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Business Intelligence
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# Africa Bulletin

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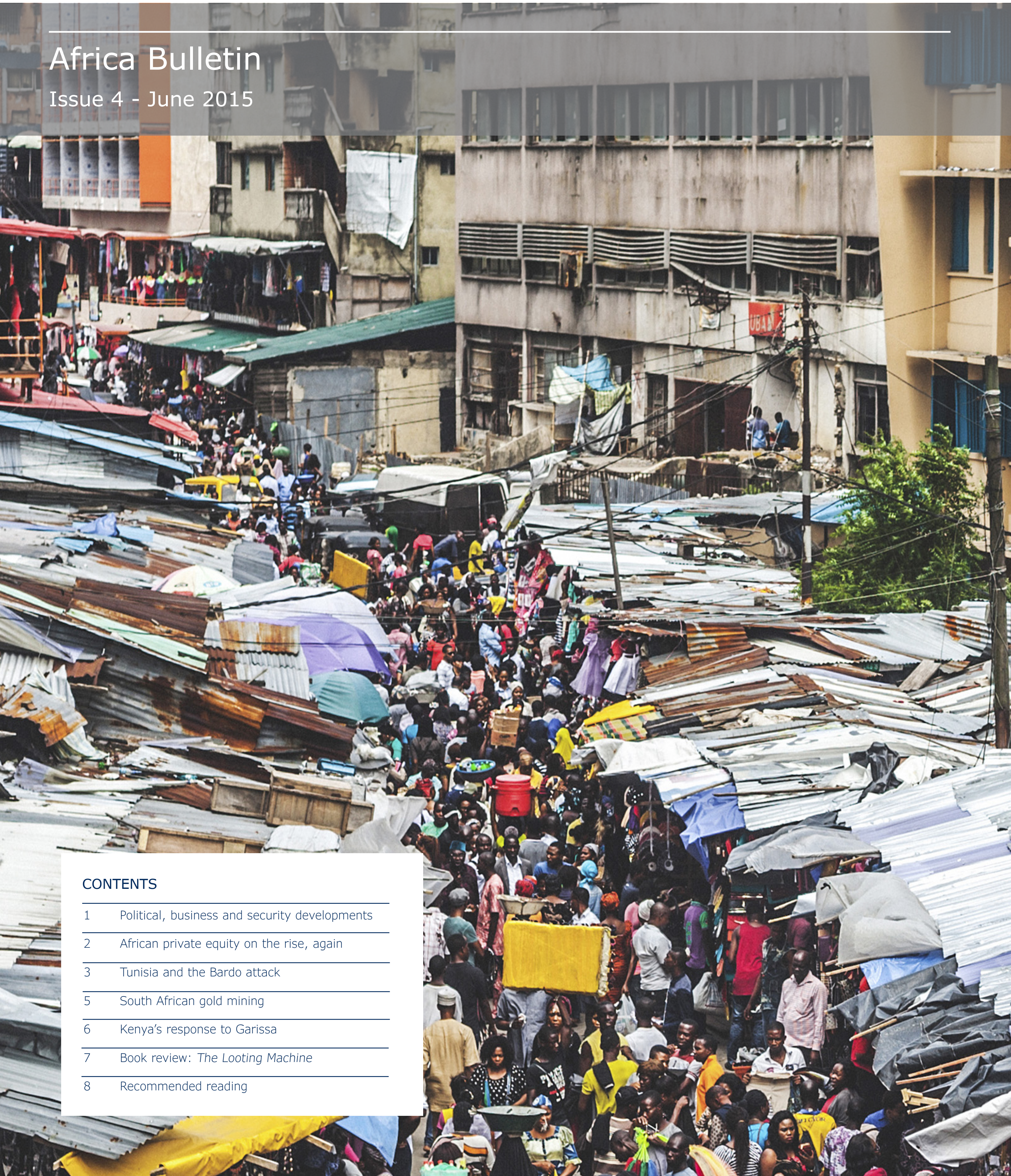


CONTENTS

# Political, business and security developments

**Suez Canal, Egypt**

## WEST AFRICA

**Nigeria**. In March 2015, Nigeria held presidential elections, which saw Muhammadu Buhari of the All Progressive Congress (APC) unseat the incumbent Goodluck Jonathan of the People's Democratic Party (PDP). The peaceful change of ruling party has been viewed as a positive step for democracy in the country. The APC has stressed its intention to deal decisively with the Boko Haram insurgency, to address endemic corruption and to diversify the Nigerian economy away from its current dependence on the oil and gas sector.

## EAST AFRICA

**Burundi.** In May 2015, Major General Godefroid Niyombare announced that the military had dismissed Pierre Nkurunziza, the incumbent president, prompting celebrations in Bujumbura, the capital. Nkurunziza subsequently returned to Burundi, denouncing the coup. The developments have split Burundi's military, with fighting between pro-Nkurunziza and pro-Niyombare factions reported in Bujumbura after Niyombare's announcement. The announcement followed several weeks of public protests against the president's plans to contest Burundi's presidential election, scheduled for 26 June 2015.

**Sudan**. In April 2015, Sudan held presidential and parliamentary elections. Opposition parties, including the National Umma Party (NUP), boycotted the ballot in protest against the candidacy of Omar Al Bashir, the president since 1989. The election was seen as an attempt by Al Bashir to extend his rule. In response to the election, the Sudan Revolutionary Front (SRF), a coalition of rebel groups, vowed to increase violence in Darfur, South Kordufan and the Blue Nile states. The election has not been recognised as legitimate by the international community and there were widespread reports of voter intimidation by government forces.

**Uganda.** In April 2015, the Ugandan government announced its intention to reduce taxes in the country's extractive sectors in an effort to attract greater foreign investment. Under the proposed tax regime, investors will only be liable to pay taxes after oil production has commenced and will not be liable for value-added tax during the exploration phase. The move is the latest taken by the government in its efforts to develop the local oil and gas sector. In February 2015, the government removed a seven-year moratorium on the issuance of oil and gas exploration licenses.

## CENTRAL AFRICA

**Gabon.** In April 2015, Etienne Ngoubou, the Gabonese Minister of Petroleum, announced that the Gabonese government was considering imposing tax penalties on Royal Dutch Shell plc. Ngoubou confirmed that the government had launched an audit of the company and was seeking payment of back-taxes of $100 million. The announcement prompted the UK Foreign and Commonwealth Office to contact the Gabonese government in an effort to improve the foreign-investment envionment in the country. Despite these diplomatic efforts, the audit is ongoing.

## SOUTHERN AFRICA

**South Africa**. In April 2015, South Africa experienced an outbreak of xenophobic violence in Durban and Johannesburg. At least seven people were killed and an estimated 2,000 foreign nationals from Malawi, Zimbabwe and Mozambique internally displaced. Although recent xenophobic attacks have exclusively targeted small business owners of African origin in low-income areas, the violence is likely to have an impact on investor confidence.

## NORTH AFRICA

**Libya.** In April 2015, delegates from Libya's two rival governments, the Tripoli-based General National Congress (GNC) and the Tobruk-based House of Representatives (HoR), met in Morocco for UN-sponsored peace negotiations in an attempt to resolve the ongoing political impasse. While previous negotiation attempts have stalled without the participation of all parties, the most recent round saw the GNC express its readiness to participate in a unity government. On 19 April, the UN envoy for Libya, Bernardino León, announced that a draft accord had been reached. However, whilst the HoR announced preliminary approval of the draft, it was rejected by the GNC. Direct talks are ongoing.

**Egypt.** In March, Egypt hosted the first Egyptian Economic Development Conference (EEDC), reportedly attracting delegations from 100 countries and 25 international organisations. Foreign investors agreed to support the Egyptian government's new mega economic projects, such as expansion of the Suez Canal and construction of a new capital city. The EEDC facilitated the signing of $33.2 billion in investment deals, as well as $89 billion in Memorandums of Understanding (MoUs), in addition to $12.5 billion in pledges of financial assistance from Egypt's allies in the Gulf Cooperation Council (GCC).

AFRICAN PRIVATE EQUITY

# Investment on the rise

Private equity activity in Africa is growing again - and evolving

By TOBY THOMAS

**Lagos Island, Lagos**

Private equity in Africa is booming. In 2014, the value of private equity transactions on the continent reached $8.1 billion, the highest total since 2007. The near future looks similarly promising, with a recent survey finding most limited partners (LPs) are looking to increase their Africa allocation over the next three years. The upwards trend seems set to endure, as investors are drawn in by the continent's potential, and concerns regarding exit liquidity and weak corporate governance continue to wane.

Unlike the growth of private equity in the West, which was driven by pension funds and characterised by the leveraged buyout, the African private equity industry was pioneered in the 1990s by development finance institutions (DFIs), such as the World Bank's International Finance Corporation and Britain's CDC Group, and investments have taken the more benign form of growth equity, with little leverage or management change. Since the 2000s, widely adopted privatisation policies across the continent have made for a more attractive investment climate, increasing appetite from conventional institutional investors.

Whilst DFIs remain the key backers of Africa-based general partners (GPs) raising funds for the first time, the make-up of larger funds is shifting towards institutional investors. In the first quarter of 2015, Abraaj Group, Development Partners International and Helios Investment Partners closed Africa-focussed funds worth a total of over $3 billion, all of which included substantial involvement from pension funds.

**PE firms that have closed the largest African funds in 2015**

| PE Firm | Date close | Fund size ($mn) |
|---|---|---|
| Helios | Jan-15 | 1,100 |
| Abraaj | Apr-15 | 990 |
| Development Partners Internat. | Apr-15 | 725 |

**Source: *Financial Times***

### AFRICA RISING?

The shape of private equity investment is reflective of the oft-maligned 'Africa rising' narrative, which sees economic growth as being powered by consumer demand from a burgeoning middle class. Consumer-driven industries have been the principal recipients of African private equity investment, with 55 percent of investment since 2007 going into telecoms, consumer goods and financials. This is partly a result of private equity investors filling the gaps left by continent's public equity markets, which (outside of South Africa) remain underdeveloped and remarkably unrepresentative of their economies.

In Nigeria, for instance, key drivers of the national economy such as agriculture, oil and gas, power and telecoms each constitute under five percent of the Nigerian Stock Exchange's capitalisation. 'Africa rising' appears to retain appeal among investors, with a recent survey finding that three quarters of LPs listed consumer goods as the most attractive area for investment over the next two years. Such common focus among private equity investors has resulted in overcrowding, particularly in competition for larger deals, but there remains significant potential among mid-market investments, which are seen by many Africa-focussed private equity professionals as the sweet-spot for investment opportunities.

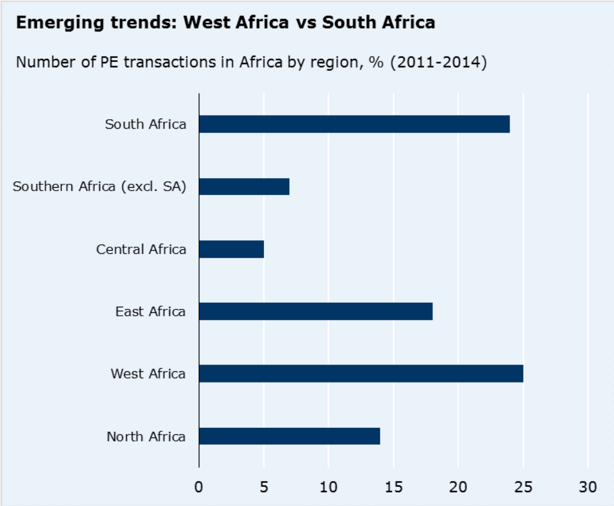
If consumer-driven industries are beginning to feel overcrowded, other areas are primed for expansion. With oil majors seeking to offload their assets following the dip in global oil prices, private equity firms are beginning to circle. In recent months, Helios Investment Partners has acquired a stake in Africa Oil Corp, a Canadian exploration company with assets in East Africa, and is reportedly forming a fund focussed on investment in the Nigerian oil and gas sector, in expectation of a surge in mergers and acquisitions activity. Meanwhile, private equity firms (particularly those backed by DFIs) retain a keen interest in the opportunities offered by Africa's infrastructure gap, with the African Development Bank estimating that $100 billion of annual investment is needed in order to achieve GDP growth of 7 percent.

Exit liquidity, which has traditionally proven an obstacle to potential investment in Africa, is improving, with a record number of African private equity exits occurring in 2014. In Southern Africa, where the industry is most mature, a third of exits occurred through secondary sales to other private equity funds. This is less of an option in the rest of the continent, where alternative exit routes are emerging. Growing levels of investment from new players, such as Chinese and Indian investors, has had an impact, whilst the gradual deepening of local capital markets is beginning to broaden the initial public offering pipeline.

IMPROVING GOVERNANCE

Private equity investment has the potential to be self-perpetuating, in its ability to attract further investment. Private equity investors have been described as the gatekeepers of good governance in Africa, due to their roles in altering board composition and driving compliance with corporate governance codes. Whilst provision of social benefits will not form the primary motivation of most investors, it constitutes a welcome side-effect, and remains a leading priority amongst those funds which count DFIs amongst their LPs. Fairview Capital Partners and Carlyle Group, two US-based GPs, reportedly conduct extensive non-traditional due diligence on their investments within Africa, focusing on the environmental, social and governance (ESG) impact of their investments.

Such concern appears to pay off. A recent Ernst & Young study of African private equity found that where governance changes are implemented, significantly higher returns are achieved than where they are not. And, as corporate governance improves across the continent, this floating tide has the potential to lift all boats.




**Source: AVCA**

TUNISIAN MILITANCY

# In the wake of the Bardo attack

## The international community responds to the militant threat in Tunisia

By ALBERT ARBUTHNOTT

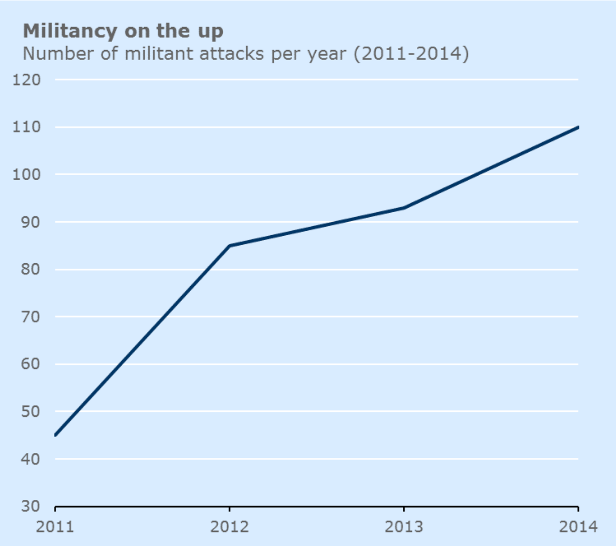
While Tunisia is widely regarded as the sole success story of the Arab uprisings, this success remains political in nature. In recent months the county's ability to effectively confront growing economic and security challenges has been undermined by growing instability across the region. This was most acutely highlighted by the Bardo National Museum attack in Tunis on 18 March 2015 in which 20 foreign nationals were killed by two home-grown militants.

While the attack itself was shocking in its brutality, in light of regional developments it should not have been unforeseen. Since the 2011 revolution, the Tunisian security forces have become increasingly overstretched by an ongoing low-level domestic militant insurgency along the Tunisia-Algeria border and the impact of 'spill over' from Libya. The emergence of Islamic State in North Africa and the Bardo attack have shown militancy to be the greatest immediate threat to Tunisia's stability.

Subsequently, in the wake of the Bardo attack, the US has elevated Tunisia to the status of a non-NATO ally of the US, a special position granted to only a few countries, promising financial and security assistance including a threefold increase in military aid and training over 2015. Tangible military aid from the US has included the supply of 52 Humvees, 12 Blackhawk attack helicopters and naval patrol boats, while other governments, including the Chinese, have donated military equipment in the form of weapons, ammunition and body armor.

FIGHTING BACK

Through an increase in high-tempo operations, in conjunction with support from Algerian security forces and regional intelligence sharing, Tunisia has scored a number of considerable successes in recent weeks. These include the killing in March of Khaled Chayeb, the leader of Uqba Ibn Nafaa, a militant group that has been held responsible for the Bardo attack, as well as a number of arrests and weapons seizures across the country. In a statement given on 29 April, Najem Gharsali, Tunisia's Interior Minister, announced that the security situation had improved in recent weeks, but stressed that terrorism remains a threat, and that Tunisians must "remain vigilant".




**Source: ACLED**

While military aid and training will have increased the capability of the Tunisian security forces to respond to the militant threat, economic growth and a distribution of its benefits through society are expected to ultimately counter the appeal of radical Islam in the country. Western financial institutions, among them the World Bank and IMF, continue to emphasise the importance of economic growth in Tunisia as the basis of progress, particularly in the marginalized interior of the country where many communities feel alienated. As of May 2015, the IMF has distributed $1.15 billion of a $1.75 billion support program to Tunisia.

Meanwhile, the French Development Agency (AFD), the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) are reportedly preparing a new line of credit for Tunisia that could reach $108 million. This will be used to support municipal investment projects, on top of previous initiatives aimed at job creation. Foreign donors and international investors have demanded significant economic reforms as a condition of their support, including an overhaul of the banking sector and the adoption of a public private partnerships bill. Such structural reforms will play a crucial long term role in boosting investor confidence in Tunisia.

Unlike the country's regional neighbours who have at times been suspicious of outside support, seeing it as interference, Tunisia has long had a close relationship with Europe and the West, accepting that international support is necessary for its survival. Fortunately for the international community, their interests are aligned with those of Tunisia - namely that democracy, economic growth and strong state institutions will ensure stability and resilience to regional shocks.

Despite renewed attention and support for Tunisia, Libya remains the greatest potential spoiler. If a unity government is not formed soon the country will disintegrate further, allowing militant groups such, as IS, to exploit the power vacuum; the effects of which could bleed across the country's porous border, threatening its neighbours. As a poster boy for progress in the Middle East, Tunisia is too important to fail.

**Tunis, Tunisia**

# Striking gold

## The next few months may be a rough ride for the gold mining industry in South Africa

By GABRIELLE REID

Unions active in the South African gold mining industry are gearing up for a fiery renegotiation of the industry's wage agreements. The major mining union, the National Union of Mineworkers (NUM), should dominate the talks. But newcomer to the gold industry Association of Mineworkers and Construction Union (AMCU) is pushing for a greater role. Having displaced NUM as the leading union in the platinum industry, AMCU has set its eye on conquering the gold mines. Recent developments suggest that growing competition between NUM and AMCU will be a key factor driving wage demands higher and higher. There are concerns that this may further damage an already fragile industry.

The previous agreement in 2013 was viewed as a good compromise between the unions and major gold mining companies, represented by the Chamber of Mines of South Africa. This year both NUM and AMCU are set on driving a harder bargain. AMCU is already proving difficult. Joseph Mathunjwa, the charismatic and candid leader of the union, has warned that "no union will fight harder than AMCU", and he has ratcheted up the rhetoric with mining companies, comparing their treatment of employees to slavery.

### AMCU-NUM RIVALRY

AMCU has a well-deserved reputation as a troublemaker in the South African economy after its debilitating (and ultimately successful) five-month strike in the platinum industry last year. Mathunjwa is keen to use AMCU's recent success as a springboard into the gold industry, where it has already built up a reasonable membership base. AMCU is determined to outdo its rival and has so far demanded more than a 100 percent wage hike, exceeding NUM's demand by 25 percent.

Entering the strike season, NUM-AMCU relations remain hostile. There have been several reports of targeted attacks, including killings, against rival union members. Violence has marred previous strikes. With NUM and AMCU positioning themselves to dominate the gold mining industry, many fear that this year's negotiations will end up as a tit-for-tat squabble between them. Mathunjwa has already disputed the Chamber of Mines' membership figures for both unions, asserting that AMCU is fast becoming the dominant player. He has also called for an audit of the Chamber of Mines' report, leading to delays in the negotiating process. However, for all its forceful intent, the AMCU's position may end up hurting workers. The union runs the risk of exceeding the actual demands of its members, and pushing the industry towards long-winded strikes, hurting the pockets of workers in the long run.

### INDUSTRY PROSPECTS

The gold mining industry is in no position to endure prolonged strikes. South Africa is the fifth largest gold producer worldwide, but the industry has been in decline since the 1990s. Recent events and labour instability in the mining sector, such as the shooting of 34 striking miners at the Marikana platinum mine, have led to a re-think of the sector, which has been followed predictably by restructuring and job losses.

**Guateng Province, South Africa**

These changes have hurt the workforce of the gold mining industry worst of all. Between 2012 and 2014, the number of gold mining company employees has decreased by 16.3 percent, far exceeding job losses in other parts of the mining sector. Given the decline in the gold price, dwindling deposits and infrastructure problems future strikes may push production levels lower still, and put more jobs at risk. Harmony Gold, one of the largest gold mining companies, has already warned of job cuts exceeding 3,000 in the coming months in response to reduced production at its Doornkop mine.

In October 2014, the Chamber of Mines cautioned that a more prominent role by AMCU in the gold mining industry and any ensuing strikes would devastate mining companies. The union has done little to suggest an alternative narrative. AMCU has snubbed major forums organised in the lead up to the negotiation process and has recently made further pension fund demands, again exceeding and outdoing other unions. Hopes for a swift negotiating season are fast fading.

# Pride and prejudice

## Kenya's response to the attack in Garissa misses the mark

By GABRIELLE REID

On 2 April 2015, the Somalia-based Islamist militant group, Al Shabaab, launched an attack against Garissa University College in northern Kenya. Three Somalis and one Kenyan infiltrated the campus, took more than 700 students hostage and subsequently killed 148 Christian students during a siege that lasted several hours. The Garissa attack was the deadliest in Kenya's history. The attack and the government's response has raised concerns about the readiness of the security and intelligence services to understand and to combat the growing terrorism threat in the country.

The Kenyan government has responded to the Garissa attack with a familiar, blanket approach that will have significant consequences for the Somali community in Kenya. The government froze the accounts of 86 Somali individuals and entities suspected of financing terrorism. These include 13 remittance firms, which provide key financial services to the Somali diaspora community in Kenya. Authorities also issued an ultimatum to the United Nations to repatriate the approximately 600,000 Somali refugees from the Dadaab refugee complex, located in Garissa County, within the next three months.

**Refugee camp in Dabaab, Garissa County, Kenya**

There is a clear rationale for improving security measures within the refugee complex. But the government's decision is disproportionate and has been widely criticised. Just as controversial, the Kenyan government has begun to construct a wall between Kenya and Somalia, which is expected to extend some 630km along the porous border at great financial cost. The government believes that this will help to keep terrorists out, but it will also harm border communities on the Kenyan side that rely on cross-border trade.

### DOMESTIC PROBLEMS? DOMESTIC SOLUTIONS?

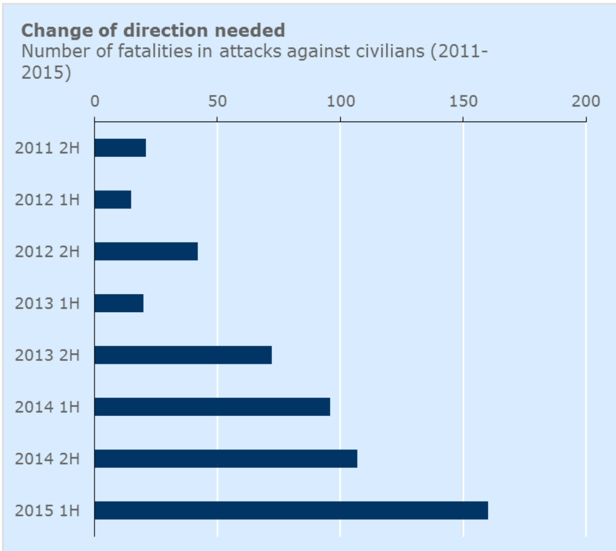
Kenyan authorities have tended to see terrorism as a foreign problem (solved by high walls and repatriation), despite evidence suggesting that terrorist attacks in Kenya have tended to involve Kenyan nationals in some shape or form. Kenya's domestic counter-terrorism policy has been rightly criticised for its narrow focus on ethnic Somali communities and for presenting Kenya's terrorism threat as a toxic import, excluding the theory that it might also have roots closer to home.

The response to the Westgate attack was a disappointing example of this. The government began relocating Somali refugees living in major urban centres, and security forces ran aggressive sweeps of ethnic Somali neighbourhoods to root out terrorist sympathisers amongst the Kenyan-Somali community. Al Shabaab and its affiliates in Kenya were hardly disrupted by such measures but the damage to the government's relationship with the already disenfranchised Kenyan-Somali community will be lasting.

While counterterrorism operations remain focused on the ethnic Somali community, Kenyan authorities have not addressed concerns that young Kenyan Muslims have proven increasingly susceptible to radicalisation and militancy. This is best exampled by the evolution of the Muslim Youth Centre (MYC), an advocacy group that has grown more and more hard-line over the past few years. MYC now has a militant wing, Al Hijra, which is affiliated with Al Shabaab.

Kenya's Muslim community, which accounts for approximately 11 percent of the population, has long claimed that the Christian-dominated government has discriminated against them. There have been sweeping arrests of Muslims during counter terrorism operations by security forces as well as claims that security forces have been involved in the extra-judicial killing of several prominent sheiks in Mombasa.

Given these developments, it is unsurprising that at least one of the perpetrators of the recent Garissa attack was a Kenyan national. The government has also stated that one of the main organisers of the attack was an ethnic Somali Kenyan. So far, Al Shabaab has benefitted from serious grievances within Kenya's Somali-Kenyan community and within its Muslim community. Some of these grievances have been exacerbated by the government's counter-terrorism operations. Kenya's counter-terrorism strategy will yield few results until addressing the grievances of the country's minorities becomes part of the solution.



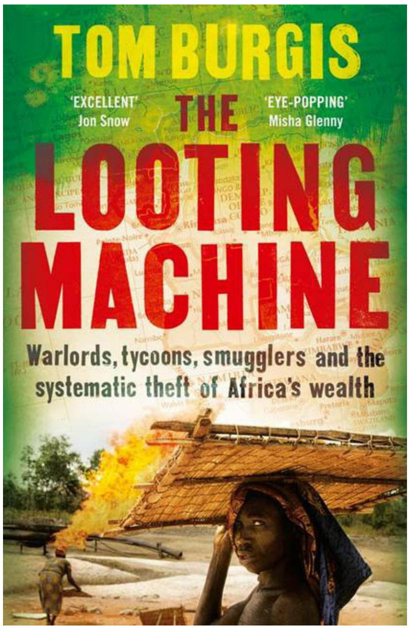

**Source: ACLED**

# Looting Africa

## Up close and personal with corruption in Tom Burgis' *The Looting Machine*

By TOBY THOMAS

In 2010, Tom Burgis, a Financial Times investigative reporter, walked through the outskirts of the northern Nigerian city of Jos, its streets lined with the charred remains of an ethnically motivated killing. Burgis forcefully contends in *The Looting Machine* that the incident was a symptom of the resource curse—the theory that oil and mineral revenues contribute towards misrule, ethnic conflict and dysfunctional economic growth. In Burgis' analysis, unscrupulous multinational companies and venal local elites are both complicit in lubricating this neo-colonial "*looting machine*".




Burgis' idea of the resource curse is in line with current orthodoxy among development economists. It goes as follows: the resource dependence of African economies creates rentier states, more reliant on resource rents than taxation. This ruptures the social contract between rulers and the ruled, resulting in a kleptocracy, whereby political elites promote their own self-interest, both through overt theft and by channelling state spending on, for instance, defence at the expense of education. Once in, they try to stay in: the world's four longest-lasting rulers are all 'Big Men' of Africa.

### CORRUPTION IN ACTION

Without a record of public service to point to, many rulers resort to the basest measure of appeal patronage of their ethnic group to shore up support, which often leads to violence. The situation is further exacerbated by 'Dutch disease', the phenomenon whereby strong currencies, inflated by high commodity prices, impede non-extractive sector exports, so that productive, job creating parts of the economy wither. So far, so familiar. But Burgis breaks new ground in his vivid, near gonzo portrayal of corruption in action, and in the stridency of his call for change.

Much of the focus of *The Looting Machine* is on the actions of the Queensway Group, a Hong Kong-based entity which is headed by Sam Pa, a former Chinese intelligence agent with a penchant for doing business with pariah regimes. On foot, on the phone and via corporate registries, Burgis pursues Pa, uncovering the Queensway Group's collaboration with Robert Mugabe's secret police in Zimbabwe, with Moussa Dadis Camera's short-lived junta in Guinea, and with the shadow state operated by the Angolan presidential coterie. Burgis is also critical of the Chinese government's recent courtship of its African counterparts, which has, he argues, been characterised by exploitation, sugared only by investment in infrastructure projects of variable utility.

Nor do Western institutions and businesses escape Burgis' scorn. The International Monetary Fund is censured for imposing the 'Washington consensus' upon African countries in the 1980s, which, the author argues, resulted in a race to the bottom for mining royalties, robbing African governments of a potential windfall from the commodities price boom of the 2000s. The World Bank's private sector arms are castigated for failing to meet their mandate of reducing poverty (and in some cases, Burgis contends, entrenching it). The actions of businessmen such as Dan Gertler in the DRC and Benny Steinmetz in Guinea, two controversial Israeli mining tycoons, are sketched in absorbing detail.

*The Looting Machine* is a gripping but gloomy read. Burgis makes scant reference to the positive effects brought by foreign investment in Africa (see page 3 for an example of its impact on local corporate governance standards). He omits to concede even the exception of Botswana, which is frequently lauded for its handling of mineral wealth. Given Burgis' argumentative position, this lack of balance is perhaps expected.

Another omission is more baffling. Whilst Burgis spends plenty of time and energy on the causes of the resource curse, he is taciturn about its solutions. This is frustrating, particularly given his emphasis on Western complicity. How does he believe anti-bribery legislation (and its enforcement) could be improved? What about recent moves to support global disclosure of beneficial ownership, or the fossil-fuel divestment campaign? Given Burgis' zeal for the subject, he doubtless has some answers. His case would have been all the stronger for them.

THE LOOTING MACHINE: WARLORDS, TYCOONS, SMUGGLERS AND THE SYSTEMATIC THEFT OF AFRICA'S WEALTH
By Tom Burgis
319 pp. William Collins. £20.00.

# Recommended reading

We present the best of the past quarter's think-tank studies and events

AFRICA CENTER FOR STRATEGIC STUDIES

'The Anatomy of the Resource Curse' (May 2015)

JR Mailey, a research associate at the Africa Center for Strategic Studies, a US government-backed think tank, explores the phenomenon of the resource curse in Africa, particularly in relation to the Queensway Group. Mailey's research informed Tom Burgis' book The Looting Machine, which is reviewed in this edition of the Africa Bulletin.

CHATHAM HOUSE

'Prospects for Democratic Consolidation in Africa: Nigeria's Transition' (26 February 2015)

General Muhammadu Buhari, the newly-elected Nigerian president, addressed an audience at Chatham House in the run-up to the 2015 general election. He discussed the challenges facing the country, including corruption, Boko Haram and the effects of the fall in oil prices, as well as commenting on the positive role that Nigeria can play in promoting democracy and security in Africa. The event was chaired by Sir Richard Gozney, the former UK high commissioner in Abuja.

CARNEGIE ENDOWMENT

'Algeria's Shale Gas Experiment' (23 April 2015)

Carole Nakhle, a scholar at the Carnegie Middle East Centre, reviews Algeria's efforts to exploit its shale gas reserves in light of a steady drop in the country's oil and gas revenues in recent years. He comments on the obstacles to shale gas production and increased foreign investment into Algeria's oil and gas sector, including security-related, legislative, and socio-economic factors.

INSTITUTE FOR SECURITY STUDIES

'Now the Election is Over, will Sudanese get Back to Real Business' (16 April 2015)

Peter Fabricius, a South African journalist, explores the impact of the recent general election on the country's National Dialogue initiative, which aims to bring warring parties around a common table to address the protracted conflict in Sudan. The initiative is widely perceived to have been a stalling mechanism by the Al Bashir administration, which has been unwilling to bend to the demands of rebel leaders. With Omar Al Bashir, the incumbent, having secured another term in office, Fabricius looks at whether it will be business as usual in the country.

INTERNATIONAL CRISIS GROUP

'Congo: Is Democratic Change Possible?' (5 May 2015)

International Crisis Group, a non-profit research institute, assesses the prospects for upcoming elections in the Democratic Republic of the Congo (DRC). The report delves into the current administration's over-ambitious election timetable, assessing the decade-long democratisation process in the country and its successes and failures in creating a credible environment for elections in 2016.

AFRICA RESEARCH INSTITUTE

'Africa Debt Rising' (22 January 2015)

Paul Adams, one of SRM's advisors, examines the pitfalls of rising debt levels in Africa and scrutinises public financial management and debt sustainability across the continent. Paul has been a consultant at the Africa Research Institute since 2014. He is a former correspondent for the Financial Times in Lagos, and for Reuters in Abidjan and Johannesburg.

# ABOUT

Since our inception in 2002, Salamanca Group has had a distinctive client proposition. We combine traditional Merchant Banking practices and values with Operational Risk expertise. Our new approach allows us to add value throughout the investment cycle and deliver holistic benefits to clients: enabling business, protecting assets and growing capital. Our integrated service offering is built on a firm foundation by combining global reach, local familiarity and in depth sector knowledge.

**Business Intelligence & Investigations** advises clients on operational and business risks, disputes and financial investigations. Strategic Intelligence supports decision-making around investments and legal strategies by providing objective reporting on strategic issues. Our services include pre-transactional due diligence on investment targets and prospective partners; investigations to support disputes and legal proceedings; and country and political risk studies for companies considering new-market entries. Compliance Services assists compliance teams with their anti-money laundering (AML) responsibilities, and investment and advisory teams with their regulatory requirements. Our services include AML reports for private banks, anti-corruption and bribery (ABC) reports for multinationals reviewing their relationships with suppliers worldwide, and background checks on senior hires and appointees for important directorships.

Through **Risk Services** we help corporate clients measure and mitigate risk onshore and offshore through: Corporate Risk Management, helping clients protect their people, property, information, reputation and share value; Cyber Security, cutting-edge solutions to identify, mitigate and manage information security threats; and, Maritime Security, from transit protection and port security through to physical security.

# RISK SERVICES AND BI&I IN AFRICA

Salamanca Group has regional offices in Ghana, the Democratic Republic of Congo, South Africa, and Libya, as well as consultants based in Algeria. Lord Triesman (Director), a former Minister for Africa in the UK Government, and Martin Devenish (Group Head of Strategy), who joined us from Goldman Sachs, advise our teams on political and business issues across the region. We are also supported by Paul Adams (Advisor), who has over 25 years' experience working across sub-Saharan Africa. He is a former correspondent for The Financial Times and Reuters in Ivory Coast, Nigeria and South Africa. In North Africa, our Arabic and French speaking analysts are supported by Alastair Campbell (Consultant), the former UK Defence Attaché in Egypt.

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