurement contracts with companies on the Treasury list and authorizes the prohibition of these types of contracts at the state and local level. Similar legislation in the Senate (S831) is also likely to pass this session, adding further momentum to the divestment campaign.

These bills are for

the most part symbolic, not substantive in nature, as the divestment initiative has been underway for well over a year without direct involvement at the national political level. Nineteen states have passed divestment legislation over the last 18 months, and another 20 are considering such legislation. While Chinese firms are not the only ones targeted (firms from Malaysia, India, Kuwait, France, and Britain are also in the cross-hairs), companies such as PetroChina, Sinopec, Norinco, and AviChina are all on the Sudan Task Force's list of "worst offenders," making them among the most vulnerable to pension fund divestment. China will likely perceive the nearly unanimous passage of this legislation as another indication of Congressional antipathy towards Beijing and its role in Africa. Divestment pressure is not likely to force Chinese companies out of Sudan (although it has caused some European firms to leave, including ABB and Rolls Royce), but does play into broader reputational concerns for Beijing ahead of the 2008 Olympics.

Those concerns have contributed to a tactical Chinese policy shift on Sudan over the last year, with top Beijing officials including President Hu Jintao, stepping up pressure on Khartoum to accept 25,000 United Nations peacekeepers in Darfur.

NIGERIAN SENATE CONDEMNS U.S. CONGRESS ATTEMPTS TO CRIMINALIZE OPEC

By Nancy R. Steedle

On September 26, 2007, the Nigerian Senate formally condemned the U.S. Congress for its support of a bill known as the "No Oil Producing and Exporting Cartel Act of 2007," or the (NOPEC) Bill. If signed into law, the NOPEC Bill would make participation in the oil cartel called the Organization of Oil Exporting Countries (OPEC) illegal in the U.S., allowing the U.S. Department of Justice to take court action against members of OPEC. The bill also denies indicted states legal sovereign immunity. The Nigerian Senate objects to the bill because Nigeria, as a member of OPEC and the third largest exporter of crude oil to the U.S., would be subject to the punitive measures implicit in the bill. The Nigerian senators called on President Bush to veto the measure should it arrive at his desk. Notwithstanding, the Nigerian Senate's reaction, the bill, while undiplomatic, is very unlikely to come into law.

Since the beginning of OPEC in the early 1960s, elements within the U.S. Congress and larger U.S. society have long protested the existence of OPEC, which they accuse of unfairly driving up world crude oil prices. Such protests were stifled somewhat in the 1960s and 1970s by the organization's decision to denominate oil prices in U.S. dollars. However, this began to change with the introduction of the Euro, as Iraq and Venezuela, both OPEC members, have begun to sell their oil in Euro, and U.S. protests against the organization have gained more traction in the last decade.

The NOPEC Bill would allow U.S. courts to order the seizure or confiscation of the assets of indicted countries. Many Nigerians worry that such measures would undermine OPEC and world oil prices and thereby hurt Nigeria's economy, which is

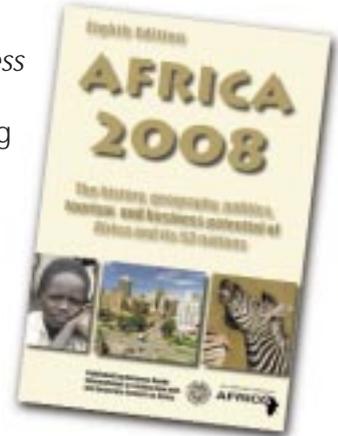
highly dependent on revenue from crude oil exports. Enforcement of this bill would likely have significant consequences as well for Angola, sub-Saharan Africa's second largest oil producer and OPEC's newest member, admitted into the organization as of January 1, 2007. Several U.S. oil companies, such as Chevron and ExxonMobil, have significant investment in Angola's developing oil sector.

In reality, however, the Nigerian Senate's condemnation of the U.S. Congress may be somewhat alarmist, as the bill is unlikely to become law anytime in the near future. While the NOPEC Bill was approved by the U.S. Senate Judiciary Committee on April 14, and was passed by the U.S. House of Representatives on May 22, it has yet to come up for vote in the U.S. Senate, and even if passed by the Senate, President Bush would likely veto it. The White House has reiterated that it opposes the criminalization of OPEC because it believes it would lead to higher crude oil prices, and would invite retaliation on the U.S. by OPEC members who may limit U.S. access to the world's oil supply.

Eurasia Group is the world's leading global political risk advisory and consulting firm. The firm analyzes and forecasts political, security and economic developments worldwide. Visit www.eurasiagroup.net, or email Philippe de Pontet at dePontet@eurasiagroup.net, or Nancy Steedle at Steedle@eurasiagroup.net

AFRICA 2008

AFRICA 2008—described by *Business in Africa* as “a roadmap to opening up the Continent” and recommended by the American Library Association as “an excellent, inexpensive reference work for all undergraduate and graduate schools, as well as large public libraries and African studies programs” - is now available at bookstores, or on online at www.businessbooksusa.com, www.amazon.com, and www.allafrica.com. Available in book form, interactive e-Book format, or a combination.



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STRATEGIES FOR AFRICA'S

After only three years, the Millennium Challenge Corporation (MCC) has already approved about \$5.5 billion in grants to 16 countries to stimulate economic growth and reduce poverty. Nine of those aid packages, about 70% of total funding commitments, are focused on investments in African countries.



A U.S. Government corporation, funded completely by Congress, MCC operates in a special niche for development agencies. It provides grants, not loans, to only those countries that have demonstrated a measurable commitment to governing justly, investing their own funds into health care and education programs, and promoting economic freedom.

Eligibility for MCC funding is based on a country's policy performance as measured by objective indicators. Working closely with the MCC, eligible countries are responsible for identifying the barriers to their own development, ensuring civil society participation, and developing their own program. Assistance goes only to those countries that have created well-designed

ECONOMIC FREEDOM

programs with clear objectives, benchmarks that measure progress, procedures that ensure fiscal accountability, and a plan for effective monitoring and evaluation of results.

FOSTERING A PUBLIC POLICY ENVIRONMENT BENEFICIAL FOR BUSINESS

According to MCC's CEO, Ambassador John Danilovich, "Policies and practices that foster democracy, enforce the rule of law, provide a stable economy, and crack down on corruption are ones that will lead to a robust private sector and increase the incomes of the poor."

This type of public policy environment is critical, MCC and other development experts believe, to provide a strong and stable foundation that allows the private sector to take root, flourish, and create opportunities that will raise incomes.

MCC's innovative approach to aid links a country's eligibility for funding to performance on 17 indicators, including how strongly that country fights

corruption. Dealing with corruption is critical because it stifles local entrepreneurship and private investment, and cripples the faith international investors have in a country.

MCC also measures performance on indicators evaluating economic freedom, including the costs and days required to start a business. They emphasize regulatory quality as well as fiscal and trade conditions. Linking these indicators to MCC funding creates a powerful incentive for countries to pursue policies that foster a robust business climate.

"By rewarding those countries that are implementing sound social, political, and economic policies," Danilovich continued, "We hope to help reinforce an environment that allows homegrown entrepreneurship to flourish, small businesses to develop, trade to increase, and, of course, more opportunities for both domestic and foreign investment."

He cites Madagascar as an example, which reduced the minimum capital requirement for new businesses by 80% in 2006 and saw a 26% increase in new business registrations.

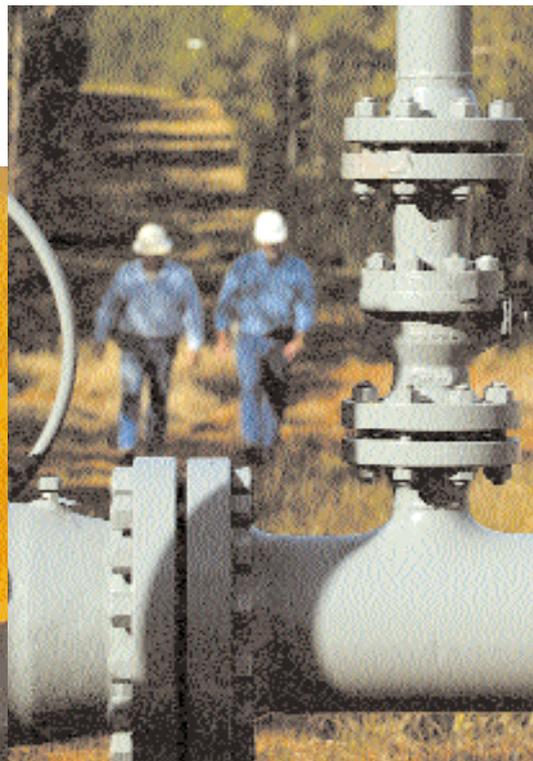
LETTING THE COUNTRY TAKE THE LEAD

After qualifying for MCC aid, countries conduct a broad-based consultation process, engaging members of civil society, including the private sector.

"Taking an approach much like an investor, rather than a traditional donor, MCC requires countries themselves to come up with their own development strategy," said Danilovich. "It is the country, not MCC, which must identify its barriers to poverty reduction and economic growth."

Each of MCC's partner countries then evaluates its constraints and opportunities for economic growth and takes the lead in developing a proposal for MCC funding. This proposal includes strategies to overcome those constraints and capture market opportunities. The process allows countries to address areas they have identified as priorities for

Continued on page 16



STRATEGIES FOR AFRICA'S ECONOMIC FREEDOM *Continued from page 15*

development, and to create the conditions that will stimulate additional foreign and domestic investment.

Furthermore, the compact development process also provides an eligible country an opportunity to begin a valuable dialogue with the international private sector and, therefore, the potential to stimulate additional trade and investment.

MCC analyzes these proposals thoroughly, funding only those that have a high potential for economic return, a positive poverty impact, are technically feasible, and are environmentally, socially, and economically sustainable. The country then assumes the responsibility for implementing these programs.

MCC INVESTMENTS PRESENT OPPORTUNITIES

To escape poverty, the poor need access to employment, markets, schools, and health clinics. MCC funded infrastructure gives them such access and helps stimulate economic activity and, when combined with investments in human capital, can unlock the potential

FAST FACTS ON MCC'S INVOLVEMENT WITH AFRICA

1. MCC is currently working with 40 countries. Of these, 19 are in Africa.
2. Of the 15 Compacts signed to date with MCC, 8 are with African countries: Benin, Cape Verde, Ghana, Lesotho, Madagascar, Mali, Mozambique, and Morocco. These total nearly \$3.8 billion or over half of the total value of all MCC Compacts signed to date.
3. Of the 14 Threshold agreements MCC has signed, 6 are with African countries: Burkina Faso, Kenya, Malawi, Tanzania, Uganda, and Zambia. Two more African countries, Niger and Rwanda, were selected as Threshold-eligible by the MCC board in November 2006.

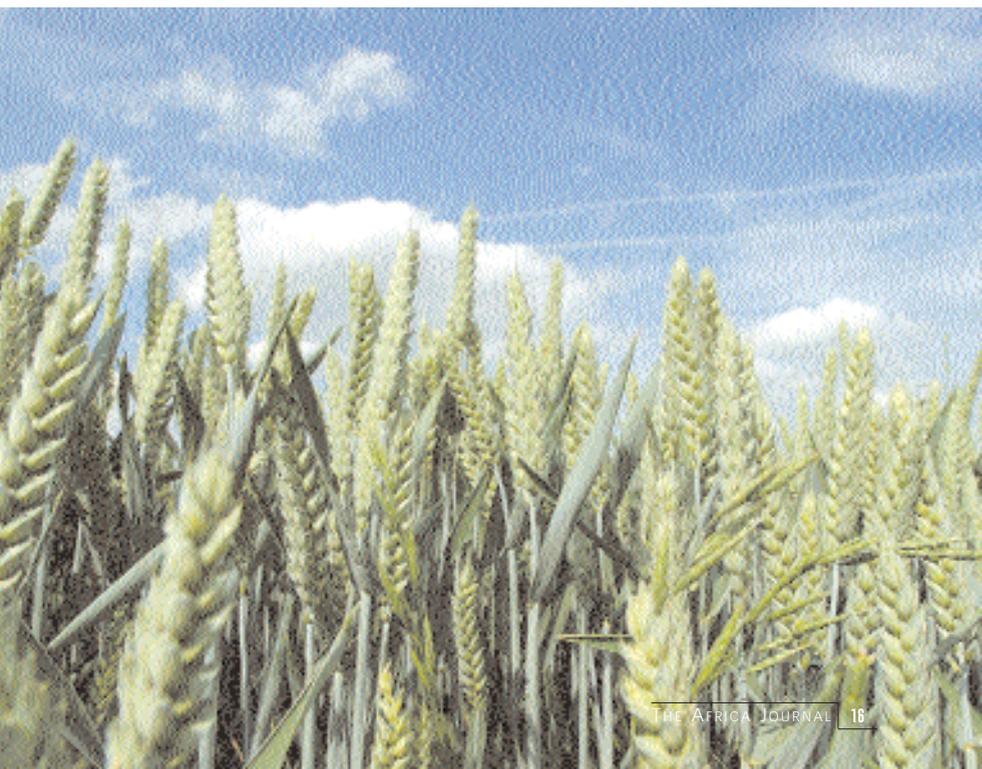
of these communities.

"We are very happy to invest in health care or education, and often countries ask us to help with those sectors," Danilovich said. "Help with infrastructure tends, however, to be what our partner countries ask us for the most, because these investments are often the most direct path to breaking the heavy constraints to economic growth."

Development experts and investors agree that better infrastructure - from roads and transportation networks, to water and irrigation, to information and

telecommunication technologies, to energy and electricity - is critical for encouraging business opportunities. MCC investments in infrastructure concentrate in roads and irrigation and often target specific economic sectors, such as agriculture. When complemented by investments in human capital, such as farmer training, MCC funded infrastructure can help spur growth in a country's economy.

MCC's involvement in Mali demonstrates this. As a landlocked country, it faces difficulties getting its high-value, perishable products to market. Rail and road networks are inadequate. Ports, the closest of which are 1,000 kilometers away, are in countries experiencing instability. Since Mali is landlocked, air traffic has become its lifeline for moving both passengers and agricultural exports, which sustain the livelihoods of rural producers. It is no surprise, therefore, that the Malians are using their MCC



investment to upgrade their airport in Bamako.

Other MCC partner countries have also recognized how infrastructure can unlock human capital. MCC funded water system upgrades in Mozambique, for example, are designed to leverage private sector involvement and will enable Mozambican girls to attend school and women there to generate income, instead of fetching water. Another example is the MCC funded upgrade to Benin's port, which will enhance access to export markets for businesses that will also benefit from MCC funded investments in land tenure facilitation and financial services.

"Infrastructure development provides a platform for investment and often complements a country's economic development agenda," Danilovich said. "It connects businesses to markets and provides the critical access for the poor to social services, products, jobs, and, ultimately to increased incomes. In many ways, infrastructure becomes a bridge, both literally and figuratively in this case, from poverty to prosperity."

LEVERAGING THE PRIVATE SECTOR FOR SUSTAINABILITY

MCC's large investments are not enough to sustain economic growth, if nations cannot cultivate local and international investment. Through providing incentives for pro-business conditions, rejecting corruption in partner countries, and making sizeable investments, MCC hopes to become a gateway to private sector engagement for countries that

qualified for assistance. A new initiative at MCC seeks to increase private sector activity and investment in MCC-eligible countries, by leveraging MCC grants with the international private sector and other agencies, and taking advantage of the potential to coordinate international private sector activities with ongoing MCC projects.

"MCC wants to move forward with private sector initiatives, such as opening a communication channel between MCC eligible countries and the international private sector during proposal development," said Danilovich. "We are also seeking ways to leverage MCC funding with private sector financing and investment. Such private sector linkages to MCC programs will ensure sustainable economic growth, which is the best hope for lifting the poor out of poverty."

Danilovich is encouraging members of

the business community to leverage MCC investments and use them as a springboard for parallel or complementary investments of their own.

"MCC welcomes those in the private sector who want to take advantage of emerging opportunities in these countries. And, I have no doubt that MCC can be much more effective in reducing poverty and addressing the challenges of investing and assisting in emerging markets when we work together," he said.

"Our MCC investments will succeed only to the extent that they foster continuing economic activity—whether by a farmer who now invests because she has title to her land or by local entrepreneurs and international companies who invest because of the improved business climate," Danilovich concluded. ●

CASE STUDY: LEVERAGING INFRASTRUCTURE: OPPORTUNITIES FOR THE PRIVATE SECTOR

One component of MCC's almost \$550 million compact with Ghana has been designed to commercialize Ghana's agricultural potential. This potential, as determined through Ghana's consultative process, lies not only in traditional staple crops like maize and yams, but increasingly in high-value horticultural crops, like organic fruits and vegetables. Success in the commercialization of agriculture will attract additional domestic and foreign private sector investment vital to poverty reduction in Ghana, and to the continued transformation of its agricultural industry.

The Ghana Compact will assist businesses throughout the value chain, including farmer-based organizations, input suppliers, equipment and transportation companies, service providers, packers, processors, traders, wholesalers, and retailers. In addition to building commercial capacity among value-chain stakeholders, the Compact will facilitate tenure to farmland, and will provide up to \$40 million in financing for seasonal credit needs. To maintain quality of produce from field to final market destination, investments will be made in transportation and storage infrastructure, including upgrades to Kotoka International Airport to improve conditions for air-freighted products. The MCC investment also addresses the need to upgrade Ghana's public sector trade capacity to meet international food safety standards, and enforcement of International Plant Protection regulations.

As the agriculture industry is commercialized and demonstrates improved efficiency and profitability, additional investment from local and foreign investors will follow, leading to continued and sustainable growth of Ghana's agriculture sector.



AFRICA MATTERS

< By Princeton N. Lyman >

Africa has risen steadily in importance to the United States in recent years. Making that point is the theme of a new book from the Council on Foreign Relations, *Beyond Humanitarianism: What You Need to Know About Africa and Why It Matters*.

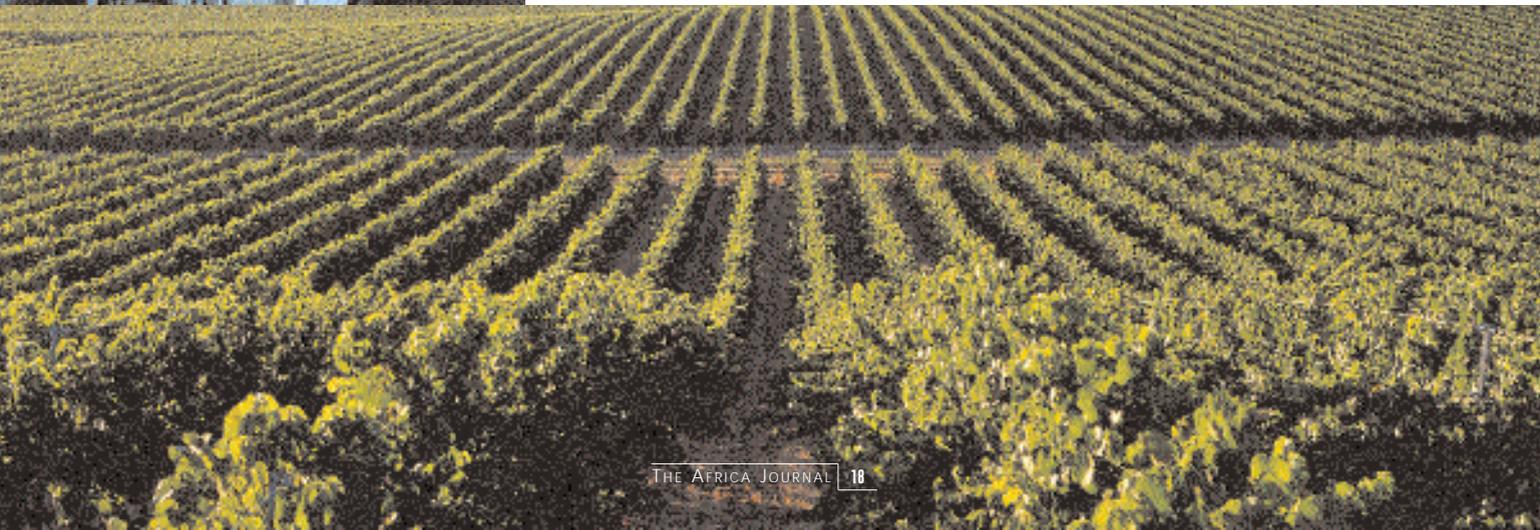
Traditionally, Africa has been thought of primarily as an object of humanitarian concern. That perception has been highlighted by popular figures, such as Bono, Bob Geldof, George Clooney, and others, focusing public attention on Africa's poverty, conflicts, and major diseases. In 2005, the leaders of the G8 pledged to double aid to Africa to \$50 billion annually by 2010 and eliminated the debt of some of Africa's

poorest countries. Recent pledges, like that of the United States to double assistance for combating HIV/AIDS, continue in this vein.



Africa has also captured worldwide attention because of the conflict in Darfur, Sudan. Because the United States has judged the Sudanese government's campaign in the region to be genocide, the conflict has taken on enormous moral importance. Yet, despite many UN Security Council resolutions, special envoys, and various

peace agreements, the violence continues. But Africa has other reasons, beyond these critical humanitarian issues, to command America's attention. For example, Africa is currently the scene of major competition for access to its natural resources, raising commodity prices for African exports and helping generate some of the best growth Africa has experienced in decades. China,



MORE THAN EVER

India, Malaysia, South Korea, Brazil, and other countries with rapidly growing economies are turning to Africa for oil, minerals, timber, and other resources. China, in particular, has led in this competition with significant amounts of aid along with financial backing for hundreds of Chinese companies to invest in Africa. China's aid for infrastructure projects, long ignored by the United States and other western aid programs, its readiness to overlook issues of governance, human rights, and economic transparency - issues of growing importance to the West - has made China a formidable competitor for both influence and lucrative contracts on the Continent.

This new competition comes at a time when Africa's oil is becoming more important to the United States. Currently, 15% of United States oil imports come from Africa, as much as from the Middle East. Africa, moreover, is poised to double its output over the coming decade and could potentially provide as much 25% of U.S. imports. African capacity to export natural gas is also growing rapidly. However, nearly all of Africa's oil reserves

are in countries experiencing violence or instability, and in some cases, serious violations of human rights. As the United States is discovering in the Middle East and Latin America, it is impossible to count on a continuing supply of oil from Africa, and on friendly governments, without directing attention to the quality of governance, the degree that indigenous populations are benefiting from oil, and long term stability. This requires a special brand of diplomacy.

Africa is also, sadly, rising in importance in the war on terror. Al-Qaeda terrorists bombed the American embassies in Kenya and Tanzania in 1998 and attacked Israeli facilities in Kenya in 2001. These acts revealed an extensive network of terrorist cells along the east African seaboard. In 2006, an Islamic movement captured control of Somalia's capital Mogadishu, taking steps hostile to American objectives by protecting terrorists known to be associated with the 1998 embassy bombings. In a military strike in December, Ethiopia displaced the Islamists from Mogadishu and drove the leadership out of the country or into hiding. But the Islamists have rebounded with a determined

insurgency, while the continuing weakness of the Somali Transitional Federal Government, clan rivalries, and humanitarian disasters make Somalia not only unstable, but a threat to the stability of the entire region. The Horn has thus been a particular focus of U.S. counter-terrorist programs, including the stationing of a military force in Djibouti. Elsewhere on the Continent, the United States has initiated training and intelligence-gathering programs throughout northwest Africa, and sought to jump start regional security efforts in the oil-rich Gulf of Guinea. In 2007, the United States established a single Africa Command to coordinate and amplify these programs.

Finally, Africa is at the center of worldwide concerns over global health. Africa is the epicenter of the AIDS pandemic with 28 million of the 40 million worldwide infected with HIV. Africa suffers the most deaths from malaria with one million victims per year. Most recently, Africa has been recognized as one of most vulnerable sources for the potential spread of avian flu, because of weak infrastructure,

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SOUTH AFRICA: A POSITIVE PICTURE OF THE GATEWAY TO AFRICA

< By Simon Barber >

The ride may be bumpy but South Africa's economic and social transformation is on track, and the opportunities it offers investors are healthier than ever.

With a little over a year left in President Thabo Mbeki's second and final term, South Africa has a bad case of election fever. The symptoms reported in the country's rambunctiously free press may seem unsettling. The contest is a family affair, fought within and between the ruling African National Congress and its allies. Family quarrels are often the fiercest kind and the least intelligible to outsiders. However the

election plays out, it is important to keep a fix on the bigger picture. The ride may be bumpy, but South Africa's economic and social transformation is on track, and the opportunities it offers investors are healthier than ever.

Contrary to cliché, South Africa's transition to democracy and reconciliation was no miracle, but rather a testament to South Africa's character. Yes, South Africans had leaders like Nelson Mandela, but South

Africa produces people of that caliber. As Sir Anthony O'Reilly, CEO of Independent News and Media, put it recently: "It is to take nothing away from Mandela's stature as one of the towering figures of our age to say that, among South Africans, he is no anomaly. To the contrary, he is the quintessential South African."

What the miracle proved was that ordinary South Africans have what it

Soweto



takes to deal with the difficult legacies they still face. These challenges are not in short supply. They include HIV/AIDS, violent crime, poverty, and stubborn unemployment born of a system that sought to make the majority of the population unemployable in a 21st century economy.

None of these challenges has managed to dent South Africans' faith in the future. Every quarter, the Bureau for Economic Research (BER) at Stellenbosch University takes the nation's pulse by asking people whether they expect to be better or worse off in a year's time. Earlier this year, BER found confidence at the highest level in the survey's 25 year existence.

The reason South Africans are upbeat is epitomized in the startling success of the *Daily Sun* newspaper. Launched from scratch in 2002, it can now legitimately call itself "Africa's biggest newspaper south of the Pyramids" - let alone in South Africa's own, heavily-traded newspaper market - with a paid circulation of 500,000. The *Daily Sun*

accomplished this by being the first paper to recognize the opportunities present, as South Africa's long-excluded majority developed economic muscle. As the *Wall Street Journal's* David Wessel noted in a recent article, "The *Daily Sun* is more than a business success; it's a window into South Africa's economy."

Another window is Soweto, where, as Jonathan Clayton of the *London Times* wrote in September, the dust in the air is no longer being kicked up by angry protesters and charging riot police, but by construction. The sprawling Johannesburg township is "booming. Street lamps, tarred roads, paved footpaths, and rows of neat new houses with freshly planted trees have changed it beyond recognition."

Punctuating the change with an exclamation point is the just opened \$80 million Maonya Mall, which is the size of eight soccer fields and contains all the country's major retailers, as well as a new five star hotel near the site where the ANC unfurled its Freedom Charter in 1957.

A third, more scientific window is offered by the latest survey data gathered by the South African Advertising Research Foundation (SAARF).

SAARF has developed what it calls a Living Standard Measure (LSM) to plot the progress of South Africa's various economic strata. Based on their incomes, living conditions, and accumulation of consumer goods, individuals are assigned a tier from LSM 1, the poorest, to LSM 10, the most affluent. People in LSM1-3 have incomes under around \$250 a month, likely live in rural areas, and will probably not have more than a primary education. LSM 4's earn a little over \$300 a month, have some high school education, run televisions and refrigerators on mains electricity, use flush toilets, and may save money through an informal savings club or 'stokvel.' LSM 5's and 6's earn upwards of \$400 a month, are likely to have graduated from high school, own a wider

range of consumer durables including cell phones, and may have started an exercise regimen. LSM 7's, with incomes around \$1,000 a month and some tertiary education, may own a vehicle. LSM's 8-10 start at around \$1,400 a month, own cars, personal computers, and more.

In 2001, according to SAARF, 52.7% of adult South Africans were in LSM categories 1 to 4. This year, that figure has fallen by 17% to 42%. At the same time, the share of adults in LSM 5-6 has risen 10% to 29.9%, and in LSM 7-8 by 34% to 14.7%. The proportion of South Africans in the most affluent two tiers, LSM 9 and 10, has risen 18% to 13.3%.

In the past year alone, the share of black South Africans in LSM 1 has fallen from 8.1% cent to 6.3%, in LSM 2 from 16% to 14.3%, in LSM 3 from 16.1% to 15.3% and in LSM 4 from 18.9% to 18%. Meanwhile, the portion of blacks in LSM 6 has risen from 14.2% to 16.5%, in LSM 7 from 5.3% to 6.4% and in LSM 8 from 2.7% to 3.2%.

The Bureau for Market Research at the University of South Africa projects that the number of South Africans in LSM 4-7 will rise 16% from just under 15 million today to 17.3 million between now and 2015, will the number in LSM 8-10 will grow 20% to 6.1 million. The LSM 1-3 tiers are seen shrinking 10% to just under 10 million.

While there remains a huge gap between the average household income of black South Africans (estimated by SAARF at around \$510 a month this year) and the rest of their compatriots (\$1,610), the difference is narrowing, with black incomes surging 15% between 2005 and 2007, while everyone else's rose at a comparatively stately 5%.

What Jos Kuper, the market researcher who helped drive the *Daily Sun* project, sees in all these numbers "is arguably one of the most class mobile countries in the world at the moment."

In her own survey work, she finds

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ESTABLISHING VENTURE CAPITAL FUNDS IN AFRICA

< By Mahesh Kotecha >

Structured Credit International Corp. (SCIC), a New York advisory firm, was hired during 2006 to carry out a study financed by United States Trade Development Agency on the feasibility of an East African Venture Capital Fund, investing mainly equity into small and medium sized enterprises (SMEs) in Uganda, Kenya, and Tanzania. SCIC's work in East Africa may have useful lessons for others seeking to address the huge dearth of risk capital for SMEs in Africa.

An East African Fund is feasible: The Fund, if established, would help fill to a small extent a large equity financing gap in the SME financing space - estimated by SCIC at \$1 billion in East Africa over the next decade - by making equity or quasi-equity investments where the primary reward would be achieved through capital gains rather than interest income or dividend yield. The investee companies would create jobs, train employees, and pay taxes, thus contributing to economic growth. Investee companies would purchase inputs from their suppliers, creating not only employment but also a significant multiplier effect (potentially over ten times) on economic activity. Successful entrepreneurs would also inspire their compatriots to build new businesses. The Fund would attract more risk capital to East Africa in the form of co-investments, further investments in the investee companies, and follow-on venture capital funds. The proposed fund would invest in two areas:

- Primarily, in SMEs for early stage financing (support to companies that have completed the product development stage and require further funds to initiate commercial

manufacturing and may have modest revenues) or expansion of existing operations (financing provided for the growth and expansion of a company, which is generating revenues and breaking even or making some profits), and

- Secondly, in start-ups (financing provided to companies for product development and initial marketing for start-up companies, or those that have been in business for a short time, but have not sold their product commercially) formed by exceptionally qualified and motivated local entrepreneurs with well developed and viable business plans.

FOUR KEY LESSONS:

1. Government Support is crucial:

Based on international venture capital industry experiences in the U.S., UK, and in developing countries, government support in a variety of forms, including tax incentives, can increase the effective rate of return for private sector investors and thereby attract - as it has elsewhere - investment into SMEs.

Government interventions, principally tax

concessions for investors with respect to dividends and capital gains, are powerful inducements for investors in SME venture capital funds.

In order to facilitate investment in SMEs, governments have also permitted domestic institutional investors such as pension funds and insurance companies to invest or co-invest in venture capital funds and to guarantee funding extended to SMEs.

Government support for SME sector financing can take many forms, including: (i) direct funding, as seen in India and elsewhere; (ii) indirect incentives in the form of guarantees, subsidies, and tax concessions for venture capital investors, as seen in the U.S., UK, Taiwan, and Israel, or (iii) hybrid initiatives where a government may provide a combination of seed funding to establish a venture capital pool combined with some indirect incentives, as seen in Taiwan and Korea.

In several instances, governments have successfully fostered venture capital investment - both domestic and foreign - through tax concessions for investors.

- In 2000 Taiwan abruptly withdrew tax concessions for both domestic and foreign investors that had provided relief

from taxes on dividends and capital gain. As a result, investor interest in venture capital funds decreased, leading to a substantial drop-off in new funding for venture capital. The Taiwan government sought to fill the gap by providing direct funding and allowing investments by certain classes of domestic investors - such as insurance companies - that were previously barred from investment in venture capital. Only when investment incentives were reinstated did venture capital investors return. Currently there is no capital gains tax or withholding tax in Taiwan applicable to venture capital funds.

- In Israel, tax concessions for venture capital investors have been considered the single greatest stimulant to venture capital investment. In 2004, the Israeli tax code was amended to establish tax-transparent vehicles, virtually eliminating taxes on dividends and capital gains distributions of investee companies to foreign investors in venture capital funds. According to the Israel Venture Association, venture capital investment jumped from \$28 million in 2003 to \$1.2 billion in 2005. Furthermore, management fees payable by a fund to its general partner or its affiliated management company are not subject to the 17% value added tax that otherwise might apply in Israel.

2. Listen to the Market: SCIC

interviewed some 50 companies in East Africa and more than 100 others responded to advertisements calling for business plans and financing requirements. The market demand assessment reached four key conclusions.

First, the opportunities already identified provide reasons to be confident that there are sufficient numbers of companies in Kenya, Uganda, and Tanzania with attractive growth opportunities to profitably use risk capital from the proposed Fund.

Second, a key challenge for a new fund would be to educate SMEs on the role and financing terms of a venture capital fund.

Third, it is essential to provide not only

equity capital but also technical assistance. While the companies interviewed range widely in size and sophistication levels, all but a few would require technical assistance beyond the traditional scope of a venture capital investment. Therefore, it is important to establish a parallel technical assistance facility alongside a venture capital fund.

Fourth, there is excessive regulatory burden on the SME sector, which must be reduced. The tax and regulatory burden imposed on SMEs in Kenya, Uganda, and Tanzania is lower than for sub-Saharan Africa as a group but is far higher than for the Organization for Economic Co-operation and Development (OECD) [see IFC's survey of "Doing Business" in 175 economies]. Governments should work to decrease the tax and regulatory burdens on SMEs not only in East Africa but elsewhere.

3. Investors Require Tax Efficiency: In

order to attract the broadest possible investor group, a venture capital fund should be structured and domiciled to achieve: (i) tax transparency or tax exemption for the Fund itself and (ii) tax efficiency for investors. Tax transparency means the Fund itself is not taxed on returns from investee companies but rather taxes flow through to the investors - like in a partnership. Tax efficiency has to do with both the level of taxes assessed by the country of domicile of the investee companies on dividends and capital gains and with the elimination of tax leakages due to double taxation—first in the source country of the distributions and second in the investor's home country.

Tax transparency may be difficult to achieve in the absence of limited partnership structures or other suitable tax transparent vehicles. Tax efficiency may not be possible because of (i) the unfavorable tax treatment on dividend and capital gain distributions from investee companies, and (ii) a lack of Double Tax Agreements (DTAs) between the country where the investee companies are domiciled and the countries where the potential investors may be domiciled.

Moreover, the imposition of withholding

taxes on management fees and income taxes on carried interest would make it necessary for a fund to gross up at least in part the compensation for fund managers, increasing investment costs and decreasing fund returns. To achieve a tax efficient structure may require choosing a tax jurisdiction to domicile the Fund.

4. The business environment must provide opportunities for exits: It is

critical to the success of venture capital funds to have well-established routes to exit from investment in investee companies. Exits are how investors achieve a return on their investment. Exits via securities offerings offer one option in many countries. However, the East African stock exchanges do not currently offer a reasonable exit opportunity for investors in SMEs. The best developed of the stock markets for SMEs is the junior exchange in Kenya, the Alternative Investment Market Segment (AIMS). But it is not likely to offer a viable exit option for SME investments for a number of reasons: the perception that the AIMS is a place only for companies that did not qualify for the main market (there have been no new listings on AIMS since its inception), the high costs of listing for the smaller companies and the governance and financial disclosure requirements associated with listings that are typically too burdensome for SMEs. As a result, the Fund would need to rely on other exit strategies such as trade sales, sale back to the majority shareholders and/or management, sales to strategic investors, etc. or potentially looking to other markets, such as the junior exchange of the Johannesburg Stock Exchange, to achieve exits through IPOs. ●

¹ Led by Mr. Kotecha, the project team included Geoffrey Kitakule (EADB), Alan Patricof, Senior Project Advisor, Julie Sunderland, Barbara James, Sharon Ryan, Todd Ofenloch, Paul Jordan, and Paul Tamale. Legal advice was provided by Pamela R. Henry and John Baldry (Kirkland & Ellis International LLP) and Sim Katende (Katende, Ssempebwa & Company) and tax advice by Russell Eastaugh and colleagues (PWC Uganda, Nairobi and Dar es Salaam). Contributions of the full project team are gratefully acknowledged.

INVESTMENT OPPORTUNITIES IN UGANDA'S

Investors seeking opportunities in the Ugandan market will have the advantage to begin business in the sector, which is not yet developed but is bound to grow quickly.



*Hon. Daudi Migereko,
Minister of Energy &
Mineral Development*

With the policy shift towards economic liberalization, provision of a legal, social, and fiscal environment for private sector investment, promotion of an inter-

nationally competitive environment for the energy, minerals, oil and gas sectors, as well as development of a new national oil and gas policy, the Ugandan economy promises to become one of the most dynamic economies in the sub-Saharan Africa. Within the spectrum of emerging markets, foremost is the Ugandan sector, which is gearing itself to meet the ever-growing and large demands of the economy with world-class product standards and efficiency. To meet these future challenges, the sector will require large and sustained investments in upstream, downstream, and infrastructure developments.

THE ENERGY AND MINERAL MARKET

The energy and mineral sector is one of the key components of the Ugandan economy. On one side the sector provides a major contribution to the treasury (e.g. fuel taxes, VAT on electricity, levy on transmission bulk purchases of electricity, license fees and royalties) and foreign exchange earnings (power and mineral exports). On the other hand, significant public investment has been injected into the sector, particularly in the area of electricity supply. Following liberalization, the

sector is now attracting the largest private sector investments in the country. Therefore, the sector is not only a vital input into other sectors, but also promises to be a large source of employment for Ugandans. The sector in Uganda comprises the following supply sub-sectors: Petroleum, power, mineral, and new and renewable sources of energy.

UGANDA'S COMPETITIVE ADVANTAGE

Uganda is endowed with abundant water resources in the form of direct precipitation, ground water runoff, and surface water. Three of the lakes in the country are shared with other riparian states, including Lake Victoria which is the largest on the African continent. Each of Uganda's eight major rivers has an estimated length in excess of 100 km with varying discharge rates. The ground water resources of the country are comprised of five aquifer systems. Uganda has tremendous hydroelectric potential, particularly along the Victoria and Albert Niles. Uganda is also strategically located to export power to its neighbours, and has been selected by ESKOM of South Africa as its regional Headquarters.

Uganda's constitution guarantees the right to property and thus provides investment protection to investors. Uganda became a member of the Multilateral Investment Guarantee Agency (MIGA) in 1992. Under this agency, foreign investors can insure their investments in Uganda against a wide range of non-commercial risks including expropriation, currency transfers, breach of contract, and civil strife. Foreign investors can apply for MIGA through the

Uganda Investment Authority (UIA) in a number of different ways. The Overseas Investment Insurance Scheme provides insurance coverage for British companies against the perceived political risks of investing in foreign markets. The Overseas Private Investment Corporation (OPIC) agreement with Uganda signed in 1998 seeks to guarantee American Investment in Uganda. Uganda has also signed bilateral investment protection agreements with a number of other countries.

POTENTIAL AND EXISTING MARKETS

Uganda's population is estimated at 24.7 million people and is growing at a rate of 2.5% per annum, creating a formidable market in which to invest. The Ugandan economy has been one of the fastest growing economies in Africa, with an average growth rate of 6.4% for the last eight years. This represents an increase in the potential market for energy of 2% per month. Uganda, Tanzania, Kenya, Rwanda, and Burundi together constitute the East African Community. These countries, in turn, are part of the Great Lakes region. The Great Lakes region (an area to which Uganda can export power) has a population of over 150 million people. Additionally, there is the common market of Eastern and Southern Africa States (COMESA) which is Africa's single largest regional economic grouping with an estimated population of over 300 million in 20 countries.

INVESTMENT OPPORTUNITIES

Whereas Uganda has viable hydropower, solar, and biomass resource potential, it

ENERGY AND MINERAL SECTOR

< Daudi Migereko, M.P. >

has one of the world's lowest levels of electricity development, which must be improved, therefore providing additional business opportunities. Considerable potential exists for accelerating electrification to meet the growing demand, especially in the rural areas through off-grid electrification. Investment opportunities exist for developing hydropower projects, solar photovoltaic systems, biomass, and co-generation by sugar and tea factories to provide electricity. The potential for private sector participation in the provision of these services is quite significant.

PETROLEUM SUB-SECTOR

In the petroleum sub-sector, the oil and gas discoveries made in the Albertine Graben last year are opening up significant opportunities. The government of Uganda has defined nine exploration areas in the Albertine Graben. The Mputa oil field, on which more work has been done, is reported to contain about 300 million barrels. The most encouraging development is that all the 11 wells drilled in the Ugandan portion of the Albertine Graben have produced oil. The Irish exploration company, Tullow Oil, announced the flow rate of 14 million cubic feet per day. The anticipated exploration and commercial oil production is expected mid-2009. This will save Uganda, East Africa, and some COMESA countries from having to import oil, hence, saving Uganda the badly needed foreign exchange. Oil production will also improve power supply arrangements in the country and region.

The upstream petroleum sector offers a number of business opportunities ranging from small to large-scale, including among others: petroleum

exploration and production, contracts on 2-D and 3-D land, transitional zone or marine seismic surveys, contracts for drilling, and contracts for environmental impact assessments. The mid-stream and down stream petroleum sectors provide opportunities in value addition industries, like petroleum refining and gas processing, marketing of petroleum products, pipeline construction, contracts in transportation, catering, housing for exploration, and production projects. Contracts on construction of the Topping plant and other components of the Early Production Scheme are emerging.

MINERAL SUB-SECTOR

In the mineral sub-sector, an extensive airborne geophysical survey of Uganda, which will bring out key mineral targets which would not easily be spotted by conventional mineral exploration methods, is being conducted. Records of past mineral production and geologic investigations show that the country is endowed with diverse mineral resources. The precious mineral resources include, among others, gold, platinum, and diamonds. The country is also endowed with non-precious minerals such as copper and cobalt that occur at Kilembe mines. Significant copper, zinc, and lead are found in Karamoja as well as Baucus and Skulk Carbonated ring complexes in eastern Uganda. Tin, tungsten, columbium-tantalum, burl, and bismuth have been mined in the southwest with high prospects for new discoveries. The country is also endowed with industrial minerals namely phosphates, vermiculite, etc. The airborne geophysical survey that is currently being conducted of Uganda is expected to furnish essential geological information of public domain to the private sector.

POWER SUB-SECTOR

In the power sector, the investment opportunities that exist include rural electrification, generation, and distribution of electricity; and promotion and development of renewable energy resources, among others.

In regards to renewable energies, Uganda has great potential. The combined contribution of the new and renewable sources of energy to the total energy consumed in Uganda is estimated at 1%. Except for biogas, these sources of energy have not been sufficiently explored to determine the best methods of harvesting them at sustainable levels. The new and renewable energy sources include wind, biogas, solar, geothermal, liquid fuels, and peat. Uganda presents great potential for the generation of solar power, with annual national mean irradiation of between 5-6 kWh/m. Wind power has moderate potential on average, with potential in a few places. In terms of hydroelectricity, the country has several hundred MW of large hydropower on the Nile and several MW of small and mini hydropower projects across the country. As far as geothermal is concerned, there is estimated potential of generating 450 MW, although further reconnaissance explorations are needed. Geothermal is a potential alternative to hydro, fossil fuel, and biomass energy resources. The potential for geothermal power is evident from the hot springs found in the western region of the country around the shores of Lake Albert with temperatures ranging from 50C to 100C. The estimated national potential is 450 MW. The government of Uganda drafted a Geothermal Development Plan for the period of 2003 to 2008. Under this plan, geochemical investigation is to be completed under the ongoing project

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VIABLE CLEAN ENERGY ALTERNATIVES FOR AFRICA

< By Rebecca Schultz >

With world crude oil prices nearing \$75 a barrel, economies across Africa are grinding to a halt under the burden of soaring energy costs. High oil prices slam the door on prospects for economic development in poor countries. Africa has plenty of opportunities to exploit renewable energy resources such as wind, solar, and geothermal power. Renewable biofuels production is equally promising. The United States must take the lead on making clean energy in Africa a priority for the international community and work with developing countries to help them leapfrog the oil dependence that holds advanced industrial economies hostage today.

WEST AFRICA

In Senegal's capital city of Dakar, the cost of taxis has almost doubled since 2005 and blackouts occurred every day last

summer, because the state-owned utilities could not afford to pay for fuel. The country relies on oil imports to power its diesel-fired generators, and while conditions relaxed somewhat over the winter, power cuts are on the rise again. As of May, the capital was facing ten-hour power cuts several times a week and the government was warning of impending, unprecedented shortages. Senegal is paying nearly twice what it was a few years ago to import the same amount of oil. The increased cost alone is more than seven times as much as the country is gaining through multilateral debt relief programs. The government has responded to the energy crisis by providing direct subsidies to consumers. Since the rise in world oil prices began in 2002, these subsidies have increased five-fold, creating yet another incredible burden on the national budget.

Senegal is one of West Africa's most stable democracies, and until recently had been considered one of the few

countries where the Millennium Development Goals - a set of goals such as achieving universal primary education, which were adopted by the world's governments as a roadmap for reducing poverty - could be achieved by the 2015 target date. However, those prospects are hampered by the rise in oil prices. Senegal spends about the same amount on health and education combined as it does importing oil, roughly 8.5% of its gross domestic product.

Similar trends are occurring elsewhere in Africa, where scarce budgetary resources so desperately needed in the health and education sectors, are being spent to cushion oil and electricity costs. Indeed, Senegal's West African neighbors are even worse off. Guinea, Guinea Bissau, and the Gambia - all of which, like Senegal, are dependent on imports for 100% of the oil that they consume - spend a fraction of the amount of their oil bills on public services and poverty reduction expenditures. The gains of

debt relief accumulated over the last decade are fast being wiped out, and annual debt savings today are grossly overshadowed by the unprecedented drain on their budgets due to record oil prices.

EAST AFRICA

Years of steady economic growth and a population explosion - Uganda has the highest population growth rate in Africa - have combined to create an energy crisis when not long ago the country was exporting its surplus electricity to neighbors. Uganda has been plagued by increasingly frequent and severe power outages from its hydroelectric stations on the upper tributaries of the Nile River flowing in and out of Lake Victoria. Due in part to global warming, the water levels of Lake Victoria, the largest of Africa's great lakes, have been decreasing steadily over the last decade. With regional droughts, water levels dropped an astonishing half an inch per day in most of 2006. Uganda's use of clean, renewable hydroelectric energy has served well to diversify the country's fuel-mix and shield the economy from volatile world oil markets, but river flow and water levels are so low today that the dams are generating power at one-third of their capacity.

Last fall, Uganda experienced one of the worst power shortages in its history. The government resorted to an extreme load-

shedding regimen, providing power only every other day. Responding to the emergency with the support of the World Bank, it installed two diesel-fired generators to relieve the shortage - a less-than-perfect solution for numerous reasons. The generators are energy-intensive, emit high concentrations of greenhouse gasses, require that oil be imported (modest oil reserves were recently discovered in western Uganda, but are not online), and produce power at significantly higher cost than the hydroelectric generators.

The bill for importing the fuel to power these plants amounts to roughly \$150 million per year, a cost the government subsidizes and then rolls off to consumers, who in turn have seen their electricity bills double in the last year. To keep this in perspective, the average Ugandan makes around \$280 per year, but pays \$5.50 per gallon at the pump and an average 24 cents per kilowatt hour (kWh) for electricity, as compared to eight cents per kWh in the United States.

In the meantime, these two generators have led to a rapid escalation in the demand for diesel, causing widespread fuel shortages across Uganda's capital city of Kampala. When they are delivered, diesel supplies at Kampala fueling stations last less than 24 hours before selling out. Now, when the national power grid cuts the power supply, which still happens for extended periods at a time, businesses that

had come to rely on their own back-up generators can not find the diesel to run them.

From small enterprises to manufacturing factories, businesses across the country have been forced to lay off workers and shut down operations. The government has approximated that power shortages last year cost the economy \$250 million, but that is likely a low-ball figure. This year the situation could be just as bad, if not worse. Diesel shortages are still widespread and black-outs are leaving the capital dark for up to 30 hours at a time.

East Africa may be less dependent on oil than other parts of the Continent due to its considerable hydropower capacity, but even that buffer is fast eroding. Across Lake Victoria from Uganda, Tanzania is another country that suffered a similar fate in 2006, its worst power failure in decades.

Tanzania's commercial fuel-mix is relatively diversified, and the country generates more hydroelectricity than any other country in the region. Yet severe drought last year caused such a reduction in electricity supplies that the country was forced to revise its 2006 GDP estimate down to 5.8% from 7.3%. This year, the posted estimate is back up to 7.3%, but droughts and high oil prices might affect this figure.

Most global warming models agree that increasingly frequent and prolonged droughts are in East Africa's near future, which means that the problems these countries have faced in recent years are

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HP APPOINTS NEW MD FOR AFRICA - RAINER KOCH

We would like to position ourselves as a trusted advisor in ICT for the Major Enterprises and the Governments in Africa.

— *Rainer Koch, Managing Director, HP Africa*



Hewlett-Packard recently appointed a new Managing Director and Technology Solutions Group Lead for HP Africa, Rainer Koch.

In his new capacity Koch will lead the company's operations in Africa, which are structured into three corporate divisions: the Personal Systems Group, the Imaging and Printing Group, and the Technology Solution Group.

As MD, Rainer is responsible for the overall business of HP in Africa.

"This means coordination of all the business units, ensuring the go-to-market-strategy, and further geographical expansion," Rainer explained. Prior to assuming the new position, Rainer was responsible for the service business in Africa. His extensive experience in several senior management position in developing markets in Eastern Europe, the Middle East, and Africa has prepared him well for the opportunities and challenges ahead.

HP today has a direct presence in South Africa, Egypt, Morocco, Tunisia, Nigeria, Algeria, Kenya, and Uganda, but many more African countries have access to HP productions and services through their extensive certified partner-network.

"In fact, 95% of our business is done via our partner-network," Rainer explained.

HP Africa provides commercial and enterprise-solutions for all major Industries like telecom, finance, manufacturing, and government. Additionally, products and

solutions also cater to small and medium businesses (SMEs).

"Of course, we are also tackling the fast-growing consumer-market with state-of-the-art products," Rainer added.

HP's biggest challenge in Africa today may seem like a good problem to have: with so many opportunities presenting themselves on the Continent.

"We need to make the right decisions where and when to invest," Koch stated.

"Africa is a huge continent with 54 countries. There are various opportunities where companies like HP can invest," Koch explained. "On the one hand it's a market to sell our products, but on the other hand, it also can serve as a hub for outsourcing activities for the rest of the world."

The right investment decision at the right time can be a lucrative one. For example, HP established a call center in Tunisia last year with some hundred employees serving French-speaking customers of HP on a worldwide base.

Koch explained that some segments of services, including outsourcing and consulting, present more risks due to market maturity.

"Even if we address today all markets in Africa as anywhere else in the world, there are still segments where we are at the beginning because of market maturity. I would like to make sure that we develop those business areas to an extent that's comparable with other parts of HP in the world," Koch stated.

There are multiple opportunities all across Africa.

"In the services arena we see a growing

demand for professional services like consulting and outsourcing activities," Koch said. "Clearly the consumer market and services. In the consumer area we see a huge demand for affordable personal computing equipment."

Although there is no shortage of opportunities on the Continent, Koch believes Africa needs to catch up with other developing economies that are also courting multinational investors, especially in terms of legislation for investors and reliable infrastructure.

"It's about competing with emerging economies like China and India, but also with the ones in Eastern Europe," Koch said.

His advice to American companies wanting to explore opportunities on the Continent, is to do it immediately.

"American companies are really welcome on the Continent, and the time to get there is now, as the investment climate is much better than perceived by the public. The opportunities are recognized already, especially by Chinese and Indian companies," he concluded.

Koch wants HP to become known as "the" ICT company on the Continent.

Koch has 22 years of experience in ICT. He joined HP Germany in 1985 as consultant and account manager. In 1994 he joined the International Sales Europe organization to build up HP's consulting & integration capabilities in emerging markets. In 1995 Koch became consulting manager for the emerging market countries. From 2002 until 2004 Koch served as Director, Consulting & Integration, and from 2004-2007 Koch headed the HP Services organization for HP Africa. ●

NEPAD: E-AFRICA COMMISSION

The Nepad e-Africa Commission was established in October 2001 by the Ministerial Oversight Committee of the African Telecommunication Union and adopted by the Nepad Steering Committee as the Nepad Task Team for information and communication technologies (ICT) in September 2002. This action was endorsed by the Nepad Heads of State and Government Implementation Committee (HSGIC) in November 2002.

The mandate of the e-Africa Commission is to develop a broad Nepad ICT strategy and comprehensive action plan covering the necessary policy/legal/regulatory, logistical, physical, and socio-economic infrastructure needs, with the objective of accelerating the development of African inter-country, intra-country, and global connectivity, as well as promoting conditions for Africa to be an equal and active participant in the global information society.

The prime objective of the Nepad ICT development program is to integrate the African continent so as to enable trade, social, and cultural interchange to take place with ease and affordability.

The program aims to accelerate the development of ICT infrastructure, and its use for ICT services and applications, through the development of a broadband ICT fiber-optic network connecting all African countries to each other, and, in turn, to the rest of the world through existing or planned submarine cable systems.

A basic rationalized broadband ICT network for eastern and southern Africa was agreed upon by stakeholders during a workshop convened by the Nepad e Africa Commission in Johannesburg in 2004. The agreed network synthesized a number of network development initiatives in the region into a cohesive plan for the developing the agreed basic network.



Opening of the e-schools in Limpopo Province by President Thabo Mbeki.

The network was subsequently adopted as a Nepad flagship project by the 12th summit of the HSGIC in Algiers, Algeria in 2004. With the objective of resolving policy and regulatory issues that may impede or prevent the realization of the rationalized network, the Nepad e-Africa Commission worked with experts to develop a policy and regulatory framework within which the network, including the submarine segment, could be developed. The outcome was the Kigali Protocol which, by November 30, 2006, had been signed by 12 of the 23 countries of eastern and southern Africa. Those countries that were unable to sign the protocol by November 30, 2006 may accede to the protocol as soon as it has come into effect - that is, when seven of the 12 signatory countries have ratified it.

The signatory countries of the Kigali Protocol are Botswana, the Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Rwanda, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe.

In order to realize the objectives of the Kigali Protocol, the contracting parties formed the Inter-Governmental Assembly (IGA). To secure funds for the broadband infrastructure network, the Interim IGA entered into discussions with the Pan African Infrastructure Development Fund (PAIDF), a Nepad initiative intended to

use pension funds from various African countries for infrastructure development. A Memorandum of Understanding (MOU), detailing the business relationship between the PAIDF and the Interim IGA, has been drafted and is currently being reviewed by both parties.

NEPAD E-SCHOOLS INITIATIVE

The Nepad e-Schools Initiative was adopted as a high priority NEPAD ICT project by the HSGIC in March 2003.

The overall aim is to harness ICT technology to improve the quality of teaching and learning in African primary and secondary schools. This is a ten-year multi-country and multi-stakeholder program that has started with a demonstration project and will build up to encompass 600, 000 African primary and secondary schools.

Objectives of the Nepad e-Schools Initiative:

- To provide ICT skills and knowledge to primary and secondary school students that will enable them to function in the emerging information society and knowledge economy.
- To provide teachers with ICT skills to enable them to use ICT as tools to enhance teaching and learning.

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NATIONAL BUSINESS COALITIONS: A UNIFIED VOICE FOR THE PRIVATE SECTOR IN THE FIGHT AGAINST HIV/AIDS

< By Caroline Hope, CCA >

HIV/AIDS remains a threat to the economic well-being of countries with high infection rates, and its impact is felt throughout the global economy. In some developing economies, the loss of skilled labor and worker absenteeism can result in declining productivity and an impediment to foreign investment. HIV/AIDS is a grave human drama that, like falling dominoes, devastates a country's economy sector by sector.

There is growing evidence that private sector prevention and intervention strategies contribute effectively to slow the spread of HIV/AIDS. One of the key strategies for engaging the private sector is through the development of national business coalitions against HIV/AIDS, which facilitate public-private partnerships and enable companies to leverage their resources more effectively to combat the epidemic.

AFRICAN BUSINESS COALITIONS

In 2003, to address the epidemic's threat to the private sector and to leverage the core competencies of companies to assist in the fight against HIV/AIDS, the World Bank, UNAIDS, the World Economic Forum Global Health Initiative (WEF/GHI), and other collaborators initiated a

partnership to increase the engagement of the private sector in national HIV/AIDS strategies in 15 Anglophone African countries. In doing so, the World Bank and its partners reminded the international community that no individual government or region can face the epidemic alone without the participation of other sectors and particularly the private sector.

In 2005, CCA joined the World Bank and its partners to expand these efforts into Francophone Africa. CCA's work in this context has included the provision of country-level technical assistance to five African countries with the objective of strengthening the private sector components of National AIDS Commission secretariats, building the capacity of national business coalitions against HIV/AIDS, and facilitating public-

private partnerships with other stakeholders such as international donor agencies, foundations, non-governmental organizations (NGOs) and multinational corporations. It is through such collective efforts that actions to address the epidemic are most powerful.

WHAT IS A BUSINESS COALITION?

National business coalitions engage in a broad range of activities, such as assisting companies by fostering information sharing, creating economies of scale in the development of workplace HIV/AIDS products and services, and developing a strong, unified front for public policy debate and advocacy. They can also serve as service and product providers, offering constituents help with impact analyses, training of peer educators, design and development of

Downtown Kinshasa, the Democratic Republic of Congo

prevention education programs, and other workplace and community interventions, including testing and treatment services. National business coalitions against HIV/AIDS often serve as important focal points for engaging with other stakeholders, particularly national governmental programs. In essence, national business coalitions lend a voice to the private sector in its efforts to align the business response to HIV/AIDS and take action towards healthy communities large and small.

Coalition member companies are uniquely positioned with financial resources, well-established business and political networks, and strong incentives to combat the disease. Through partnerships, these attributes can be combined with the existing knowledge and expertise of HIV/AIDS interventions in the public sector, allowing heightened outreach and impact. Acting through a business coalition also reduces potential public relations challenges that a single company might face when tackling a sensitive and politicized topic, such as HIV/AIDS.

BUSINESS COALITIONS IN FRANCOPHONE AFRICA

Over the last two years, CCA has supported the development of several business coalitions in Francophone Africa. The coalitions are constructed according to the private sector situation in each country, and while some are still in the early stages of maturation, they have already begun to make a difference in their country environments.

THE DEMOCRATIC REPUBLIC OF CONGO (DRC)

The national business coalition in the DRC, le Comité Interentreprises de Lutte contre le VIH/SIDA (CIELS), has been in

existence since 2003. The organization is composed of 115 members constituting all types of private sector entities: multinational corporations, national businesses, state-owned companies, small and medium size enterprises, unions, federations, and trade associations. CIELS, with its two regional offices, has focused on raising awareness of the disease within their membership through peer education and training for HIV prevention, workplace condom distribution programs, and mobilization of national business leaders through radio talk shows, and monthly membership meetings to disseminate best practices in the workplace. In terms of policy, CIELS, has also supported the National AIDS Commission in the development of a national workplace policy and integration of the private sector into the national AIDS strategy.

If CIELS's resource pool continues to deepen with new partners and funding sources, CIELS members are poised to advance national HIV/AIDS objectives in the next four years: including medical and psychosocial services for all employees and their dependents, as well as mobile treatment centers for coalition members without company medical facilities.

MALI

SIDA-ENTREPRISES, a French organization representing the interests of French multinational companies (MNCs), drove the formation of Mali's national business coalition, la Coalition du Secteur Privé dans la lutte contre le VIH/SIDA (CSP VIH/SIDA), in 2006. The strength of the CSP lays in the coalition coordinator's commitment to provide direct one-on-one technical assistance and guidance to coalition members in the development of workplace policies and programs, as well as the creation and submission of proposals for funding to support company activities. The

coalition has also attracted the support of the Glaxo Smith Kline (GSK) Foundation and recently collaborated with the Foundation to produce a documentary on the fight against HIV/AIDS in Mali. As a nationally aligned business coalition with strong domestic and international ties, CSP adds value to the Malian government's HIV/AIDS program by organizing national private sector efforts to combat the pandemic.

MAURITANIA

Over the past two years, the National AIDS Commission in Mauritania has worked closely with the ten primary federations in the country and a small number of companies already engaged in the fight against HIV/AIDS to develop the country's national business coalition against HIV/AIDS, la Coalition d'Entreprises Mauritanienes Contre le VIH/SIDA (CEMA-VIH/SIDA). CEMA has targeted its awareness raising efforts among high-risk sectors in Mauritania - primarily fishing and agriculture - and has established a committee to review member proposals for funding as well as a mechanism to allocate World Bank MAP financing to the companies once the submitted projects are approved. The organization is currently working with the National AIDS Commission to develop a strategy to train additional laboratory technicians and counselors within inter-company clinics in order to increase the availability of voluntary counseling and testing (VCT) services within the private sector. This partnership-driven strategy will bolster Mauritania's efforts in reaching a goal of 10% of private sector employees tested for HIV by 2009. Given that HIV/AIDS is often stigmatized and ignored in Mauritanian society, CEMA embodies a bold willingness on the part of the government and business community to bring the issue closer to the forefront of

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A UNIFIED VOICE FOR THE PRIVATE SECTOR IN THE FIGHT AGAINST HIV/AIDS *Continued from page 31*

public discourse. Diseases like malaria, polio, TB and other STDs will likely HIV/AIDS on the coalition's agenda, underscoring how resources can be maximized to address the employee's overall health portfolio.

PAN-AFRICAN BUSINESS COALITION

In addition to individual country efforts to engage the private sector in the fight against HIV/AIDS, a country-led effort was launched in 2004 to create a continent-wide business coalition that could provide each national coalition with technical and financial guidance and act as a communication mechanism for the individual coalitions.

The PABC's vision is to facilitate learning between coalitions by sharing information and best practices about member services as well as educating staff members on

operational issues at the secretariat level. There are a number of additional roles that the PABC could develop. These include becoming the voice of business coalitions across Africa or acting as a coordinating and disbursement mechanism for donors interested in financing business coalitions. Although initial discussions took place between member coalitions in 2004, the PABC has yet to reach operational capacity. The PABC was officially launched in December 2005, and the current chair is the South African Business Coalition on HIV/AIDS (SABCOHA).¹ The PABC encompasses of 22 countries and hundreds of members.

DEEPENING THE PRIVATE SECTOR'S ROLE

There is a growing experience-based consensus that initiatives inclusive of the private sector are making valuable

contributions to national HIV efforts in Africa, and national business coalitions against HIV/AIDS have proven to be effective mechanisms for coordinating the private sector response. Coalitions often face challenges, including difficulties in mobilizing private sector leadership, achieving financial sustainability, and monitoring and evaluating organizational activities; however on the whole, coalitions in sub-Saharan Africa have assisted countless companies in developing a more concrete understanding of the impact of HIV/AIDS on their business, and consequently creating workplace programs to address these effects. These organizations have also succeeded in raising the profile of the private sector among governments, donors and civil society, and confirming the role of business as a critical stakeholder in the fight against HIV/AIDS. ●

¹ "The State of Business Coalitions in Sub-Saharan Africa." World Economic Forum Global Health Initiative and The World Bank. 2006. <http://www.weforum.org/en/initiatives/globalhealth/BusinessCoalitions/index.htm>

NEPAD: E-AFRICA COMMISSION *Continued from page 29*

- To provide school managers with ICT skills to facilitate the efficient management and administration in schools.

The Nepad e-Schools Initiative will be implemented in three phases, with between 15 and 20 countries in each phase.

The countries that constitute phase one are Algeria, Angola, Benin, Burkina Faso, Cameroon, the Republic of Congo, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, South Africa, and Uganda.

These countries were selected because they are on the first list to accede to the Nepad African Peer Review Mechanism.

The commission has engaged the

cooperation of a number of private companies to effectively implement the Nepad e-Schools Demo.

AMD, CISCO, Hewlett Packard, Microsoft, and Oracle have undertaken the responsibility to organise and lead over 50 companies including local businesses to provide, at their own cost, a range of services for approximately 96 Nepad e-Schools in the Demo stage in 16 African countries.

In view of the size of the African continent and the poor state of its ICT infrastructure, there is need to provide an overlay satellite network that will offer ICT broadband connectivity that will benefit the entire Continent, especially the rural areas that will not be reached by optical fiber networks. The Nepad e-Schools Satellite

Network Project is primarily intended to offer Internet connectivity to over 600,000 Nepad e-Schools.

The Nepad e-Schools will be connected via a satellite network-based on leased space segment capacity. The latter will be sourced from those companies with high-power satellite and footprints on the continent of Africa, under arrangement intended to minimize the cost of access for individual schools. A satellite terminal will be installed at each school. In addition to the communication facilities, non-conventional power sources will be provided at those schools located in areas removed from national power grids. ●

This article was commissioned by NEPAD. For more information, please contact 011 313 3331.

AFRICA MATTERS MORE THAN EVER *Continued from page 19*

monitoring capacity, and control mechanisms. Led by the United States, annual worldwide expenditure on AIDS has risen from less than \$1 billion in 2000 to \$10 billion in 2006 and the United States has begun a major malaria initiative. But the UN estimates that as much as \$40 billion or more will be needed annually in the coming few years for AIDS alone. Whether these costs can be met, or met without subtracting from other forms of aid for education, agriculture, etc. is very uncertain. Meanwhile, investments in health and agricultural infrastructure for control of a potential avian flu pandemic are only on the drawing board.

Africa is well aware of both its challenges and potential. In recent years, African countries have taken several steps to strengthen electoral democracy, economic policies, good governance, and the reduction of conflict. Today, nearly two-thirds of African governments are democratically elected, and the African Union - the Continent's political body - will not seat a government that comes to power through non-constitutional means. Under a program called the New Partnership for African Development (NEPAD), Africa has set forth principles of governance, human rights, and economic management, and instituted a peer review mechanism to help hold governments to these principles. Under AU leadership, African peacekeepers have taken the initiative to help bring conflicts to a close in Burundi, Cote d'Ivoire, Liberia, Congo, Darfur, and elsewhere.

Africa's democratic trend is nevertheless fragile. In Uganda, President Museveni spurned international pleas and obtained parliamentary approval to run and be elected yet again, after 20 years in power. In Ethiopia, elections in 2005 led to charges of rigging, violence, and the jailing, until this year, of leading opposition politicians. In Zimbabwe, President Mugabe continues to rule autocratically, cracking down on dissent, the media, judges, and



even religious leaders, all while the country's once promising economy plunges into ruin.

Nigeria may nevertheless be the bell weather of Africa's democratic future. Nigeria is Africa's most populous nation, with 140 million people. In 2007, after decades of largely military rule, and two terms of President Obasanjo's elected administration, Nigeria, for the first time, experienced a democratic transfer of power from one civilian administration to another. However, the election was one of the worst on the Continent, with shortages of ballots, considerable vote rigging, and questionable results, especially at the state and local level. The new President, Umaru Yar'Adua, has pledged to revamp the electoral system, and take other steps to enforce the rule of law. Much of Africa's democratic future rests on whether Nigeria can succeed.

At the center of Africa's issues and challenges lies the persistence of poverty. Africa is by far the poorest Continent, poorer even than other developing regions, and marginalized in the global trading system. Poverty adds to the potential for conflict, the vulnerability to terrorist influence, the pressures of illegal migration, the spread of disease, and is a drain on worldwide aid resources. Thus the humanitarian problems return to center stage in contemplating U.S. policy.

However, they cannot be treated as objects of charity, nor be satisfied with emergency aid for relief and post-conflict emergencies, which have comprised much of America's recent increases in assistance. The growing importance of Africa, in so many ways, demands a much more focused, long-term, and carefully directed program of economic assistance and trade reform.

The United States however lacks the personnel to develop and manage a truly comprehensive policy toward Africa, one that would address the full panoply of issues described above. Though it covers 48 countries with varying degrees of challenges and requirements, the Africa Bureau of the Department of State is the smallest of the regional bureaus. As Congressman Frank Wolf recently said, "the bench is thin" when it comes to the State Department dealing with crises in Sudan, Somalia, and elsewhere. It is all the more shorthanded for developing long term policies addressing oil-producing states, or programmatic support for democracy.

Only when Africa is recognized for the growing importance it holds for America will these shortcomings be overcome. ●

Beyond Humanitarianism: What You Need to Know About Africa and Why It Matters, Princeton N. Lyman and Patricia E. Dorff, editors, New York, Council on Foreign Relations, 2007.



Assistant United States Trade Representative (USTR) Florizelle Liser tastes specialty foods at the Fancy Food show.

PROCESSED FOOD PRODUCTS FROM SOUTHERN AFRICA: KEEPING UP WITH U.S. DEMAND

< By Amanda Hilligas >

Reaz Gunga knows the overwhelming potential of his unique gourmet food products in the U.S. market. He recently participated in the Fancy Food Show in New York City, the premier national gourmet food show in the United States, in July, 2007, as part of a United States Agency for International Development (USAID)-funded "Africa Pavilion" that brought together exotic food producing companies from across the African continent to exhibit, alongside thousands of the most reputable brands and gourmet products in the \$36 billion U.S. specialty food industry. The Africa Pavilion featured 15 Southern Africa Trade Hub (SATH) funded companies.

The SATH Trade Competitiveness Project, managed by CARANA Corporation, sponsored part of the Africa Pavilion in order to promote new exports to the U.S. The Pavilion featured companies from Swaziland, Malawi, Mauritius and South Africa. Since the Fancy Food Show, participating companies have received tens of thousands of dollars in new orders,

resulting in numerous first time shipments into the U.S.

Gunga's company, Labourdonnais, produces delicious natural fruit pastes and jams from the exotic Indian Ocean island of Mauritius. His booth at the Fancy Food Show generated so much interest that its products were featured in the New York Times and have produced sales to big-name U.S. gourmet food retailers. Sun Rich International, a Chicago-based gourmet food company, is working on a new trade deal to import products from Labourdonnais. Its representatives traveled to Mauritius in October 2007 to film a promotional documentary about processed food production that will appear on PBS and the Discovery Channel early next year.

Gunga worked closely with the Southern Africa Trade Hub in Gaborone, Botswana, as he prepared for the Fancy Food Show. The organization assisted him in meeting the marketing, packaging, and regulatory requirements needed to enter the U.S. market. Previously, Gunga considered the U.S. market too large for his small company,

but the Trade Hub assisted him in segmenting the market and targeting appropriate buyers, including Sun Rich.

"The response in New York was overwhelming and has given our small company a significant boost. We could not have done it without support from the Trade Hub in Botswana," said Gunga.

The significant boost Gunga refers to is the new employment that will coincide with the recent costly factory upgrades that have been completed in order to meet international regulatory requirements and standards.

THE SOUTHERN AFRICA TRADE HUB

The Southern Africa Trade Hub works in the processed and specialty food sector, fostering market linkages and networking, assisting companies in meeting the regulatory and labeling requirements for the U.S. market, increasing investment in processed food companies, and facilitating new trade deals for Southern African companies.

The USAID-funded Trade Hub in Gaborone

is one of the four Trade Hubs in Africa that implements USAID's African Global Competitiveness Initiative (AGCI). The Trade Competitiveness Project at the Hub works specifically with African producers and African buyers to make African products more competitive and attractive in the global marketplace.

One of the core functions of the Hub's support program for processed food companies is to improve market knowledge and to increase the production potential of private sector enterprises. This is driven by the U.S. policy objectives of the African Growth and Opportunity Act (AGOA), a tariff preference program that allows the duty-free entry of goods into the U.S. market. Southern African producers enjoy a cost savings and a competitive edge because of tariff preferences under AGOA.

Gunga is not alone in his successful entry into the U.S. market. Several other agro-processing companies from Southern Africa fared well at the Fancy Food Show with targeted matchmaking and support.

ESWATINI KITCHEN

Swaziland-based Eswatini Kitchen produces a range of jams, marmalades, chutneys, sauces, and atchars naturally made with no preservatives, added colors, or flavors. New orders for Eswatini make a significant monetary contribution to the local producers and farmers, who are mainly women who rely on Eswatini as a source of income. Eswatini started as an income generating project to provide employment to disadvantaged rural women in Swaziland. With new orders in hand as a result of the Fancy Food Show, Eswatini claims that they are "changing lives through trade."

TALIER TRADING GROUP

The Trade Hub is also working with the Talier Trading Group, a U.S. company working on a selection of African products that will be displayed in an African section, in the international aisle of supermarkets across the U.S. By working with both

producers in Southern Africa, and by establishing direct links with retailers, brokers, and buyers, the Trade Hub is acting as a significant facilitator of new trade and market information for Southern Africa in the specialty food sector.

Carana's corporate offices in Arlington, Virginia, play a significant role in the success of market linkages and corporate partnerships between investors in the U.S. and producers in [Southern] Africa.

According to David Schacht, Senior Manager of the Market Linkages team at Carana, "U.S. buyers are becoming familiar with the quality and range of African products - the Africa Pavilion in New York showcased the high-quality, innovative specialty food products coming out of Africa and is helping to change U.S. buyer perceptions."

The Carana team in the U.S. continues to support the USAID Trade Hubs in both Southern and West Africa in identifying potential buyers and investors, providing information on potential sources of African products, and linking these investors to Trade Hub services and the African manufacturers capable of supplying high-quality products to the U.S. market.

A GROWING U.S. MARKET FOR AFRICAN SPECIALTY FOOD PRODUCERS

The U.S. specialty food market is valued at more than \$36 billion per year, and is growing rapidly. While taking the step to export to the U.S. is a big one for small and medium sized processed food companies operating in Southern Africa, producers can achieve success by capturing a segment of the specialty food niche markets that are continuously cropping up throughout the developing world.

Africa is becoming a surprise sourcing destination for brokers, importers, distributors, and retailers because the continent is presenting itself in new and sophisticated ways, such as producing specialties like spicy kosher sea salt, tuna medallions with lemon and balsamic oil splashes, and vanilla paste that may be

used for baking. Discerning gourmet food consumers will continue to discover such products as unique rooibos jam flavors from South Africa, fiery hot chili sauce from Malawi, and specialty sugars from Mauritius.

While there are significant opportunities for trade between Southern Africa and the U.S. in processed foods, there are also challenges.

"Companies need to understand the market, select the right importer and distributor, and be prepared to spend money to be successful," says Brett Johnson, AGOA Trade and Business Manager at the Gaborone-based Trade Hub. Southern African companies face challenges in overcoming the distance to the U.S. market, lack of familiarity U.S. buyers have of African products, and the regulatory obstacles that continue to persist which, in turn, hamper trade with Southern Africa.

Despite the challenges, companies like Mauritius-based Labourdonnais prove that achieving exports into the multi-billion dollar U.S. gourmet food market is possible, when coupled with targeted marketing and networking initiatives. Gunga has recently returned to Mauritius to focus on his new line of exports to the U.S. and to manage his fruit operations that significantly contribute to the island's employment.

While making plans to export to the U.S. is a big commitment for any African producer, the Southern Africa Trade Hub continues to assist these dynamic companies in placing their products on the shelves of high-end supermarkets and, as a result, obtaining a reputation of quality throughout the U.S. ●

Amanda Hilligas is the Director, Trade Competitiveness Project, Southern Africa Trade Hub in Gaborone, Botswana. Amanda may be reached at ahilligas@satradehub.org or +(267) 3900884

VIABLE CLEAN ENERGY ALTERNATIVES FOR AFRICA *Continued from page 27*

only going to worsen. Regrettably, dirty, destabilizing oil will be the quick fix unless other alternatives are immediately developed.

The World Bank estimates that poverty has increased as much as 6% in some parts of the world, due to the hike in oil prices in recent years. Especially vulnerable are the debt-burdened countries, particularly in Africa, which rely on oil imports to fuel their economy. This is not a problem that can be solved by any single line of attack, but one thing is clear: until countries develop the tools to diversify their energy supplies away from conventional fossil fuels, the destabilizing effect of high oil prices will continue to undermine development efforts.

THE GROWING OPPORTUNITIES

Rather than treating the symptoms of poverty, as development assistance too often does, investing in a clean energy future for poor countries gets at the roots of the development challenge. Renewable energy solutions can promote long-term economic growth and a built-in capacity for self-reliance.

The opportunities for Africa to emerge as a rising star in the growing renewable energy markets are enormous. A larger land mass than China, India, Western Europe, and the United States combined, with thousands of miles of coastline and only 14% of the global population, Africa has vast, latent potential for wind and solar power generation. Recent studies show strong potential for wind power generation, not only in coastal South Africa, Morocco, and Madagascar, but also in Kenya and Ethiopia. In-depth evaluations are still pending for countries such as Namibia and Angola, where offshore wind currents are expected to be highly suitable for wind farming.

Kenya has already begun positioning itself to become a regional leader in photovoltaic cell assembly. With the introduction of

lower-cost PV cells from China, the market price is due to drop dramatically over the coming decade, making wide-scale PV application much more feasible.

Along the Rift Valley fault that runs north to south through East Africa, geothermal activity could produce an estimated 9,000 megawatts of electricity using technology that could be deployed today - that is more than is currently produced globally-and could dramatically change the lives of hundreds of thousands of people in Ethiopia, Kenya, Uganda, Djibouti, Eritrea, and other African countries with substantial geothermal assets.

Biofuel is another sector where the Continent could rival major global producers and play a central role in meeting the soaring demand for ethanol in Europe, United States, and China. Africa's arable lands are well-suited to a range of energy crops, especially in the tropical climate zones around the equator that enjoy optimal rains and a long growing season. Conventional feedstock crops like sugarcane, maize, and soy, as well as new oilseed crops, are already being grown and converted into biofuels.

Jatropha, for example, has attracted a fair amount of attention in recent years. A hardy bush thought to be appropriate for cultivation in Africa, Jatropha thrives in arid areas and can be grown on desert and marginal lands without taking land out of cultivation for food production, and without requiring expensive inputs like fertilizers and water. Additionally, biofuel production would have cascading societal and economic advantages, because as much as 60% of Africa's population makes a living from agriculture. Farmers who have seen their incomes steadily depreciate over the years, following the slumping prices of agricultural commodities like coffee, would find an appealing alternative in energy crops; with the refining process occurring domestically, a biofuel industry could create a high-value energy product for export.

With renewable energy markets growing

annually by tens of billions of dollars, it is not surprisingly that African governments are anxious to capitalize on these opportunities. South Africa, for example, has been a leader in attracting investment in renewable energy, having recently unveiled an aggressive \$800 million plan to launch a domestic biofuels industry.

However, advances in clean energy go beyond the southern economic powerhouse. The president of Senegal, Abdoulaye Wade, has been one of the more proactive leaders on this front, and he has found a role model in ethanol - giant Brazil. A June agreement between the two countries has the grand aspiration of spreading a Brazilian biofuels revolution to Africa through a series of technical and education exchanges.

The Senegalese president has also pioneered a so-called green OPEC, which convenes a group of 13 non-petroleum producing African nations with a mission to create jobs and enhance political and economic security, by diversifying away from oil into clean energy. According to the United Nations, these countries collectively have hundreds of millions of hectares of arable land currently not being used that could be put into production for ethanol and biodiesel. Zambia, for its part, recently put hundreds of thousands of hectares under cultivation for biodiesel.

Without due international focus and financing to back up these clean energy developments, transitioning into clean energy future will still be a pipe dream for Africa long after it has become a reality for the rest of the world. Particularly now, as African governments struggle to expand their energy infrastructures and build up the foundations for business and industrial manufacturing, we are presented with a critical window of opportunity. ●

This article was written for the Center for American Progress by Rebecca Schultz. Contact Rebecca at ras.schultz@gmail.com

AFRICAN ELEPHANT PEPPERS APPEAR ON U.S. SHELVES

The company Elephant Pepper has created chili sauces inspired by the conservation work of the Elephant Pepper Development Trust (EPDT), a non-governmental organization (NGO) that teaches farmers to planting chillies, or “elephant peppers” to deter elephants from raiding their subsistence crops. While people may enjoy sprinkling food with chili, elephants are repelled by capsaicin, the substance in chillies that makes them hot. A family’s annual corn crop can be destroyed by marauding elephants in just one night, creating a wildlife-human conflict that often either results in elephants being killed or precious food supplies destroyed. EPDT works with rural farmers to grow African bird’s-eye chillies for a range of elephant deterrent schemes, like chili-laced fences with cowbells and chili dung briquettes, providing affordable means to improve the quality of life for rural farming communities, while preserving wildlife for generations to come.

Elephant Pepper uses the same chillies despised by pachyderms for its sauces, encouraging farmers growing chili for food security to grow these hot items as a cash crop as well. Primarily sourcing chillies from the Zambezi River Valley of Zambia, Elephant Pepper also works with growers in Zimbabwe, Botswana, Mozambique, and an ever-widening

network of growers through Southern Africa. Putting its ethical business philosophy into action, Elephant Pepper pays above-market prices for high-grade chillies purchased from commercial farms and small-scale growers, and living wages for its farm workers, ensuring that every bottle not only tastes good, but is good for Africa as well. 10% of profits from its sales are contributed to EPDT.

Soon, Americans will be able to enjoy a healthy dose of African heat while feeling “cool” about what they are eating. Eating the elephant peppers contained in a great tasting bottle of Zambezi Red or Baobab Gold chili sauce will contribute towards supporting wildlife conservation and rural economic development. Since 2001, Elephant Pepper has offered Zambian, South African, and online customers a taste of its products. Now the Zambian company is about to roll out its products in the U.S., serving retailers such as Whole Foods, Albertsons, Safeway, in addition to Meijer, Jewel-Osco, and Publix, and distributors like DPI, Kehe Foods, and Tree of Life.

Retailers are not only interested in Elephant Pepper’s human interest story. Its chili sauces are priced in line with similar imported pepper sauces. The

company has put together a program favorable to U.S. distributors and retailers with introductory allowances, quarterly promotions, spoilage allowances and the like. Its sauces have also been included into the Talier Trading Group’s (a sales and marketing company with a focus on international food products) new African Program, representing growing number of products (currently 105 products from 21 African companies). With products represented by Talier in 100+ Whole Foods and 1,000+ Safeways, among many other retailers, this new relationship promises significant growth potential for this African company.

Elephant Pepper has received marketing and other support from the United States Agency for International Development (USAID) Market Access and Trade, and Enabling Policies (MATEP) Project, the USAID Southern African Global Competitive Hub, and the Wildlife Conservation Society. ●

Website and contact information:
 Elephant Pepper—www.elephantpepper.com
 Talier Trading Group —
www.taliertradinggroup.com/

AFRICAN ALLSORTS WINS OVER THE U.S. GIFT MARKET

During the recent New York International Gift Fair (NYIGF), a small South African company was selected among thousands of exhibitors to be featured on the prestigious Home and Garden Television (HGTV) network. Cape Town-based African Allsorts broke into the U.S. market a year-and-a-half ago. Already, their beaded, high-end African animal sculptures can now be found in many museums shops, galleries, and gift shops across the U.S.

African Allsorts was conceived by David Rosenstein, an artist who lived in Holland for many years before returning to his country of birth, South Africa to help contribute towards a better society through the promotion of African arts and crafts. He was joined by his brother, Jason, a musician.

David, being an artist, recognized the potential of the beads and wire animals that were crafted and sold on the streets in South Africa. The two brothers began to recruit bead and wire artists on the streets of Cape Town and worked with them to transform their works into art collections aimed at the high-end buyer. For almost two years the brothers delivered material and orders to artists in neighboring townships and collected the finished bead and wire creations before shipping to customers. They slowly began successfully supplying game lodges, hotels, resorts, wine estates, and gift shops in South Africa.

The two brothers applied to the South African government for a small business loan, (a Khula loan) and when it was approved in 2006, they moved into their own studio. The artists now had a place to work, and a showroom where visitors and buyers could view finished pieces.

The company activities are also supported by the South African Department of Trade and Industry and the Tourism Enterprise

Program, in recognition of the business's efforts to alleviate unemployment and provide sustainable development.



The African Allsorts team with David Rosenstein in the middle.



"African Allsorts's primary focus is the development of skills and social upliftment through creative empowerment. The artists are men and women who have incredible talent, yet they have to endure incredible hardship due to social and political issues - widespread illness, unemployment, and poor leadership," David said.

African Allsorts brought a Black Economic Empowerment (BEE) partner, Dr. Lella Rajah, on board last year. Rajah currently heads up business operations, including production, to ensure orders are completed efficiently and quality maintained.

In August 2006, African Allsorts attended their first NYIGF. Despite it being their first trade show in the U.S., the company secured almost \$20,000 in orders.

Following the gift show, African Allsorts also launched their two best selling collections, including the "Wild at Art" collection and the "Masterpiece" collections. Some of the pieces in these collections are life-sized, taking up to two weeks to create. Each piece comes with a signed photograph of the artist who created it.

"It is testimony to the fact that people are looking for unique handmade creations

and willing to pay a premium for something really special and with an important mission statement," David said.

Through the subsequent gift fairs, their sales figures and customer base begun to improve dramatically. After Thanksgiving this year, David will be appearing on HGTV. HGTV will be featuring African Allsort's Christmas range and their unique trophy head collection.

To date, African Allsorts' art has reached various European cities, as well as Australia, and is displayed extensively across the U.S. The company has also exhibited at two shows in Korea.

The types of buyers that have been added to their original customer base include jewelers, museums, embassies, and corporations that display large-scale art work. There is definitely a demand and interest for handmade products of high quality from South Africa. Great strides have been made in promoting and developing this relatively new art form of bead and wire art.

In the future, African Allsorts will increase their attendance at other U.S. trade shows. They will also begin to focus on European shows and road trips to increase sales.

www.africanallsorts.com ●

TOP DESIGN FIRM INSPIRED BY AFRICAN DESIGN

< By Timothy Diffley >

Through their DESIGN WITH CONSCIENCE project, top Los Angeles-based design firm, Artecnic, has teamed up with celebrated designer, Stephen Burks, and African craftsmen to create taTu, a line of innovative galvanized steel wire furniture sets. Conceptualized by Burks, the taTu line consists of furniture with three-fold modular functionality, reflecting its name, which in Zimbabwe's Shona dialect is a word meaning "three". taTu pieces include a coffee table that can be converted into a tray, bowl, or basket, and a side table that can become a medium tray, bowl, or trash can, while a stackable one piece stool can serve as a seat.

In 2002, Artecnic founded DESIGN WITH CONSCIENCE, a program for Artecnic to design and manufacture products in accordance with humanitarian and environmentally-friendly principles. Artecnic has invited talented designers of international fame to contribute new ideas to an ever-

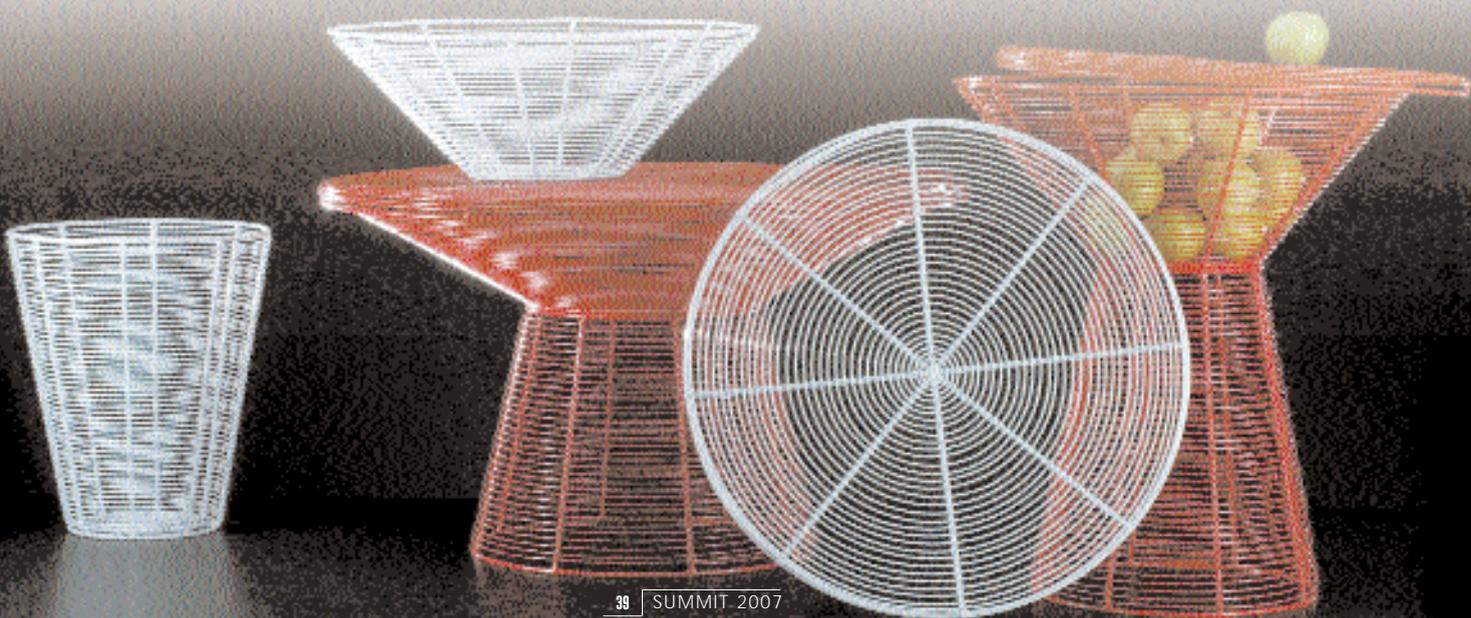
expanding design collection and to team them with artisans in need around the world, invigorating commerce, and assisting surrounding communities.

The success of the combination of Artecnic and Stephen Burks in teaming up to empower artisans worldwide stems from the strengths that each brings to bear on this effort. Artecnic's creative vision was formulated by its founders and creative directors, Tahmineh Javanbakht and Enrico Bressan, who have a long history of collaborating with celebrated international designers to express the vision of elevating the purpose of everyday objects by using design to enchant, inspire, and transform products and converting these into tangible objects, by sourcing from manufacturing and artisan centers around the world. On his part, Stephen Burks is one of the most recognized American industrial designers of his generation. He and his New York studio, Readymade Projects, have been responsible for creative design direction on projects ranging from retail interiors and events to packaging, lighting,

furniture, and home accessories. He has developed innovative concepts for renowned international brands including Artecnic, Boffi, Calvin Klein, Cappellini, David Design, Estee Lauder, Moroso, Missoni, Vitra and Zanotta, as well as working in the developing world with local crafts people

The three-piece taTu collection cleverly combines indigenous African design and craftsmanship with urbane pragmatism, and is the result of Artecnic's collaboration with a group of South African and Zimbabwean artisans. In partnership with local craft organizations, Artecnic enlisted these enterprising artisans, who artfully utilized traditional hand-weaving techniques to create the stylized pieces. taTu is a manifestation of DESIGN WITH CONSCIENCE's humanitarian commitment to enhance the lives of impoverished artisans and craftsmen worldwide by involving them in economically stimulating design projects. ●

www.artecnicainc.com



BRINGING THE WORLD TO AFRICA AND

< By Sharon Roling >

“Africa’s 53 nations need to brand ‘Destination Africa’ in a way that benefits the Continent as a whole and each individual country. This will enable the diverse community of nations to showcase its tourism product with a stronger voice, and to put its collective weight behind continental and national priorities.”

— Edward Bergman, Executive Director, Africa Travel Association (ATA)

In May, leading tourism industry experts from more than 20 African countries came together in Addis Ababa, Ethiopia to participate in the Africa Travel Association’s (ATA) 32nd Annual World Congress. Ethiopia’s Culture and Tourism Ministry hosted the event prior to the country’s millennium celebrations, bringing worldwide attention to Ethiopia as a rich and diverse cultural tourist destination—not just for its political developments.

The 350 international delegates gave the Association the mandate to lead a global campaign devoted to raising awareness and visibility of Africa as a travel destination and to expand their national actions and mobilize resources and public-private partnerships for the initiative.

With 53 countries, Africa’s tourism inventory overflows with unique tourism products. Nigeria, with over 250 different languages, histories and religions, is a prime cultural tourism destination. Mountain gorillas in the Virunga region of Rwanda hold the

promise of bringing tourist dollars to a country previously shattered by genocide and unrest. Tanzania’s Ngorongoro Crater, Kenya’s Masai Mara Reserve, and the Serengeti are the last places on earth where animals live much as they always have, uninterrupted. Goree Island, off of the coast of Senegal, and Alex Haley’s ancestral home in The Gambia and Cape Verde are sought after destinations among African Americans in search of their historical and cultural heritage.

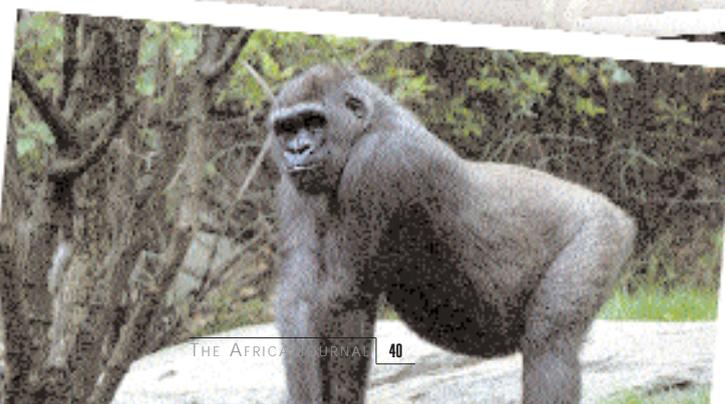
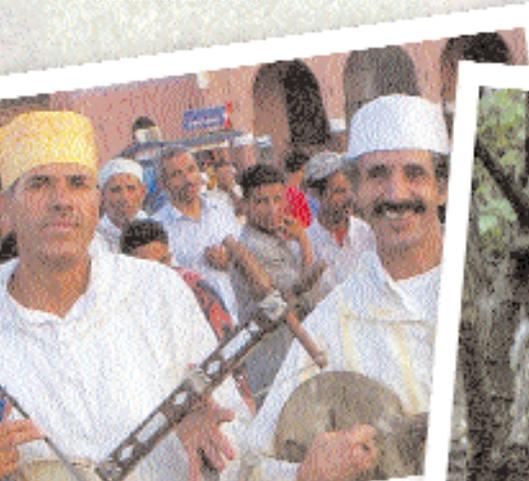
While each African country offers a unique travel product, today’s tourist wants to travel to more than one country. A visitor to Benin, Mali, and Senegal in West Africa one year may choose to visit Kenya, Tanzania, and Uganda in East Africa the next. Travelers to Algeria, Morocco, and Tunisia may explore Islamic customs, literature, and culture in North Africa on one visit and then choose an entirely different travel experience, such as a safari package to Namibia, Botswana, and South Africa.

“The fact that Africa has so many countries and cultures and experiences

is a great opportunity. Visitors can return to Africa year after year and never have the same experience twice,” said CNN senior business correspondent Ali Velshi at ATA’s Second Annual Presidential Forum in New York in September. “Countries that can convey a unique selling point to potential visitors, while still capitalizing on the ‘mystique’ of Africa as a whole, will succeed in mining new sources of tourist revenue.”

Marketing national tourism products in today’s competitive global market is a challenging and expensive undertaking, especially for countries with limited budgets for such efforts. For countries with limited resources for tourism promotion, moving from national competition to regional cooperation can increase the promise and potential for investment and business development in Africa.

“By working together, African countries can pool their political, human, and financial resources to bring the world to Africa in a way that everyone can benefit,” said Malawi’s Minister of



AFRICA TO THE WORLD

Tourism, Wildlife, and Culture, Callista Chapola-Chimombo, at the Presidential Forum.

Africa can benefit from an integrated marketing and branding strategy devoted to raising global awareness of its richness.

SPREADING POSITIVE NEWS ON AFRICA

The promise of travel to Africa is about spreading positive news on Africa. Scant media coverage of Africa means that western audiences often hold misconceptions about the Continent and are seldom aware of its accomplishments. This doom and gloom image of the Continent is perpetuated by the western media's tendency to cover a one-sided negative view, what journalist Charlayne Hunter-Gault calls the four Ds: "death, disaster, disease, and despair." The lack of positive news on Africa is also linked to the inability of the public and private sectors to take countries and the Continent seriously as sites for long-term investment and business development.

Almost everyone who travels to Africa is amazed by how different the real Africa is in comparison to the negative image of the Continent often portrayed by the press.

"Anyone who visits Africa becomes an ambassador for the Continent," says Doris Wooten, an ATA chapter president.

Travel offers experiences and stories that go beyond the usual headlines. Whether telling the story of how governments are building infrastructures to support the tourism industry, such as new roads and airports, or how tourism promotes job creation, poverty alleviation, environmental conservation, and peace and stability, travel presents a positive view of Africa. That is not to say that the media should turn its back on the challenges, but for every negative story there are also a host of positive, inspirational stories.

BRINGING THE WORLD TO AFRICA AND AFRICA TO THE WORLD

With 33 years of experience, knowledge, and wisdom promoting travel to Africa from North America, ATA is uniquely positioned to spread positive news on Africa. Headquartered in New York City, ATA was founded in 1975 as an international travel industry trade association promoting travel and tourism to Africa. Members includes tourism ministers, tourism boards, airlines, hoteliers, travel agents, tour operators, media, PR firms, SMEs, and NGOs.

ATA works closely with heads of government, ministers, and tourism boards to

build a dialogue and promote concrete actions on issues affecting the industry, such as infrastructure development, airline routes, and destination marketing. Every country that joins ATA as a member helps unify and strengthen Africa's voice on tourism. Each country also has the opportunity to showcase its tourism product by hosting an international event devoted to bringing travel trade experts from around the world. To date, host destinations have included South Africa, Zimbabwe, Kenya, Tanzania, Zambia, Nigeria, Ethiopia, Egypt, Morocco, Cameroon, Angola, Uganda, Ghana, the Gambia, Ivory Coast, Tunisia, Gabon, and Senegal.

During the last two years, ATA has also created new opportunities to showcase destinations to new and diverse audiences. In September, ATAs Second Annual Presidential Forum brought together eight different African leaders at New York University, the world's largest private university, to share Africa's travel products with more than 180 leaders in business, government, NGOs, academia, and travel trade media. In December, ATA will hold its 11th Annual Eco and Cultural Tourism Symposium in Djibouti—a lesser known destination between the Red Sea and the Indian Ocean. Known as the "Land of the Gods," Djibouti was the land of myrrh and incense in ancient times. Today, the country's strategic position, geographical landscape, and beauty make it an emerging leisure and adventure travel destination.

In late February 2008, ATA will organize the first-ever Africa Travel Show in the U.S. at the Jacob Javits Center in New York, two days prior to the February 2008 New York

Continued on page 43



SOUTH AFRICA: A POSITIVE PICTURE *Continued from page 21*

formerly excluded South Africans are very much aware that their circumstances are improving compared to those of their parents. She told the *Wall Street Journal's* Wessel, "The perception of class mobility means that those in the working class are developing a middle class mindset, even if their circumstances remain somewhat constrained. Their aspirations are palpable, despite the fact that they do see problems in regard to crime and corruption, health and HIV/AIDS, and unemployment in particular."

"One of the most salient implications," she continued, "is that the level of optimism translates into an entrepreneurial spirit, with readers (of the *Daily Sun*) believing that they can achieve anything provided they put an effort into it. This is in stark contrast to an 'entitlement' mindset that characterized a fairly significant portion of the population until a couple of years ago." Combined with the strong macroeconomic

foundation, laid by President Mbeki and his Finance Minister Trevor Manuel, the growing number of South Africans with disposable incomes to satisfy their pent up demand for goods and services makes South Africa an enticing bet.

Certainly Boston-based Bain Capital thought so when it recently completed a \$3.5 billion buy-out of Edcon, one of the country's largest retail chains. Likewise, Barclays put up \$5.5 billion of its shareholders money for a majority stake in South African banking group Absa. What Bain and Barclays have in common is a belief that the demographic and structural changes now underway in South Africa will support growing sales for years to come.

As Iraj Abedian, CEO of Pan-African Holdings, told the *Financial Mail* (South Africa's answer to *The Economist*), in July: "This growth takes on a momentum of its own. It creates the next cascading layer because people can now put their children into good schools, as well as their sister's

children, and so on. They also buy cars and spend more in retail outlets so it has an economic multiplier effect."

This cascade owes a great deal to black economic empowerment (BEE) in its broadest sense. Old Mutual CEO, Jim Sutcliffe, writing in the *Financial Times* last year, put it like this: "South Africa's drive to bring the long excluded majority of its people into the mainstream of its economic life is paying healthy dividends... pushing the growth rate on to a higher trajectory... The BEE strategy hammered out between government and business is helping fuel an economic and social revolution as millions start to enjoy disposable income and upward mobility for the first time. This is making South Africa an exciting place to do business and one that holds the promise of long-term stability." ●

Simon Barber is U.S. Country Manager for the International Marketing Council of South Africa

INVESTMENT OPPORTUNITIES IN UGANDA'S ENERGY AND MINERAL SECTOR *Continued from page 25*

entitled "Isotope Hydrology for Exploring Geothermal Resources" that is funded by the International Atomic Energy Agency (IAEA) and the Ugandan government. The project is carrying out hydrological studies to delineate flow characteristics of surface, ground, and geothermal waters in the three potential geothermal sites in Katwe, Buranga, and Kibiro. The results of this project and the geophysical surveys, together with the already established model from geological and geochemical studies, will enable the establishment of an integrated model that will be the basis for citing the first exploration wells. Other Renewable Energy (RE) resources (modern biomass, etc.) are available, but these resources need to be mapped. These resources are not systematically

exploited at present. These potentials could be exploited by investors having specific know-how and experience. Market opportunities should be focused on the most promising and favorable sub-sectors, technologies, and regions. Uganda's government has taken several steps to promote the use of renewable energy and to facilitate market entry for manufacturers and dealers of renewable energy technologies.

CONCLUSION

Uganda has long been recognized as a part of the world with strong geological potential. With a geology considered favorable to the presence of rich mineral deposits, mining activities in the country have been dated back to ancient times,

with iron working widely distributed over many areas. By the look of recent results of petroleum and gas exploration, it is without doubt that Uganda has great potential for mineral prospects. The progress of energy and mineral sector reforms, which cover legal, business, and structural shifts toward private participation, market economy, and good governance, offer new signposts of opportunities for investment in Uganda. It not only conveys assurance to prospective investors, but also gives them the confidence to invest in the sector. Investors seeking opportunities in the Ugandan market have the advantage of starting business in a sector that is not yet developed, but is bound to grow quickly. ●

BRINGING THE WORLD TO AFRICA AND AFRICA TO THE WORLD *Continued from page 41*

Times Travel Show. Co-hosted by the Corporate Council on Africa, the show will bring high-level tourism industry professionals from around the world together with the *New York Times* and the New York Times Travel Show to increase travel to Africa and boost investment in the Continent's travel trade industry.

In May, ATA will work alongside the Tanzanian Ministry of Natural Resources and Tourism to organize its 33rd Annual World Congress in Arusha, the country's "Safari Capital." Tanzania, the largest country in East Africa, has dedicated more than 25% of its land to wildlife conservation.

NEW OPPORTUNITIES TO MAKE A DIFFERENCE

While the tourism industry has improved many national economies in the last few decades, those benefits have not always trickled down to the local community—even in the most popular travel destinations. At the heart of ATA's work is the belief that travel and tourism, if planned in a responsible way, can improve the lives of millions of people on the Continent.

"In a world where the informed traveler thinks about things like 'reducing their carbon footprint', and generally leaving the world a better place than they found it, Africa can appeal to that traveler," said Ali Velshi at the Presidential Forum. He continued, "The world knows Africa faces challenges with education and poverty alleviation. The days of hiding those problems to create a better tourist experience may be gone. The traveler who understands how their spending helps improve the lives of Africans will part with their money more willingly."

Velshi's sentiment is shared by many African leaders. "Traveling to Africa is your opportunity to make a difference. It gives



you an opportunity to contribute to the eradication of poverty and to help people lead healthier lives," said Ghana's Minister of Tourism and Diaspora Affairs, Stephen Asamoah-Boateng, at ATA's Presidential Forum.

ATA individual and corporate members are already working to ensure that travel ventures benefit the local community. Working in partnership with Ethiopia's Ministry of Culture and Tourism, humanitarian organization MedShare International, the non-profit organization, Miracle Corners of the World, and a corporation specializing in medical care supply provision, ATA facilitated the contribution of a container of medical supplies and equipment valued at \$350,000 to a local hospital in the Lalibela region of Ethiopia.

ATA hotel members are also working to find ways to channel business to local communities. For example, Sun International places the highest priority on contributing constructively to the social wellbeing of those communities in which Sun International operates in Southern Africa. In 1996, Sun International invested R340,000 to set up a hydroponics farm, which supplies Sun City Resort's Kitchens with about 35% of vegetables, fruits, and fresh herbs. As a joint venture between Sun City and the local community, the farm has created 16 jobs for the community. The farm was recently expanded, allowing local farmers access to

land on which they can cultivate their own vegetables. A stall has also been established on the road for these farmers to sell their produce.

Moreover, the resort has provided premises and equipment for 10 locals from Chaneng Village and Ledig Village to start a recycling plant where they make glasses from old bottles and engrave them. They also use recycled paper from Sun City to make VIP

welcome cards as well as conference folders and corporate gifts for the corporate clients hosting meetings in Sun City.

Canadian adventure travel company, G.A.P. Adventures, has established the non-profit Planeterra Foundation as a way to give back to the people and places that the company, travelers, and donors visit on G.A.P. tours. G.A.P. encourages travelers and donors to engage in community development projects worldwide and matches all individual donations and pays all administration fees, which means that 100% of each donation is doubled and goes directly to support the projects.

NEW OPPORTUNITIES

The world, now a global village, can develop an even deeper appreciation for Africa and make an even greater investment in the Continent by traveling to one or several of Africa's 53 countries and ensuring that the host community benefits on all levels. To make this happen, ATA hopes to further engage existing and attract new corporate and business partnerships, along with the financial backing and commitment from the private sector to invest in the future of Africa. ●

Sharon Roling is Vice President of Innovative Development Services (IDS), a consulting company providing services to non-profit organizations working to make a difference around the world. At IDS, Sharon is responsible for strategy and communications for the Africa Travel Association.

AFRICAN MUSIC ON U.S. STAGES

< By Banning Eyre and Sean Barlow >

Many young African musicians made their U.S. debuts this year, wowing American audiences with the sights and sounds of Nigeria, Mali, Cape Verde, Sudan, South Africa, and beyond. These Afropop artists serve as the Continent's best ambassadors, presenting positive images of Africa's exciting modern urban cultures. Overcoming visa challenges and the vicissitudes of the concert business, a dozen or so very talented African artists played American stages for their first times.

Seun Kuti is the youngest son of Nigerian Afrobeat legend Fela Kuti, who died in 1997. Amazingly, Fela's super funky, politically charged Afrobeat sound is actually more popular worldwide now than it was during his lifetime. (A dozen or so Afrobeat bands have sprung up around the U.S., often led by a Nigerian immigrant). Fela left not one, but two talented sons behind who are interested in carrying forth the Afrobeat torch. The elder son, Femi, has made a number of albums and toured internationally with his group, Positive Force. The summer of 2007 saw the U.S. debut of the younger Seun. Based on his spectacularly energetic performances, and the overwhelming reactions both received during a brief tour of the U.S. and Canada, this 20-something fireball has a promising future on the stages of the world.

Seun was only 15 when his father died, but already, he was opening Fela's shows, singing with his father's band, Egypt 80. Today, with confidence and poise, Seun fronts the surviving members of Egypt 80. Together, they thrilled a crowd of 10,000 at Chicago's Millennium Park in June. The grooves were majestic, and Seun's voice (reminiscent of his father's) and wiry stage gyrations (utterly his own) put the mood over the top. The Egypt 80 lineup includes many musicians in their fifties and sixties. The brassy, percussive sound they purvey



Vieux Farka Toure

has a burnished rootsiness about it, a sound that is as weighty as the deepest funk groove, yet also light and joyous—a quality that only a band of African veterans can deliver.

Presently, Seun mostly performs his father's classic material. But he has begun to compose his own pieces, and promises to create a new Afrobeat message for a new time. "Instead of 'Get up and fight,'" young Kuti once said, "It's going to be 'Get up and think.'" With the stunning rise of Afrobeat as a world music genre in recent years, Seun faces competition his father never knew. The Kuti name and the seasoned Egypt 80 band certainly give him

a leg up, but the jury is still deliberating. If Seun can create new songs worthy of his roots-funk sound and electric stage charisma, he will emerge as an Afropop giant in his own right.

Another famous son of a late, Afropop legend has also been making inroads in North America this year. Vieux Farka Toure of Mali is a brilliant young guitarist who combines the deep, desert folklore championed by his father—Ali Farka Toure—with a blues man's gift for improvisation and showmanship. Ali Farka Toure died in March, 2006, and one of his last acts was to play on two songs for his son's first album, *Vieux Farka Toure* (World Village).



Seun Kuti

This impressive debut is both homage to Vieux's father, and a wide ranging personal statement. The Toure family's Sonrai tradition-with its mysterious echoes of blues-is absolutely present, but Vieux also brings in the melodious flavor and flow of Manding music from the Malian south and east, as well as further flung sounds, like reggae. The blend of styles, as well as of acoustic and electric instruments, suggests an artist of substance and vision. Vieux's song craft and vocal delivery are also showcased effectively on what has to be one of the most talked about African releases of 2007.

Vieux has been touring with a small band consisting of two North Americans-including the co-producer of his album, Eric Herman, on bass, and a veteran of Malian traditional music, multi-instrumentalist Mama Sissoko. On guitar, Sissoko lends Vieux's young group the masterful grace of an elder. Sissoko has an encyclopedic knowledge of Malian folklore in all its varieties, and he is also a superb improviser. Improvising is an extremely important in Malian traditional music, and as Vieux's group has toured, they have learned to improvise together. This band will be just as much at home on the electric blues circuit as on world music stages.

Something truly extraordinary happened this summer in New York. For the first time ever, musicians from all over Sudan-from Khartoum to Darfur and from the Diaspora all over the world-gathered at Central Park Summer Stage in New York for the first annual Sudanese Music and Dance Festival.

As most observers know, Sudan is Africa's largest country, and one of its most troubled. But if the festival is any indication, it is possible for this country's diverse people not only to get along but to, literally, make beautiful music. A large Sudanese contingent in Central Park-waving flags and singing along-loved every minute of it.

group, Al Balabil (the Nightingales). As three sisters, Al Balabil was more or less the Supremes of East Africa in the 70's and 80's. Even as two, all these years later, they proved tremendously charming.

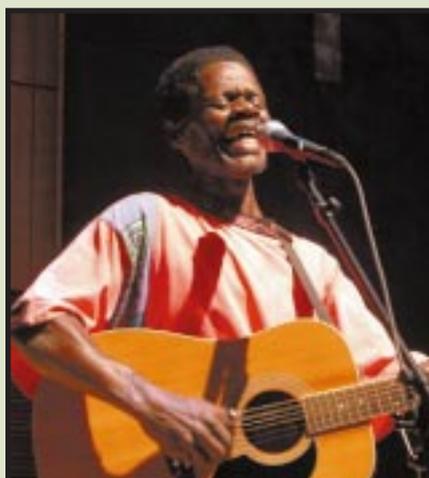
Closing the show, Omer Ihsas of Darfur delivered a stirring set. His performance dignified the people and cultures of Darfur, in a way nothing in all the media coverage of life (and death) there has so far. This event was aimed at presenting Sudan in a context bigger than the genocide in Darfur. Naturally, Sudanese politics could not be

One of the principally featured artists that afternoon was singer and composer Yousif El Moseley. On stage, El Moseley conducted the Nile Music Orchestra, consisting of six violinists-led by another Sudanese veteran, Merghani El Zain-three guitarists, three saxophonists, three beautiful female dancer/singers, four percussionists, drums, bass (played by three different musicians), and keyboards. Another high point of the show was a four-song, mini-set performed by two-thirds of Sudan's most famous girl



Yousif El Moseley and Al Balabil.

excluded from such a performance. The artists seemed at times uncomfortable with the large protest banners audience members raised during the second half. At the same time, they seemed to understand. Given the bleak history of Sudan, it is not an easy thing for this community to come together in a far away land and celebrate itself, but that made the music, with its elegance, grace, and quirky funkiness, all the more moving. ●



Omer Ihsas

*Banning Eyre is Senior Editor of www.afropop.org and Sean Barlow is Executive Producer of Afropop.org and public radio's *Afropop Worldwide* hosted by Georges Collinet that is heard on over 100 stations in the U.S. and on U.N. peace-keeping stations in Africa.*

AFRICANS IN HOLLYWOOD

Eubulus Timothy is the first profile in an upcoming Africa Journal series of Africans in Hollywood.

South Africans will remember Durban-born writer and director Eubulus Timothy as the founding chairperson of Cape Film Commission. Timothy, and his wife Jacintha, who is a talent agent, live with their children in West-Hollywood. Timothy works as writer, director, and producer. In 2004, Timothy won the prestigious Hartley-Merrill Screenwriting Award for his screenplay "Surf and Bhoondi."

"Surf and Bhoondi" is an authentically South African story about an East Indian girl who becomes a surfer in Durban. The girl has to overcome family pressure and fight racism at the hands of white surfers in order to ride the waves. Timothy is also currently raising money to produce Surf & Bhoondi."

"It's an exciting film with surfing sharks and the golden beaches of Durban," he said.

Timothy currently has a number of additional projects in development. He is working on his first ever Spanish language film "Gotico". It is set in rural Mexico but is being shot in Los Angeles. It is loosely based on the acclaimed South African playwright Reza De Wet's thought-provoking play "Diepe Grond". He is seeking partners on this project.

He is also the producer on a small independent American film "Doesn't Texas Ever End" with Haylie Duff (Hilary's sister), Kevin Dobson, and Ben Savage.

Timothy is also working on a project with Nigerian actor Hakeem Kae Kazim, who has transitioned very successfully to Hollywood after acting in South Africa. Kazim was recently seen in 'Pirates of the Caribbean 3' and in the acclaimed TV-series 'Lost'.

His years in Hollywood have taught Timothy many valuable lessons about the film industry. If you are hoping to get recognition as a foreign film maker, or obtain distribution in the U.S. for an African film, one has to enter the film into film festivals.

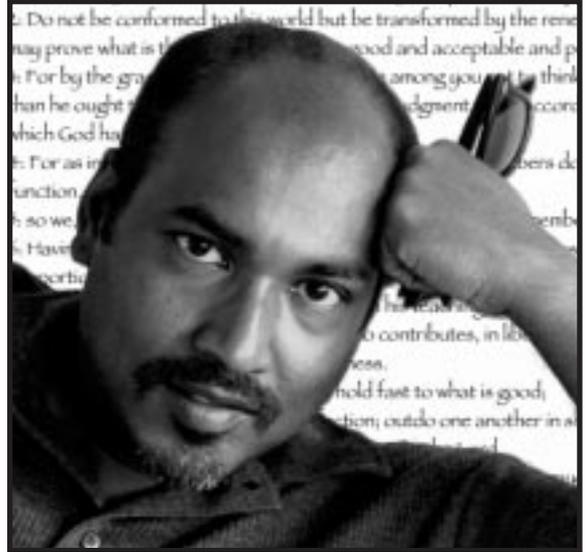
If you are hoping to work in Hollywood, one has to focus on a specific career path.

"Hollywood is the real deal. If you want to be in music, television or film, Hollywood is it. If you want to be a writer, write and if you want to be a director, direct," Timothy said.

Working in Hollywood is very different to working in the film industry abroad, even with his extensive knowledge of South Africa's film industry.

"It is very very different. There is a lot of respect for creativity in Hollywood, and when you get it right, the pay back is big. You have to understand the studio system, if you want to work in Hollywood. After all, it is an industry and not bohemian Paris at the beginning of the last century. The system has worked very well in Hollywood for over a century and will continue to do so," Timothy said.

Africa has been on Hollywood's radar screen in recent years, with a number of African films being produced in recent years - "Blood Diamond;" "the Constant Gardener;" "Catch A Fire;" "Last King of Scotland;" and "Hotel Rwanda." Even the Oscar-award winning film "Tsotsi" was developed with UK and U.S. partners. Countries like South Africa, Kenya, and Morocco are actively promoting their countries as film locations to Hollywood.



Eubulus Timothy

"The story is everything. It doesn't matter where the location is. That's why more international stories are doing well," Timothy believes.

Timothy said it is important for "Africa to tell African stories for Africa's sake." However, if you want to tell an African story for the American market, it has to be adapted.

"The U.S. market has definite needs, and if you want to tell a story for this market, you then have to tailor it accordingly. It doesn't not mean that you have to make it into a Hollywood blockbuster," Timothy advised.

"Movies are the most important medium for our generation. New media is rapidly taking over but for the present, movies are the most profound way of telling a story."

Timothy worked in South Africa as the creative designer for Shan Moodley's Front Row on Mnet. He also wrote and directed "Bridging The Gap," the first ever live broadcast from Robben Island for public television. ●

RWANDA RISING

"Americans tend not to care, and to have a very negative view of Africa, shaped by their vague understanding of negative news stories. Without exception, everyone who has seen the documentary, "Rwanda Rising," has been surprised and impressed by the people of that country. If they knew anything about Rwanda at all, it was only that something very bad had happened there; they could not have imagined the progress that has been made or how peaceful a place it is now. We feel it is important that Americans start to care, because Africa is the missing link in our global economy. We need Africa as much as Africa needs us."

— CB Hackworth, Director, Rwanda Rising



Ambassador Andy Young

Former United Nations Ambassador

Andrew Young needs no introduction - he has been a civil rights activist and top aide to Dr. Martin Luther King, Jr., served three terms as a United States Congressman, and two terms as mayor of Atlanta. He is also founding principal and Chairman of Goodworks International, a company that promotes investment in the Caribbean and in Africa. His latest venture is to change the way Africa is viewed in the United States through documentary filmmaking.

Recently Ambassador Young produced "Rwanda Rising," a documentary about reconciliation and progress in Rwanda. The film tells the remarkable story of a nation that has forgiven the unforgivable: the 1994 genocide in Rwanda during which nearly one million people were killed in just 100 days. Rwanda Rising is about a nation that is working together to rebuild their country and emerging as a model of economic growth in Africa.

Rwanda Rising opened the 2007 Pan African Film Festival in Los Angeles earlier this year to a sold out crowd and standing ovation. The film features interviews with Rwandan president Paul Kagame and former President Bill Clinton.

It was his French speaking secretary, Jamina Keritani from Rwanda, who focused

Young's attention on Rwanda's enormous progress. Many of her family members were killed during the genocide, which she escaped. When Ambassador Young attended Keritani's wedding in Rwanda, he discovered the story of Rwanda's remarkable progress. Deeply affected by how much she had been through, Ambassador Young began to wonder how he could help to tell the story of progress, a story that had not been told to the American public.

Young approached broadcast journalist CB Hackworth to partner with him on the documentary. Young funded the venture through his private foundation, which is a small fund consisting of honorariums for speaking opportunities. The purpose of the foundation is to help further a better understanding of Africa in the U.S.

Young, Hackworth, and Jamina set out to tell the story with a small camera crew accompanying them. The Rwandan government loaned a helicopter, and Jamina set up spontaneous interviews and meetings. Within 10 days, the team had gathered 40 hours of high definition footage.

"We had no agenda. We wanted to show what people are most proud of in their country, for example their schools. We did not want to show hunger, or AIDS, or

poverty, because no-one in Rwanda told us about that. We wanted to show the healing, because it is very real," Young said.

The goal of his film is to promote Africa as a destination for business and tourism.

"There's no better place to go for a family vacation than to Africa. I've been going since 1974 and I've never had a bad experience. Tourism is the key to Africa's poverty alleviation," Young stated. "People won't invest until they visit you, or know you."

Rwanda Rising the first in a slate of four films about Africa that will be finished by the end of 2007. Next, is a documentary about Tanzania.

"Ambassador Young wants to tell the positive stories of Africa he sees on a regular basis when he travels. Everyone else is telling the negative stories. He feels not enough people read anymore, and the best way to reach the biggest audience is through video," said CB Hackworth, who is now working full-time as director for Goodworks Productions.

"The film project was a 'labor of love' undertaken by Ambassador Young and funded primarily from the money he makes from speeches. It is part of a video series that he hopes will become an important part of his legacy," Hackworth concluded. ●

BUSINESS PERSON OF THE QUARTER: JEAN-RAYMOND BOULLE, JEAN-RAYMOND BOULLE GROUP

Jean-Raymond Boule, owner of the Jean-Raymond Boule Group, is the Summit Edition's Business Person of the Quarter. A Mauritian-born and African-raised mining entrepreneur, Boule has been made an Officer of the Order of the Rokel, by the Government of Sierra Leone, in recognition of the valuable contributions that he has made to the country and people of Sierra Leone over the past 30 years. The award was bestowed on Boule by His Excellency Alhadji Ahmad Tejan, the former President of the Republic of Sierra Leone.

The award recognizes Boule's faith in the people of Sierra Leone to rebuild their lives and the country following the end of its civil war. At that time, general perception was that Sierra Leone represented too high a risk to justify investment. However, Boule ignored the general perception and invested many millions of dollars in purchasing 100% of the Sierra Rutile and Sierra Minerals mines. Even during the horrific civil war, Boule, through his private companies, continued to support the local community by providing funding for agriculture, aquaculture, schools, and medical care.

Boule merged the Sierra Rutile Project and SML Bauxite Mine to form the Titanium Resources Group. In August 2005, Boule listed the company on the London Stock Exchange's Alternative Investment Market (AIM) and raised \$100 million for the company to accelerate and expand production. In addition, the Titanium Resource Group secured a loan from the EU of Euro 25 million. This was the largest financing deal in the history of Sierra Leone and placed the country firmly back on the map and open for business at the most crucial moment in its recent history, the onset of peace.

Since the successful restart of both the rutile and bauxite operations during the first quarter of 2006, Titanium Resources Group has become Sierra Leone's biggest employer

and its major exporter and generator of foreign revenue. Titanium Resources Group is of great importance to Sierra Leoneans, both symbolically and economically. The company's continued success will ensure that Sierra Leone remains an attractive target for foreign investment. Boule recognizes that the long term success of Titanium Resources Group relies intimately upon the maintenance of strong equitable and lasting relationships with the people of Sierra Leone. To help ensure that this happens, the Titanium Resources Group Foundation was established to liaise with and support the local community in the areas where the company operates.

Boule has a long and successful career in the international mining industry, including experience in mine finance, mineral exploration, and mine development. He started his career in mining with De Beers, with whom he worked for ten years in various parts of Africa and in the UK. Boule is credited with the discovery and financing of a number of multi billion dollar mines worldwide. Mr. Boule was the founder Chairman, CEO and a major shareholder of Diamond Fields Resources, (DFR) a company which achieved prominence in 1994 when it discovered one of the world's largest and richest nickel, copper and cobalt ore bodies in Voisey's Bay in Canada. DFR sold the nickel deposit to Inco and following the sale, DFR was renamed Diamond Fields International (DFI). DFI's head office is in South Africa and the company currently has active mining and exploration programmes in various countries throughout Africa. Mr. Boule is the largest shareholder in DFI.

In 1995, Boule founded America Mineral Fields (subsequently renamed Adastra



The DF Discoverer harvest diamonds off the sea floor off the coast of Namibia. A mining and processing plant can be seen behind the bridge.

Minerals Inc), whose shares were traded on the London AIM exchange and the Toronto Stock Exchange (TSX). This company was focused on the development of several world-class mining projects in the Democratic Republic of Congo (DRC), including a joint venture with the D.R.C government to re-treat the Kolwezi tailings. The Kolwezi Tailings is a world-class copper and cobalt project that ranks amongst the largest resources of cobalt in the world. The resource estimate for the Kolwezi Tailings is approximately 110 million tons of ore at an average grade of 0.32% cobalt and 1.5% copper. Adastra was purchased in August 2006 by First Quantum, a mining company listed on the Toronto and London stock exchanges.

The Jean-Raymond Boule Group's headquarters are located in Luxembourg. The main activity of the Group is the strategic investment in both private and public companies engaged in the exploration and mining industry, worldwide; for example the Group is the largest shareholder in Madagascar Resources NL, a company which has recently made a world class discovery of smelter grade ilmenite (iron titanium oxide) in south western Madagascar, called the Toliara Sands Project. Not all of the Groups activities are confined to the mining sector however as evidenced by the Group is a major shareholder along with the Government of Mauritius in the largest and most successful sugar estate and mills in Mauritius. ●

Michael J. Fry

Fry graduated from Colorado University in 1975 with a Bachelor's Degree in Mechanical Engineering. In June 1975, he joined Exxon Company, U.S.A. He held a variety of technical and managerial positions involving production operations in Texas, CA and Alaska, and international planning with Exxon Company, International. Fry was named Vice President of Exxon Pipeline Company in 1992.

In 1995, he became Production Manager with responsibility for the western U.S. In 1996, he relocated to the U.K. to become Production Director with responsibility for Exxon's interests in the

U.K. sector of the North Sea. In 1999, Fry became Director of Joint Interest Operations in the UK and Norway sectors of the North Sea, plus Netherlands and German joint venture operations for ExxonMobil Company International Ltd.

In 2001, he was named Chairman/Managing Director of Mobil Producing Nigeria and Esso Exploration & Production. In July 2004, he became Vice President, Middle East Projects for ExxonMobil Development Company in Houston, Texas.

In September 2006, he was named ExxonMobil Production Company Vice



Michael J. Fry
Vice President, Africa
ExxonMobil Production Company

President, Africa. Fry is married and has two children.

IN MEMORIAM: Dr. Terra Thomas (1947-2007)

On Friday, October 12, 2007, Dr. Terra Thomas and her 16-year old daughter Nia were killed in a tragic car accident.

Dr. Thomas was the President and CEO of Human Resources Development Institute, Inc. (HRDI) a behavioral health and human service organization with headquarters in Chicago and offices in other parts of the country. Thomas was with the agency 29 years, starting in 1978. Thomas also served as a Pediatric Psychologist Consultant for the Children's Seashore House of the Children's Hospital of Philadelphia from 1995 to 1999, where she designed the Intensive Emotional and Behavioral Day Treatment Program that provides intensive treatment and educational services to children age three to 12 years old, who are unable to function within a regular classroom setting.

Thomas also served as a consultant with Rutgers University for the Leap Academy Charter School between 1997 and 1999. For eleven years, 1983-1994, she served as an associate faculty at Northwestern University Medical School's Institute of

Psychiatry, where she provided clinical supervision to the professional staff and graduate students.

She traveled and consulted worldwide, including serving as a Technical Advisor to the Ministry of Health of South Africa; an Expert Trainer for the United Nations Drug Control Program in Western Africa; and a trainer in Cultural Competency for various diverse populations. She was a designer and trainer for various HIV/AIDS outreach education and prevention models since 1994. Most recently, Thomas was appointed as Co-Chair of CCA's HIV/AIDS Advisory Task Force, and served as Deputy President for the Board of Directors of the International Council on Alcohol and Addictions (ICAA).

Thomas held several advanced degrees that include a Ph.D. and M.A. Clinical and School Psychology from Adelphi University's Derner Institute for Advanced Psychological Studies, New York; and an M.B.A. from Northwestern University's Kellogg Graduate School of Management, Illinois.



Dr. Terra Thomas
President and CEO, the Human
Resources Development Institute (HRDI)

Thomas was a tireless leader and helped direct the HRDI beyond more than a business, but one that also served those less advantaged. The loss of Thomas is a tragic one, not only for her friends and family, but for the many that HRDI now serves. Thomas was a very supportive board member of CCA. It is a loss for the CCA family as well. She will be greatly missed.

FIRESTONE NATURAL RUBBER COMPANY

Firestone's operation in Liberia is the largest single natural rubber operation in the world. Since 1926, Firestone has planted 200-square-miles of rubber trees and built industry, rural electrification, schools, housing, roads, and medical facilities in Liberia.

Firestone's operations were not spared in the widespread destruction from Liberia's recent 14-year civil war. Despite the challenges, Firestone has remained committed to the country and its people, and is a force for progress and hope in Liberia.

- **Saving Liberia's rubber industry:** Because economic vitality depends on the rubber industry, Firestone Liberia has begun a massive rubber tree replanting program. The company is also providing 600,000 free saplings to independent local rubber farmers each year.
- **Employment:** Firestone Liberia's 6,000 employees are represented by a union and are among the highest paid in Liberia. Employees receive free housing, free medical care, free education for their children, subsidized food, paid vacation, and a pension upon retirement.
- **Education:** More than 13,000 children of employees are enrolled in 22 Firestone schools at no cost to the employee.
- **Health care:** Firestone's hospitals and clinics receive as many as 9,000 outpatient visits each month. Firestone Liberia partners with UNICEF and the Liberian Ministry of Health to store and administer vaccines and to control HIV/AIDS, tuberculosis, and malaria.
- **Supporting humanitarian efforts:** Since the program started, humanitarian cargo valued at more than \$1.35 million has arrived in Liberia on Firestone's ships.

For more information about Firestone's Liberian operations, please visit www.firestonenaturalrubber.com.

VIASAT

ViaSat produces innovative satellite and other digital communication products that enable fast, secure, and efficient communications to any location. The company brings today's new communication applications to those out of the reach of terrestrial networks.

Innovative ViaSat VSAT systems optimize bandwidth efficiency for more services to more customers at lower costs. The versatility of VSATs will fit any application economically, from low-rate to broadband. Hub-based, IP networking systems are compatible with satellite broadband standards: LinkStar(r) DVB-RCS and LinkWay(r) DVB-S2 VSAT systems, and SurfBeam® DOCSIS for satellite. LinkStar terminal shipments have surpassed 100,000, and SurfBeam shipments now total over 250,000.

Antenna systems offers more than 45 years of experience in the design of mobile and fixed antenna systems for telemetry, remote sensing, and communications.

ViaSat also supplies a range of products for net-centric military communications:

- Multifunctional Information Distribution System (MIDS) terminals, weapon data links, JTRS technology, and digital video links
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- UHF satellite networking modems, terminals, network management, and training systems
- Next generation, mobile and fixed IP networking, including the new Enhanced Bandwidth Efficient Modem (EBEM)
- RF MMICs and modules for wireless communications and antenna technology

Comsat Laboratories, the company's systems and technology design group, provides engineering and technology development for both defense and commercial projects.

ViaSat revenues surpassed \$500 million during the past year, ranking it among the Space News Technology "Top 50 Space Companies". The company has also received national recognition from *INC*, *BusinessWeek*, *Forbes*, *Fortune*, *Red Herring*, and *Business 2.0*.

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Limited Brands sells women's and men's apparel, lingerie, beauty and personal care products through its more than 3,700 stores. Headquartered in Columbus, Ohio and founded in 1963, Limited Brands operates retail brands (Victoria's Secret, Bath & Body Works, C.O. Bigelow, The Limited, The White Barn Candle Co., Henri Bendel, and La Senza) with more than 3,700 specialty stores nationwide and conduct international sales through Victoria's Secret Direct (internet/catalogue). The Company recorded sales of \$11 billion in 2006 and employs more than 100,000 associates throughout the United States.

Ted Adams serves as Vice President of Government Affairs and Social Responsibility for Limited Brands, where he develops strategies to address corporate reputation and directs all aspects of the company's government relations functions (international, federal, state, and local)

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