Hogan Lovells

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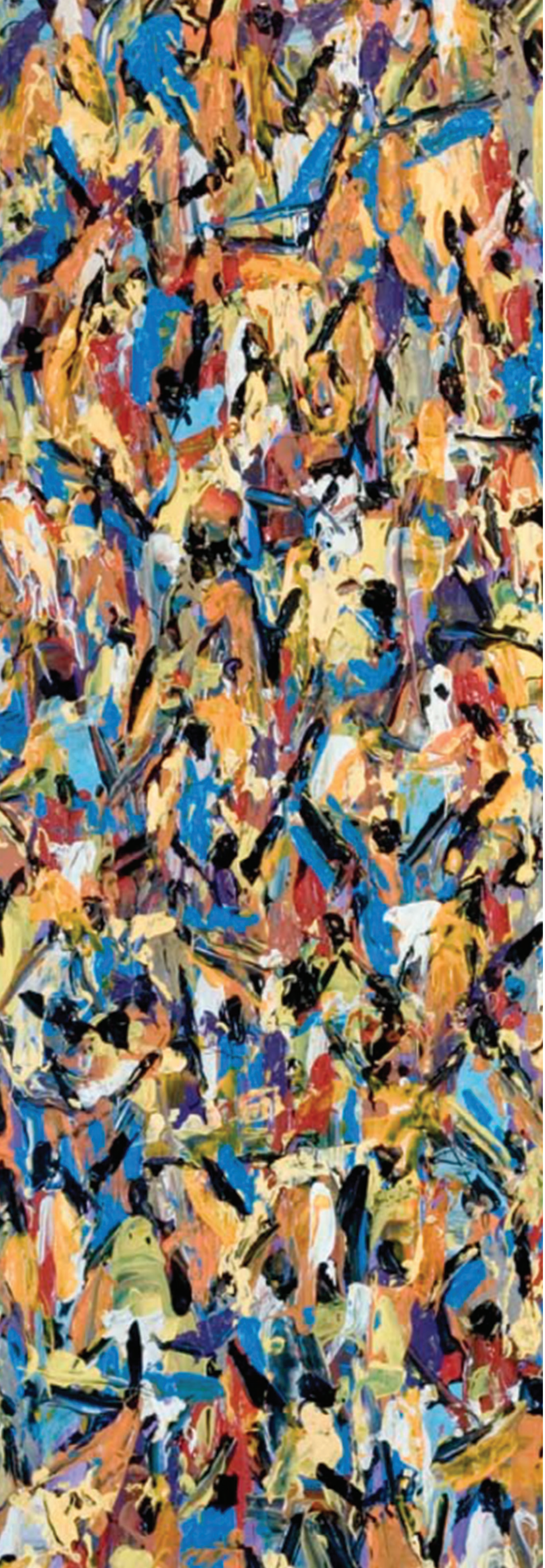

Introduction

Welcome to the May 2014 edition of the Hogan Lovells Africa newsletter.

In this edition of the newsletter we report on the new developments in the COMESA merger control regime. We look at East Africa Community (EAC) integration, providing an assessment of the growth prospects and challenges faced by the EAC as it moves towards better economic competitiveness. Staying East, we also review Foreigners' Land Rights in Tanzania.

We also consider points raised by academics in relation to large hydropower projects, and if they are consistent with reality.

From South Africa we highlight the amendments to the Mineral and Petroleum Resources Development Bill that have been approved, and also look at fixed term contracts, following the passing of the Labour Relations Amendment Bill in March this year.

We also bring you an article from Mauritius, and report on a recent road show visit made by our Johannesburg office to our Hong Kong and Beijing offices, earlier in the year.

In a roundup of our work in Africa, we summarise some of our recent African transactions, including our Pro Bono work supporting South African NGO Coaching for Hope and the Olievenhoutbosch Disability Centre, situated in the outskirts of Pretoria.

We hope you enjoy this newsletter, and as always, please get in touch with any questions.

Best wishes

The Hogan Lovells Africa team

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New developments in the COMESA merger control regime – on the path to maturity

The Common Market of Eastern and Southern Africa ("COMESA") is a supranational organisation with 19 Member States: Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

The COMESA Competition Commission ("CCC") commenced operations on 14 January 2013 and implements a supra-national merger control regime (as well as other competition provisions) under:

- the COMESA Competition Rules
- the COMESA Competition Regulations 2004 (the "Regulations")
- in a nutshell, the COMESA merger control regime is based on the following rules
- zero turnover or asset thresholds apply. Any transaction where at least one party operates in two or more COMESA Member States may be notifiable (however, see below on Article 3(2) of the Regulations)
- mandatory filings to the CCC must be made within 30 days from the decision to merge. Failure to notify results in the transaction being unenforceable in the COMESA region
- a filing fee is payable based on the lower of: 1) $500,000; or, ii) 0.5% of whichever of the parties' combined annual turnover or combined asset value in the COMESA region is higher
- according to the legislation, "all parties to the merger are obliged to individually submit a notification to the CCC with the exception of a hostile bid where only the acquiring party must submit a notification". On a strict reading, each party would therefore be required to submit a filing and pay the full filing fee. However, in its draft guidelines, the CCC has adopted a more lenient interpretation and in practice will accept joint notification or notification from either party and payment of a single fee in respect of that filing. There can be an agreement between the parties as to how to split the fee
- while there is some discussion around this point, it seems that once the parties notify a transaction they do not have to suspend it pending the CCC's approval
- the CCC has 120 days to review a notified transaction but it can request an extension
- the substantive review takes into account competition and public interest grounds.

The regime was heavily criticised from the beginning, which led COMESA to publish draft Merger Assessment Guidelines in April 2013. While these guidelines did provide some clarification, a number of issues remained unresolved.

The main points of criticism are the thresholds being set at zero, the low degree of local nexus required, the high filing fees and the ambiguity as to whether the regime constitutes a "one-stop shop", replacing the need for filing in each of the member states. In response to these criticisms, the CCC, in collaboration with the International Finance Corporation of the World Bank, has engaged a consultant to review the merger provisions of the Regulations, including the zero thresholds, local nexus, effect on competition (see below on Article 3(2) of the Regulations), one-stop-shop, and filing fees. In this regard, a first workshop discussing the suggested amendments took place in April 2014, and a second one is expected to be held over the summer. The first workshop focused on finalising the draft Merger Assessment Guidelines and in particular the interpretation of Article 3(2) – see below. The CCC's intention is to finalise the draft Merger Assessment Guidelines after the second workshop, and eventually issue additional Guidelines.

These are obviously encouraging steps, but the CCC has also taken informal steps to make its regime more pragmatic with immediate effect. Specifically, the CCC has used Article 3(2) of the Regulations, which provides that the COMESA merger rules apply only to transactions "**which have an appreciable effect on trade between Member States and which restrict competition in the Common Market**". The absence of turnover thresholds could have led to the interpretation that all mergers in which either or both of the parties generates turnover in two or more COMESA members states would be caught by Article 3(2). But this is not the interpretation that the CCC has adopted for parties that decided to approach the CCC to find a practical solution for a transaction which lacked sufficient nexus with COMESA and did not restrict competition. In fact, we understand that the CCC has issued 5 "comfort letters", including one for one of our clients, which in essence exempted the transactions from the need for a complete notification, and therefore from the payment of the high filing fees. The basis for these "comfort letters" was the absence of appreciable effect on trade between COMESA Member States and the absence of any restriction of competition in the COMESA Common Market.

In practice, a three-step process was followed:

- the parties (or one of them) sent an informal letter to the CCC explaining that they/it considered that the COMESA merger rules did not apply because the proposed transaction did not meet the requirements of Article 3(2) of the Regulations
- the CCC invited the parties (or the party) to submit a "bare bones" filing to enable it to assess whether the requirements of Article 3(2) of the Regulations were met (the "bare bones" filing was not accompanied by any filing fees)
- on the basis of such a "bare bones" filing, the CCC issued a "comfort letter" exempting the proposed transaction from a complete notification, and therefore from the payment of any filing fee.

It is important to note that the assessment whether the requirements of Article 3(2) of the Regulations are met is one that can only be made by the CCC itself. The CCC has explicitly stated that any unilateral self-assessment by the parties or their lawyers of whether the requirements of Article 3(2) are met is therefore not permitted.

This is a welcome and pragmatic clarification of the applicability of the COMESA merger control rules. It is indicative of an approach by the CCC of encouraging companies doing business in the region to engage constructively with COMESA's merger control regime, rather than to seek ways of avoiding it. Hopefully, this informal process will be "codified" with the on-going review procedure, which will also resolve the other ambiguities of this newly operational merger control regime, which seems to be progressively maturing.

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East Africa Community integration

Moving towards economic competitiveness

Introduction

There is great opportunity for the East African Community (EAC) to move towards better economic competitiveness through integration. The EAC is East Africa's regional intergovernmental organisation. Its current members are Kenya, Tanzania, Rwanda, Uganda and Burundi. It is widely considered to be the most integrated regional bloc in Africa. The EAC Partner States have a combined GDP of USD 110 billion and a population projected to reach to 150 million by 2015. In the past four years of EAC's fourteen year history, steps towards integration have gained momentum. The EAC continues to attract new prospective members; South Sudan's application for membership is expected to be decided in the course of this year.

Growth Prospects

Recently declared commercially viable discoveries of oil and gas in the region have raised the prospect of rapid economic growth. Nonetheless, despite its comparatively smaller economies, EAC integration has given it an edge in economic competitiveness that is yet to be achieved by its Southern and West African counterparts. As a result of integration, there has been an increase in cross border investment attributable to the removal of trade barriers, and investment in infrastructure. The United Nations Economic Commission for Africa (UNECA) reported that between 2000 and 2012 intra-regional exports by destination averaged 19.5% compared to the Southern African Development Community (SADC) which averaged 10.9% and the Economic Community of West African States (ECOWAS) with 8.7%.

Significant steps have been taken towards realising the EAC's objectives of an effective Customs Union, Common Market and Monetary Union, all of which came into force in 2005, 2010 and 2013 respectively. The EAC Treaty envisages that the Community will gradually move towards the formation of a political federation.

Customs Union

Under the Customs Union, free movement of trade will be achieved within the EAC; this includes the removal of internal tariffs and adopting a Common External Tariff (CET). The current applied CET is 25% for finished goods, 10% for intermediate goods and 0% for raw materials. Following a Single Customs Territory deal in October 2013 between Kenya, Rwanda and Uganda, there is expected to be an enhanced degree of free movement of goods and services in those countries.

The Common Market

The objective of EAC's Common Market is to operate a single market with common trade laws, common taxes and critically, the free movement of labour, capital, goods and services. The EAC Common Market Protocol was established in July 2010. Since then, there has been slow progress towards the attainment of its purpose.

Nonetheless, the growth of the single market is supported by private sector initiatives such as the East African Commodities Exchange (EAX). The EAX which is based in Kigali Rwanda was launched in Switzerland in January 2013; its first transaction was recorded in November 2013.This platform links smallholder farmers to advanced financing models whilst also providing competitive prices for their produce through the regional commodities exchange.

It is also notable that in 2013, the East African Securities Regulatory Authorities group, the umbrella body of regional capital markets regulators, launched a four year strategic plan for the harmonisation of a capital markets regulatory and legal framework within the EAC. The ultimate goal is the complete integration of East Africa's capital markets.

In addition, there is also free movement of labour between Kenya and Rwanda. The two countries have removed work permit fees for all EAC citizens. Amongst EAC's other notable achievements is the harmonisation of immigration procedures at all border crossings.

Monetary Union

In order to further enhance economic integration, the Monetary Union Protocol was agreed to by all current Partner States on 30 November 2013. The EAC Monetary Union is expected to come into force in 2024. Tough conditions have been set for admission into the Union. These include a public debt ceiling of 50% of GDP; a forex reserve cover of four and a half months; a fiscal deficit ceiling of 6% of GDP; a core inflation ceiling of 5%; a tax to GDP ratio of 25% among others. It is hoped that these measures will achieve fiscal stability.

Political Federation

The EAC Political Federation is yet to be realised. In this regard, EAC Heads of State are scheduled to deliberate on an action plan and draft model structure in April 2014. Present consultations are centred on the process of sensitizing citizens on the impact and consequences of a political federation, to allow for an informed decision making process. Although the EAC Treaty provides for the creation of political federation, it does not define how it will be achieved.

Infrastructure

Moreover, EAC Partner States have intensified efforts to improve infrastructure in the region in order to facilitate increased trade. The most prominent example of this is the USD 26 billion Lamu Port Southern Sudan-Ethiopia Transport (LAPSSET) Corridor project. The project will create a transport corridor through Kenya, South Sudan, Ethiopia and Uganda. It includes the construction of a road network, a port, oil pipelines, an oil refinery, airports and resort cities. The project is expected to be complete by 2018.

Furthermore, a railway network linking Kenya, Uganda and Rwanda will be constructed in line with the Partner States' Tripartite Agreement for the development and operation of a standard gauge railway. Tanzania also intends to invest massively in its transport infrastructure; the country intends to embark on a USD 10 billion project which includes the building of a new port, the establishment of a special economic zone and the construction of a railway network. Moreover, plans are underway to build a railway line which will connect Rwanda, Burundi and Tanzania.

Challenges

The focus on regional infrastructure development will boost regional trade, investment and integration and make the region economically competitive. Nonetheless, progress towards full integration will continue to be slow unless an equal measure of attention is granted towards implementing a framework for free movement of trade within the EAC. This includes the harmonisation of trade laws, macroeconomic, investment and tax policies; on which no significant progress has been made. Restrictions to trade and foreign direct investment still exist within the EAC, with Tanzania and Burundi having the highest number of restrictions. New restrictions were introduced by Tanzania, Uganda and Rwanda on the free movement of capital after July 2010, which marked the operation of the Common Market Protocol. In respect of goods, more than 50 non-tariff barriers have been identified.

Although there have been infrastructural and fiscal challenges posed to the economic competitiveness of the EAC, one of its greatest obstacles is the apparent protectionism against loss of sovereignty. The now common phrase, 'Coalition of the willing' is used to describe those Partner States that are perceived to be more keen to progress the integration process. Nonetheless, it is arguable that the current fault lines on this issue are attributable to bureaucracy in the decision making process and weaknesses in the mechanisms for implementation.

In conclusion the integration of the EAC, albeit slow, is the most encouraging among regional blocs on the continent. The EAC's economic competitiveness can be further boosted by the implementation of frameworks for free trade.

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Mineral and Petroleum Resources Development Bill

In *Mining Alert 2/2013* and *3/2013* we discussed the Cabinet approval of the Mineral and Petroleum Resources Development Bill 2012, at the end of May 2013, for tabling in Parliament, and some of the more important proposed amendments.

In this Alert, we highlight the amendments in the Mineral and Petroleum Resources Development Bill (MPRDA Bill) that have been approved. This Alert is not meant to be exhaustive, in any manner, and readers are encouraged to seek advice in respect of the proposed amendments and the potential consequences.

Following the commencement of certain of the provisions of the Mineral and Petroleum Resources Development Amendment Act 49 of 2008 (the 2008 MPRDA Amendment Act), the Cabinet approved the MPRDA Bill at the end of May 2013, for tabling in Parliament. The draft Bill was published for comment in December 2012.

The MPRDA Bill was approved by the National Portfolio Committee (NCOP) on Mineral Resources on 6 March 2014, and Parliament approved the MPRDA Bill on 12 March 2014.

The MPRDA Bill will now be sent to the State President to sign. After the State President has signed the MPRDA Bill, the date for the commencement of the amendments will be published in the Government Gazette.

This Alert focuses on certain of the key amendments that will affect the mining sector and will therefore not address the amendments in the MPRDA Bill in respect of the petroleum sector.

Stated purpose of the bill

The stated purpose of the MPRDA Bill is to amend the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA) as amended by the 2008 MPRDA Amendment Act; so as to remove ambiguities that exist within the Act; to provide for the regulation of associated minerals; partitioning of rights and enhance provisions relating to beneficiation of minerals; to promote national energy security; to streamline administrative processes; to align the MPRDA with the Geoscience Act, 1993; to provide for enhanced sanctions, to improve the regulatory system; and to provide for matters connected therewith.

Associated minerals

The amendments aim to improve the situation regarding associated minerals. The definition of "associated mineral" includes any mineral that occurs in mineralogical association with and in the same core deposit as the primary mineral being mined in terms of the mining right, where it is physically impossible to mine the primary mineral without also mining the mineral associated therewith.

However, the ability to lawfully mine associated minerals is subject to compliance with the requirements set out in the amendments to section 102 of the MPRDA. The amendments include the insertion of section 102(3), which provides that any right holder mining any mineral under a mining right may, while mining such mineral, also mine and dispose of any other mineral in respect of which such holder is not the right holder, but which must of necessity be mined with the first mentioned mineral provided that the right holder declares such associated mineral or any other mineral discovered in the mining process.

The MPRDA Bill inserts section 102(4) of the MPRDA, which provides that the right holder contemplated in section 102(3) must within 60 days from the date of making the declaration of the associated mineral apply for an amendment of its right to include the mineral that has been declared, failing which a third party may apply in terms of section 16, 22 or 27 of the MPRDA as the case may be for such associated mineral.

Inclusion of historical "dumps", residue stockpiles and residue deposits

The amendments are aimed at firmly including residue stockpiles and residue deposits, under the ambit of the MPRDA, together with historic "dumps".

The amendments include changes to the definition of "land", which will include residue deposits and residue stockpiles. The proposed amendments to the term "mine" also include specific reference to residue deposits and residue stockpiles.

The term "residue stockpiles" is also included in the definition of "mining operation".

In addition to specifically incorporating residue stockpiles and residue deposits in the various definitions, section 42A(1) provides that all historic residue stockpiles and residue deposits currently not regulated under the MPRDA belong to the owners thereof and continue in force for a period of two years from the date on which the MPRDA Bill is promulgated.

This means that current owners of residue stockpiles and residue deposits will remain the owners for two years, during which they are required, in the case where the residue deposit or residue stockpile is on a mining area, to apply for amendment of the mining right to include the residue stockpile, and in the case where the residue deposit or residue stockpile falls outside of the mining area, to apply for a mining right or mining permit.

Beneficiation
The term "beneficiation" is to be amended to mean the transformation, value addition or downstream beneficiation of a mineral to a higher value product, over baselines to be determined by the Minister, which can either be consumed locally or exported.

Section 26 of the MPRDA will be amended to provide that the Minister must, in order to regulate the mining industry to meet national development imperatives and to bring optimal benefits for the Republic, initiate or promote the beneficiation of mineral resources in the Republic to, among others, develop local capacity, designated certain minerals as "designated minerals". The Minister is also required to publish conditions in the Government Gazette, required to ensure security of supply of mineral resources for local beneficiation in the prescribed manner.

Once minerals have been designated for local beneficiation, the producer of the designated minerals must offer a prescribed percentage of its production of minerals or mineral products in prescribed quantities, qualities and timelines at the mine gate price or agreed price, to the local beneficiators. The "mine gate price" is defined to mean the price (excluding VAT) of the mineral or mineral product at the time that the mineral or mineral product leaves the area of the mine or the mine processing site, and excludes charges such as transport and delivery charges from the mine area or the mine processing site to the local beneficiator.

In terms of section 26(d), no person other than a producer or an associated company of the producer, in respect of its own production and who has offered to local beneficiators a prescribed percentage of its production of minerals or mineral products in prescribed quantities, qualities and timelines at the mine gate price or agreed price, may export any designated minerals or mineral products without the Minister's prior written approval. This effectively means that third party exporters may not export designated minerals without ministerial approval.

In summary, section 26 is amended to require the Minister to designate mineral or mineral products for local beneficiation, and once a mineral or mineral product is designated, producers of the designated minerals must offer a prescribed percentage of its production of minerals or mineral products in the prescribed quantities, qualities and timelines, at the mine gate price or the agreed price, to local beneficiators. Third party exporters, persons who do not actually produce the minerals or mineral products, may not export designated minerals or mineral products, without ministerial consent.

The principle "first come first served" will no longer apply
The MPRDA Bill proposes the deletion of section 9 of the MPRDA, which provides for the "first come first served" principle in relation to applications for rights, and its substitution with a provision that the Minister may by notice invite applications for rights. The Minister will be granted the right to periodically invite applications by notice in the Gazette. The stated purpose is that the invitation process will ensure coordinated quality approvals by the department that meaningfully contribute towards the fulfilment of the objects of the MPRDA.

Partitioning of rights and ministerial consent – section 11 and 102 of the MPRDA
The MPRDA Bill substitutes section 11(1) of the MPRDA with a new subsection, which provides that a right or a part of a right (prospecting right or mining right), may be ceded, transferred, encumbered, let, sublet, assigned or alienated with ministerial consent, and subject to such conditions as the Minister may determine. The current provisions of section 11(1) of the MPRDA do not make provision for partitioning of rights.

In addition to the partitioning of rights, section 11(1) of the MPRDA will require ministerial consent in the event of any cession, transfer, etc of an interest in any prospecting or mining right or in an unlisted company or a controlling interest in a listed company, where such unlisted company or listed company holds the prospecting right or mining right, or an interest in any such right.

The MPRDA Bill inserts section 11(2)A, which provides that the transfer of a part of a prospecting right or mining right must be granted if the application for such transfer is accompanied by an application in terms of section 102 to vary the right, the transferee has simultaneously lodged an application in terms of section 16 (prospecting right) or 22 (mining right), as the case may be, the applicant has complied with the requirements contemplated in section 17 (prospecting rights) or 23 (mining rights), as the case may be, and the applicant has been granted a prospecting right or a mining right to which the transfer relates.

The MPRDA Bill amends section 102(1) of the MPRDA by the substitution of a new subsection that includes a requirement for ministerial consent for the amendment or variation of an approved Social and Labour Plan or an Environmental Authorisation (which is substituted for Environmental Management Programmes), and includes any application for amendment or variation for the extension of the area covered by the relevant right or by the addition of minerals, or a share or shares or seams, mineralised bodies or strata, which are not at the time the subject thereof.

The MPRDA Bill inserts section 102(2) of the MPRDA, which provides that the amendment or variation referred to in section 102(1) of the MPRDA shall not be made if the effect of such amendment or variation is to (a) extend an area or a portion of an area within an area or portion of an area greater than the area for which the right has been granted for, or (b) add a share or shares of the mineralised body, unless the omission of such area or share was a result of the administrative error, or (c) addition of a mineral other than an associated mineral subject to subsection (3) and (4).

Increased sanctions

The MPRDA Bill amends section 99 of the MPRDA, and changes from specified fines, to fines based on a percentage of the right holder's annual turnover in the Republic and its exports from the Republic during the preceding financial year. The percentages are between five and ten percent, depending on the nature of the offence.

Where it is not possible to establish the recent annual turnover of any offender, maximum fines are specified.

Time frames

Relevant time frames in the MPRDA will be amended, to reflect time frames as prescribed by the Minster, from time to time. The MPRDA Bill states that the time frames will be prescribed and fixed in the Regulations. It also states that the time frames will not detract from the standard practice of 30, 60 and 90 days, where applicable.

Consent for change of control

The MPRDA exempts listed mining companies from obtaining ministerial consent if the listed company undergoes a change in control. In terms of the MPRDA Bill, ministerial consent will be required in relation to listed mining companies, if there is a change in control. In addition, ministerial consent will be required if there is any change in shareholding for non-listed companies that hold mining rights or exercise control of such holders.

The MPRDA Bill has now included a definition of "controlling interest" in two parts, namely in relation to a company, where a "controlling interest" means the majority of the voting rights attaching to all classes of shares in the company, and in relation to any other business, any interest which enables the holder to exercise directly or indirectly any control whatsoever over the activities or assets of the business.

Community involvement

The MPRDA Bill provides that if the mining right application relates to land occupied by a community, as defined, the Minister may impose conditions that the Minister believes are necessary to promote the rights and interests of the community.

Integrated licensing approach
The MPRDA Bill promotes an integrated licensing approach in respect of mining rights, environmental authorisations and licenses for the use of water.

The MPRDA Bill confirms that the Minister (of Mineral Resources) is the competent authority to implement mine environmental management in terms of the National Environmental Management Act, while the Minister of Environmental Affairs is the competent authority to develop, review and amend legislation, regulations and policies relating to mine environmental management.

Objections and appeals
The MPRDA Bill makes provision for objections to the granting of a prospecting right, mining right, or mining permit. If an objection is received, the objection must be referred to the Regional Mining Development and Environmental Committee (REMDEC) to consider the objections and to advise the Minister thereon. If an objection is received, the objection may also be referred to the applicant with an instruction to consult with the objecting person and if agreement is reached, the agreement must be recorded in writing.

Further, if a person appeals against the granting of a right or the approval of an environmental authorisation, and provided that the appeal has been lodged within the prescribed period, the notarial deed of granting shall not be executed until such appeal has been finalised.

This effectively means that, even where a right or an environmental authorisation has been granted, if an appeal is lodged, the holder of the right cannot commence the prospecting or mining operations.

Summary and conclusion
The MPRDA Bill makes far reaching changes, impacting on all aspects of mining operations and must be carefully considered by shareholders.

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An academic view of large hydropower projects – is it consistent with reality?

A report recently published by members of Oxford University's Said Business School[1] has sought to challenge the viability of modern mega-dams with the following conclusions:

1. they are too costly, often overrun budget and are rarely operational on time
2. as a result, there is a risk to the economic viability of developing nations
3. governments and companies should pursue smaller-scale hydropower projects or alternative sources of renewable energy altogether.

In this article, we consider these points to determine whether or not the academic view of large hydropower projects is a fair and accurate analysis in the context of Sub-Saharan Africa (**SSA**).

Cost & timing

The report draws upon a significant amount of empirical data to support its assertions regarding cost and time overrun. In relation to cost, the statistics include:

- three of every four large dams suffer a cost overrun
- actual costs are more than double forecasts for two in ten large dams and more than *triple* for one in ten.

So far as time is concerned, the report concludes that construction periods are too long and even then, are often subject to delay. For example, a large hydropower project is said to take 8.6 years from the start of construction through to commercial operations, and eight of every ten projects suffer an overrun with average delays being by 44% (or 2.3 years) against budget.

This data clearly highlights the inefficiencies of large hydropower projects and potential obstacles to their future development. However, aside from potential flaws in the data gathering process,[2] the following two key observations can be made as a counter to these findings:

Other project types

Most project types suffer some cost or time increase and the underlying causes often have nothing to do with technology. There may be political instability, conflict, corruption or logistical obstacles – these issues are common to all project types. The impact may indeed be felt more in the case of larger projects where potential investment, and therefore, potential loss, is greater but again, the type of technology is on the whole, not relevant.

Industry advances

The report relies on historical information – researchers studied 245 large dams built between 1937 and 2007. It fails to acknowledge the numerous lessons learnt in the sector over time – Richard Taylor, executive director of the International Hydropower Association, recently said "*the scope of expectation around project development, the knowledge and understanding that exists today, is way in advance of what it was in the [20th century]. It would be really erroneous to imply that no learning has taken place*".[3]

This opinion is also evident in a recent World Bank Appraisal[4] regarding the planned Inga III project in the Democratic Republic of Congo. This appraisal purports that the project has "*benefited from a rich menu of lessons learned from hydropower operations in Africa and beyond*", including:

- better negotiation of contracts with investors and power offtakers
- the necessity of the allocation of sufficient resources and time for the preparation of feasibility studies and associated safeguard instruments
- comprehensive technical assistance provided for project preparation
- adequate coordination among stakeholders.

1 March 2014, 'Should we build more large dams? The actual costs of hydropower megaproject development', Ansar, Flyvberg, Budzier and Lunn.

2 First, the report makes a strict binary comparison between initial construction estimates and eventual project costs and time taken (and fails to take into account the operating life of a project and evolution into a more accurate model). Second, the report makes global generalisations based predominantly on an analysis of information collected in relation to parts of Asia and the Americas – it does not consider in detail experiences of other regions such as Africa.

3 10 March 2014, 'Mega-dams economically unviable – Oxford report', Thomson Reuters Foundation..

4 5 March 2014, 'International Development Association Project Appraisal Document on a Proposed Grant to the Democratic Republic of Congo for an Inga 3 Basse Chute and Mid-Size Hydropower Development Technical Assistance Project', World Bank (Report No: 77420-ZR).

These lessons, together with technological innovation, advances in project management during the planning, construction and operation phases of a project, and significant improvements in relation to competition, transparency and risk allocation (improvements in their own right but also major contributors to better cost and time management), mean that the process has clearly developed for the better since the time of the projects considered in the report.

Is there a risk to the economic viability of developing nations?

The consequence of time and cost overrun for sponsors and lenders is obvious – risk of delay or non-completion leads to concern about a project's potential return and therefore, the decision to invest.

There is also an impact on the local economic environment. A government may commit significant political support, resources and time towards a project. If it is ultimately unsuccessful, slow-delivering or costly, there may be consequences for the local economy (in particular, where the government's focus has been drawn to such opportunity at the expense of alternative and more feasible options).

This risk is exacerbated by the increasing scale of hydropower projects with the report stating that such is the enormity of some modern large dam projects there is the potential to threaten "*the economic viability of [a] country as a whole*".

However, if one is to highlight increased risks based on scale, there should also be consideration of the related benefits. The potential for greater returns attracts stronger, larger and more sophisticated investors who have the experience and expertise to take such projects through to a successful completion.

In addition, larger projects may in fact be necessary for the future sustainability and economic viability of regions such as SSA – households and businesses should benefit from regular, stable, less-expensive and, of course, cleaner energy.

Inga III promises to realise these objectives and if the wider "Grand Inga" strategy to bring 40,000MW on-line is successful then more than 500 million people in SSA could benefit – such a bold vision has to be considered when looking at the future of large hydropower plants.

Should we consider smaller hydropower projects or alternative energy sources?

The report states that smaller, more flexible projects should replace the role of large dams, owing to their efficiency and lower costs. In the same way as we cannot just write off large hydropower projects, there is no single optimal approach. An energy mix (in terms of project type and size) is the solution to developing more rapidly and to achieving levels of output which can make a difference. Smaller projects can help address regional security of supply concerns whilst the larger projects should lead to fundamental change.

How this is implemented will depend upon the demands, infrastructure and range and availability of energy sources of a particular region. The consequence for SSA is that, whilst there is potential for alternative power generation to fulfil the required energy mix, large hydropower is likely to assume a major role, as illustrated below:

Energy infrastructure: The region suffers from an under-developed transmission and interconnection system, a chronic energy shortage and limited off-grid opportunity. These three items are detrimental to the idea of a market based entirely on small, alternative power generation.

The key issue is infrastructure – large centralised projects are more likely to attract the necessary investment to realise the need for integrating communities into national grids and an interconnected regional system. Once established, there will then be a platform for smaller programmes.

The sector's association bodies (such as the International Hydropower Association, in its most recent global outlook), governments[5] and institutional investors all recognise this issue with a resulting, and significant, increase in private and public funding being devoted towards the concurrent development of the energy infrastructure and large hydropower projects.

Abundance of hydro opportunity: The potential for hydropower in Africa is huge, perhaps more so than any other energy source, and has the ability to transform SSA's energy market – it is estimated that only 5% of SSA's hydropower potential is currently harnessed.

5 See UN World Water Development Report, 'Managing Water under Uncertainty and Risk' (12 March 2012).

Political will: It is often the case that an enabling environment and project flow follows political will. In 2012, African Heads of State endorsed a set of energy projects to be implemented by 2020 as part of the Programme for Infrastructure Development for Africa (PIDA) which focusses on major hydroelectric projects and interconnections between power pools. Nine hydro projects, including Inga III, were agreed with a combined projected output of more than 50GW, representing approximately 40% of Africa's energy capacity.

On this basis, it is difficult to see a divergence away from large hydropower projects – especially when one looks at the relative success of previous large hydropower plants[6] – but at the same time, we should not discount alternative viable options and the overall objective of a sustainable and productive energy mix.

Summary

The reality is that all projects are subject to cost and time overrun, irrespective of the energy source and type of project. Further, it is clear that for large hydropower projects (and indeed, other project types), through lessons learnt and advances made, the situation is not as negative as the report may lead us to believe.

Of course, there are potential consequences for a poorly managed scheme and these may be worse for larger scale projects. However, we should not lose sight of the potential upside of such projects and with this in mind, the programme of large hydropower project development must continue but as part of a wider portfolio – combining projects of different types and capacities to ensure that regional demands are met fully, and in a timely manner.

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6 For example, the Grand Ethiopian Renaissance Dam (6000 MW), the Gilgel Gibe III Dam (1870 MW), the Batoka Gorge Hydroelectric Power Station (1600 MW), the Mphanda Nkuwa Hydropower Plant (1500 MW) and the Merowe Dam (1250 MW).

Foreigners' land rights in Tanzania – are they there?

Principal Acts
The Land Act [Cap 113 R.E. 2002] ("the Act") and the Village Land Act [Cap 114 R.E. 2002] ("the Village Land Act") are the main land laws in Tanzania in addition to the regulations made thereunder. All land in Tanzania is public land and is vested in the President as a trustee for and on behalf of all Tanzanians. Land in Tanzania is divided into three categories which are general land, village land and reserved land. The Land Act provides for the reserved and general land while the village land is provided for under the Village Land Act.

Concept of ownership of land
As stated above, all land in Tanzania is vested in the President as a trustee hence the concept of "absolute ownership of land" or "ownership of land" is not recognized in Tanzania rather people in Tanzania have the "right to use and occupy the land" in accordance with the approved use which is either for residential, commercial, mix of residential and commercial or for pastoral or farming purposes.

A person wishing to use and occupy general land applies to the president for the granted right of occupancy which if granted can either be granted for 33,66 or maximum 99 years. For village land, the right to use and occupy such land is applied and granted by the Village Council as provided for under the Village Land Act.

Can foreigners own land?
The Land Act provides that a non citizen shall not be allocated or granted land unless it is for investment purposes as provided for under the Tanzania Investment Act [Cap 38 R.E. 2002] ("Investment Act"). The Act further provides that a corporate body in which majority shareholders or owners are non-citizens shall be deemed non-citizens or foreign corporation. Whether or not the corporate body is registered in Tanzania, if the majority shareholders or owners are non-citizens, it will be deemed as a foreign corporation hence cannot be granted right of occupancy unless such a corporate body is registered and granted a Certificate of Incentives under the Tanzania Investment Act.

There is a conflict of law between the Companies Act [Act No. 12 of 2002] and the Land Act because the Companies Act provides that any company incorporated under the Companies Act shall have the same power to hold land in Tanzania. This is in direct contradiction to the Land Act which disallows land ownership by a company with majority foreign ownership; however it is an established principle that in any conflict with the Land Act, the Land Act takes precedence meaning that the Companies Act provision of Land Ownership would likely not be valid under our laws.

How can foreigners enjoy rights to use Land?
Foreigners can enjoy the rights to use and occupy land through:

a) Derivative rights

Land for investment purposes is granted to the Tanzania Investment Centre ("TIC") which in turn grants derivative rights to investors for a specified amount of time which shall not exceed 99 years. Investors wishing to have rights to occupy and use land may apply to the TIC stipulating the location for investment, the size of land required, purposes for the use of the land etc. Upon approval of the application, the TIC shall grant the investor the derivative right to use and occupy the land i.e. the investor's right to use and occupy the land is derived from the TIC. Should the investor fail to implement the investment as applied to the TIC, the TIC may re-acquire the land from the investor and the investor will be entitled to be paid compensation for any development made on the land. The advantage of acquiring land under the TIC is that the investor may also mortgage the period of derivative right granted by the TIC to any financial institution in the country to obtain a loan for purposes of being able to implement the intended investment. This derivative right is however not accepted by most banks in Tanzania since the mortgage has chances of getting impaired when the security is still persisting. It is a hotly discussed topic amongst bankers in Tanzania.

b) Lease

Most foreign companies opt to enter into lease agreements with land owners who have been granted right of occupancy. Persons granted right of occupancy may enter into lease agreements either with citizens or non-citizens provided that the maximum term for which any lease may be executed shall be ten days less than the period for which the right of occupancy has been granted. This is the quickest way for such a company to enjoy land rights in Tanzania.

c) Joint venture

Foreigners can enter into joint venture agreements and incorporate companies in which citizen(s) are major shareholders and are able to acquire granted right of occupancy which enables them to use the acquired land for the purposes of the company business.

Use of Village Land by foreigners

Persons who wish to occupy and use village land for various purposes can apply for the right to use the land to the Village Council which may grant the non-citizen the right to use and occupy land for a limited period of time and under stipulated conditions as indicated by the Village Council and the Village Land Act.

Conclusion

In Tanzania, as in Africa, land is a sensitive issue for many Tanzanians. There have been many instances of foreigners applying for land and not utilizing it for the project the land is earmarked for. Land has caused instability in many African countries and it is unlikely that in the near future Tanzania will open up to land ownership by foreigners. The commercial interests of foreigners must be balanced by the internal security of a country- I personally believe that allowing foreign companies registered under the Tanzania Investment Act to have derivative rights to own land is the perfect balance.

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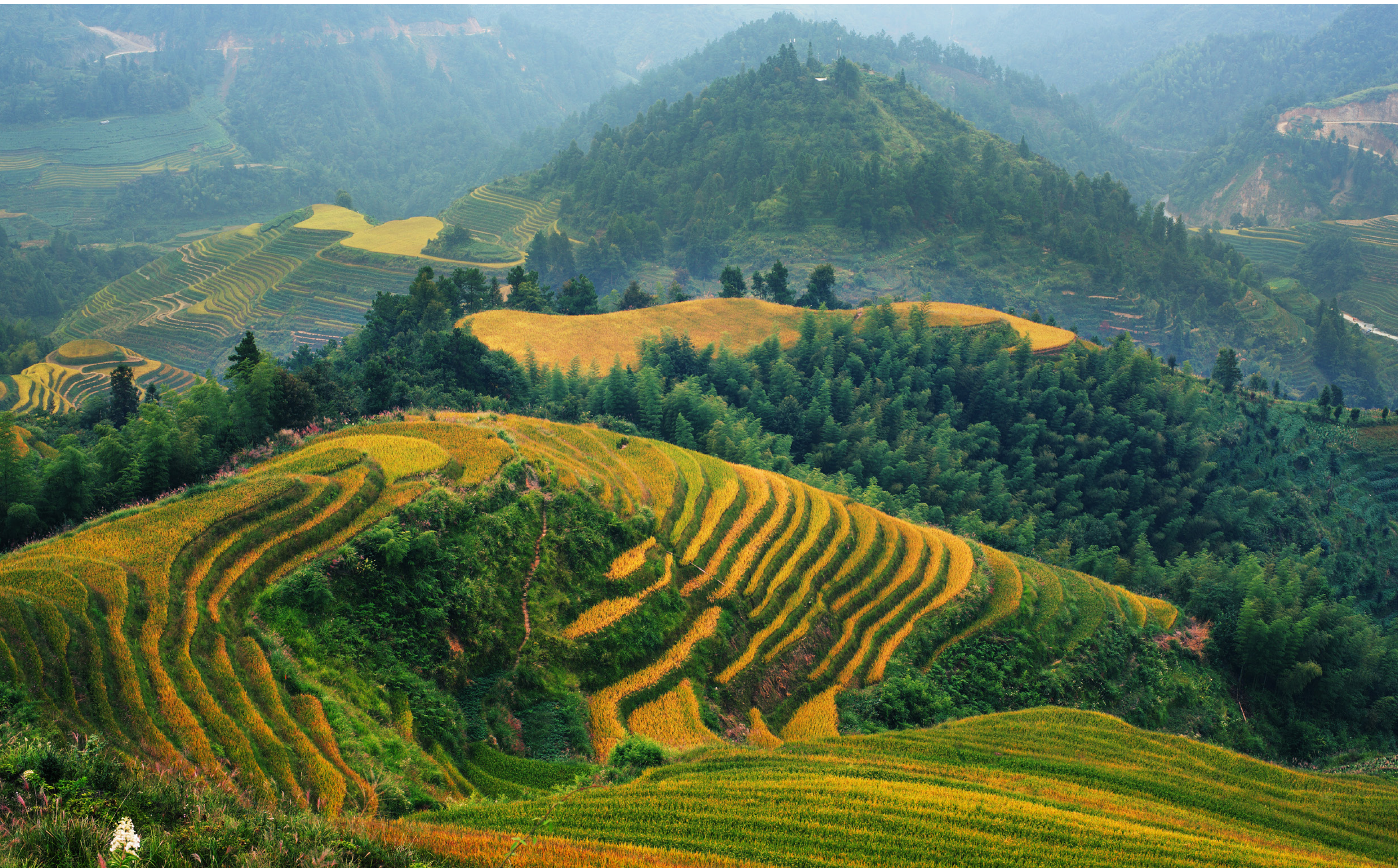

Fixed term contracts: no longer as "fixed"

On 4 March 2014 the Labour Relations Amendment Bill 16D of 2012 (LRAB) was passed by the National Assembly and its promulgation is awaiting signature by the President.

One of the many substantial amendments now relates to the statutory regulation of fixed term contracts. A fixed term contract usually refers to the employment of an individual for a stipulated period or for the duration of the completion of a specific task. The LARB defines a fixed term contract as a contract of employment that terminates on the occurrence of a specified event, the completion of a specified task or project, or a fixed date, other than an employee's normal or agreed retirement age.

The Labour Appeal Court has held that an employee employed in terms of a fixed term contract cannot reasonably expect to receive permanent employment, even in the instance when the fixed term contract was renewed successively and where an employee alleges that she expected a renewal, which would amount to permanent employment. The expectation of a renewal on the part of the employee in this instance would not amount to a dismissal in terms of the current LRA. However, the proposed amendments to the LRA, once promulgated, will no longer generally permit an employer from employing an employee on a fixed term contract for longer than three months. The consequence of the proposed amendment is that the expectation of permanent employment will no longer be an issue.

A fixed term contract for longer than three months will only be lawful if the nature of the work for which the employee is employed is of a limited or definite duration or the employer can demonstrate any other justifiable reason for fixing the term of the contract. The LRAB sets out nine instances of when a fixed term contract of longer than three months would be considered justifiable. A justifiable reason is, however, not limited to these nine instances.

The amendments also provide that employees on a fixed term contract of longer than three months should be treated no differently from permanent employees and this will apply retrospectively to fixed term contracts entered into before the promulgation of the LRAB. Furthermore, employees employed on a fixed term contract in excess of 24 months to work exclusively on a specific project that has a limited or defined duration are entitled to severance with limited exception.

The regulation of fixed term contracts does not apply to employers that employ less than 10 employees, or if the employer's business has been in operation for less than two years and employs less than 50 employees, provided that the employer does not conduct more than one business or the business was formed by the division or dissolution for any reason of an existing business.

An employee earning in excess of R193,805 per annum (the current BCEA threshold) is excluded from the ambit of these fixed term provisions.

The purpose of the amendments is to protect vulnerable employees and/or employees earning below the threshold. The amendments do, however, make the regulation of flexible employment solutions more challenging for employers. Employers should fully consider the implications of fixed term contracts, so that they are not saddled with a permanent employee thereafter.

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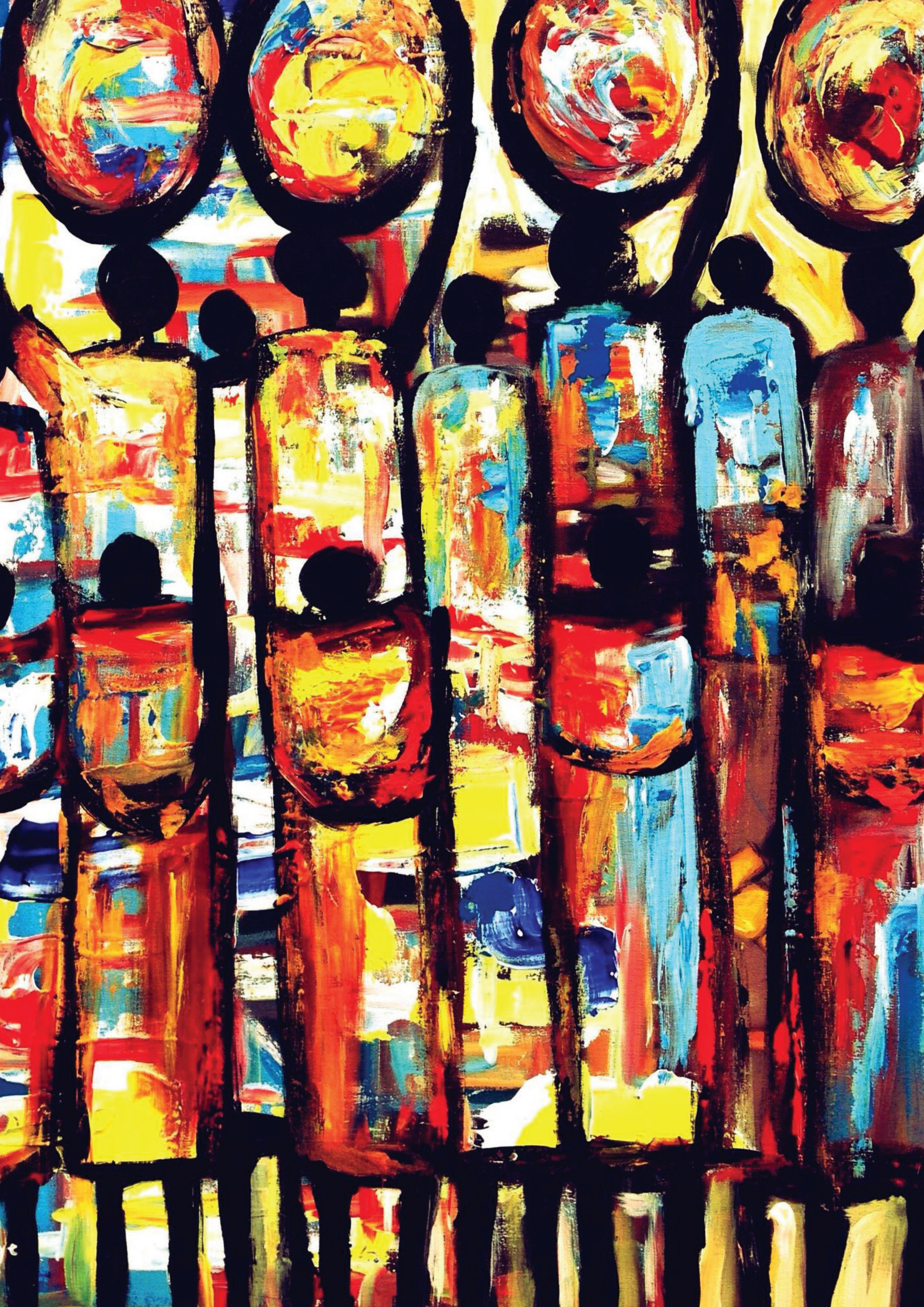

Mauritius: an international financial centre of repute and substance erroneously described as a tax haven

Strategically located in the Indian Ocean, Mauritius is establishing itself as a gateway for investments in Africa. Better known as a treaty-based tax planning jurisdiction and as an international financial centre ("IFC") of repute and substance, Mauritius is sometimes wrongly referred to as a "tax haven".

Mauritius: not a tax haven

Having no or nominal taxes have been recognised by organisations such as the Organisation for Economic Corporation and Development ("OECD") as not sufficient by itself to characterise a jurisdiction as a "tax haven". The OECD recognises that every jurisdiction has a right to determine whether to impose direct taxes and, if so, to determine the appropriate tax rate. The distinguishing features of a "tax haven" are generally recognised to be secrecy and lack of transparency.

Mauritius, like a number of other countries, protects the confidentiality of certain types of information which are not in the public domain, namely in relation to global business entities. However, Mauritius does not promote secrecy as it is always possible for information to be obtained by following the due legal process in Mauritius. Furthermore, all the Double Taxation Avoidance Agreements ("DTAs") that Mauritius has entered into provide for exchange of information between treaty partners upon request. It is to be noted that Mauritius has 39 treaties in force, 9 awaiting ratification, 1 treaty awaiting signature and 17 treaties being negotiated.

Currently, Mauritius has entered into Tax Information Exchange Agreements ("TIEA") with five countries. Four additional TIEAs have been signed, but are not yet in force (one of them is the TIEA and an Inter-Governmental Agreement for the implementation of the Foreign Account Tax Compliance Act ("FATCA") which Mauritius and the United States of America signed in December 2013). Three others are awaiting signature.

The combination of legal process for disclosure and exchange of information mechanisms in the DTAs and TIEAs provide a framework for the effective disclosure of information to any person legally entitled to it. Mauritian regulatory authorities, including the Mauritius Financial Intelligence Unit, have always and continue to actively cooperate with their counterparts in other jurisdictions for the sharing of information.

Mauritius is known for being a country where the rule of law prevails and the jurisdiction is often cited as a benchmark in the region. There is no lack of transparency in the operation of the legislative, legal or administrative provisions; laws are applied openly and consistently. There is no system of "secret rulings", negotiated tax rates, or other practices that fail to apply the law openly and consistently.

It is worth noting that Mauritius has been evaluated by the OECD, in its 2013 report presented at the 6th meeting of the Global Forum on Transparency and Exchange of Information, as being a "largely compliant" jurisdiction with global tax laws similar to Singapore, the Netherlands and the UK. Mauritius is also on the "white list" of both the OECD and the Financial Action Task Force.

Mauritius has always emphasised that the requirement that global entities intending to do business in Mauritius should ensure that the businesses are centrally controlled and managed in Mauritius through the implementation of adequate substance requirements. The Mauritius Financial Services Commission, the regulator of non-banking financial services sector ("FSC"), has recently reinforced the concept of management and control by introducing additional substance requirements which will become effective on the 1st January 2015. The FSC has also issued special guidelines for professional directors, especially those sitting on multiple boards. In addition to the fiduciary duties expected from directors, resident directors must demonstrate that they have sufficient time to prepare for and attend board meetings and that they have a reasonable number of directorships. Reasonableness would be judged based on various factors, including but not limited to the number of board meetings held, categories of companies and staff supports available to the director.

Mauritius: aninternational centre of repute and substance

It needs to be appreciated that cross border investments present many challenges including, but not limited to, investment protection issues, fiscal uncertainty and other risks. IFCs play a legitimate and integral role in international finance and trade. Their inherent features allow financial planning and risk management and make possible some of the cross-border vehicles necessary for global trade.

The main reasons why a number of investors chose an IFC such as Mauritius as a jurisdiction from which to organize their investments into Africa are includes:

a) The legal system

Investors look for a jurisdiction which has a modern, sophisticated and dynamic legal framework. In addition, the hybrid nature of our legal system borrowing legal concepts from both Common and Civil law makes Mauritius an ideal jurisdiction both from an investor and investee point of view as we are well versed in both systems of law.

b) The regulatory framework

Investors look for a jurisdiction which has highest standards of regulation and which is committed to comply with international standards. Mauritius is an established IFC of substance and has an excellent track record. Mauritius has also entered into a number of Investment Promotion and Protection Agreements ("IPPAs"). IPPAs typically offer the following guarantees to investors from the contracting states:

- free repatriation of investment capital and returns
- protection against, or compensation in the event of, expropriation
- most favored nation rule with respect to the treatment of investment, compensation for losses in case of war or armed conflict or riot etc
- arrangements for settlement of disputes between investors and the contracting states.

c) Substance and depth of offering

Investors look for a jurisdiction that has the breadth and depth in respect of legal vehicles and professional services. Mauritius offers a choice of various types of vehicles such as companies, protected cell companies, sociétés, trusts, limited partnerships and foundations making Mauritius a unique jurisdiction for the structuring of cross border transactions, asset protection and estate/succession planning. Mauritius is also known as a platform for the setting up of most of the Africa focused funds. Investment funds can be either open ended or closed end fund. Further to the primary classification, the investment funds may further be categorised as exempt funds when targeting high net worth individuals or sophisticated investors or retail funds.

d) Stability and Reliability

Cross border investment are inherently risky and investors thus look for a jurisdiction with economic and political stability together with prevalence of the rule of law, and availability and access to an independent justice system. One of the key advantages of Mauritius is that although it is an independent and democratic state, it has retained the Privy Council of the United Kingdom as the ultimate Court of Appeal.

e) Geographical / Regional advantages

There may be advantages to be gained by an investor to organise its affairs in a country that enjoys geographical proximity to its key markets. For example, Mauritius is a member of the major African regional organizations which provide preferential access to markets in the Africa region such as the African Union, Southern African Development Community ("SADC"), the Common Market for Eastern and Southern Africa ("COMESA") and the Indian Ocean Rim – Association for Regional Cooperation ("IOR-ARC"). Its membership of these regional organisations, and being a signatory to all the major African conventions, can make Mauritius the best financial service centre for establishing any fund or other vehicle for investment into Africa, especially having regard to treatment of the investments.

f) Tax-planning

It is very common in the context of cross border investments for businesses to be subject to double taxation. In order to reduce or eliminate the unfair burden of double tax on the same income, investors chose to organise their affairs in a jurisdiction which has a bilateral DTA with the investee country. As mentioned above, Mauritius is currently one of the countries having the largest number of DTAs with African countries.

Conclusion

Mauritius is an IFC which promotes substance over form and requires increased local presence with demonstrable impact on the local economy and employment, heightening corporate governance rules to clarify the responsibility allocation within corporate structures, and finally by calling for transparent and frank disclosures within a context of international supervisory efforts to combat abuses. As such, it plays, and will continue to play, an important role in the region by proving an efficient platform from which business could operate from within a framework of robust and dynamic legislation, good corporate governance, asset protection and risk management.

About the firm

BLC Chambers is a leading Mauritian firm with a robust offshore practice and a strong team of legal advisors. The firm was established in 2005 by lawyers with long standing experience in advising international companies, financial institutions, domestic corporations, government entities and high net-worth individuals. BLC has been simultaneously ranked as first Tier firm and Band 1 firm by both the IFLR1000 and Chambers and Partners since 2008 and 2009 respectively. BLC also forms part of the ALN (formerly known as the Africa Legal Network) which is a pan-African group of leading law firms in 13 African countries (you can have more information on www.blc.mu). BLC works closely with AXIS Fiduciary Ltd, a provider of corporate and fiduciary services in Mauritius which was set up primordially in response to client demand for seamless access to corporate and trust services of equal quality and standards.

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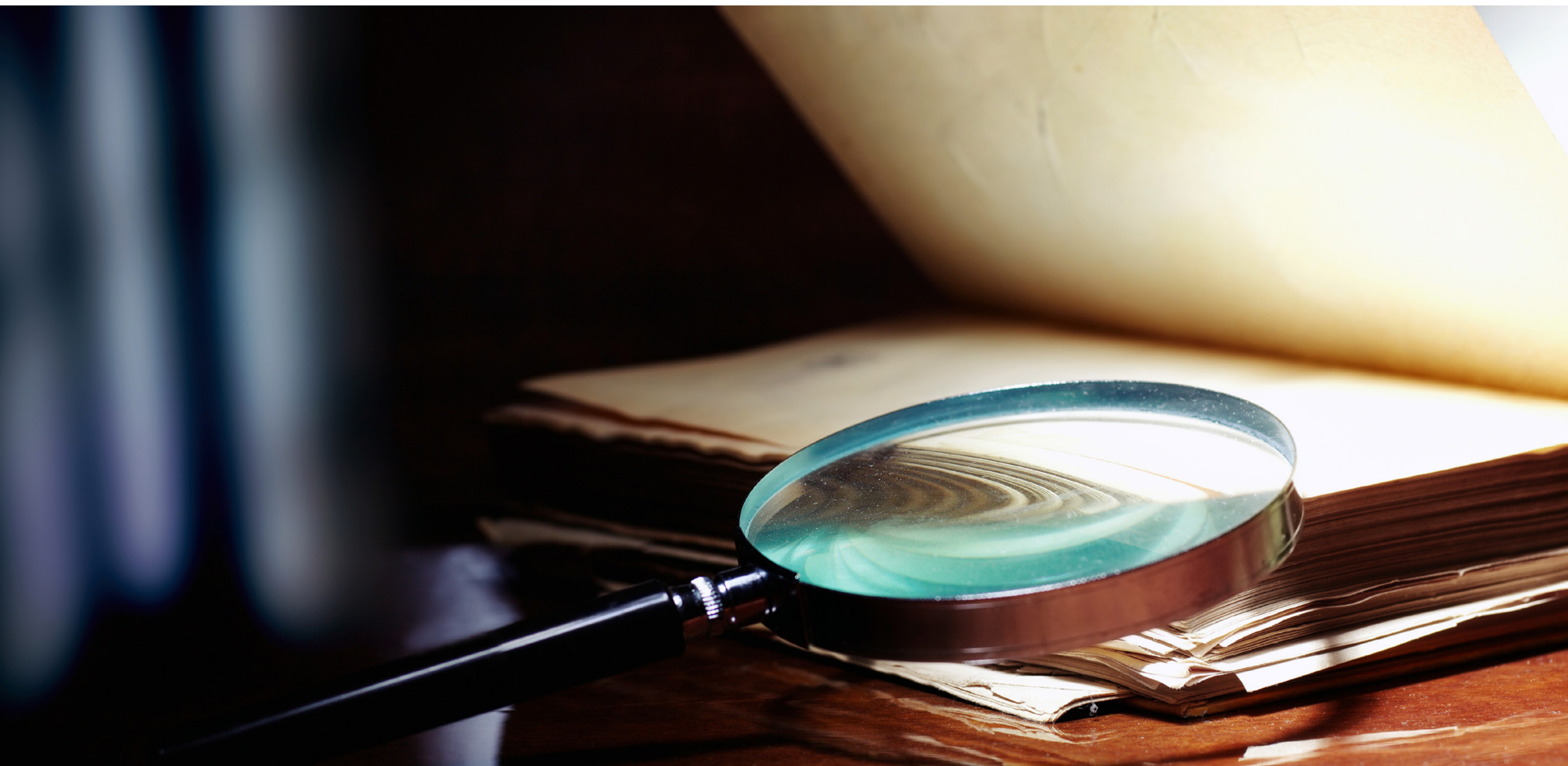


Johannesburg office road show in China to promote Africa practice

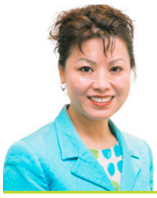
Johannesburg partners Warren Drue and Warren Beech along with associate Charles You, visited our Hong Kong and Beijing offices from 23 March to 2 April to promote our South Africa and greater Africa regional practice to Chinese clients. This was their first trip to China since the combination last year and provided an excellent opportunity to showcase the strength of our Africa practice to important Chinese companies and investors.

During their visit, the partners met a wide range of Chinese clients with substantial interests in Africa, and in addition to this, the highlight of the trip was a half-day seminar event held in Beijing on 28 March, attended by over 40 representatives of Chinese state owned enterprises with investments in Africa, along with executives from the leading Chinese banks, including China Development Bank, Export and Import Bank of China and Industrial and Commercial Bank of China (ICBC).

The Africa seminar was part of Hogan Lovells' China Outbound Investment Series of events, which explore global investment opportunities and market entry strategies for key decision makers at leading Chinese enterprises.

The event featured presentations from Hogan Lovells' lawyers and representatives from China Export & Credit Insurance Corporation (Sinosure) and Standard Bank -on a range of topics detailing the challenges and opportunities for Chinese companies investing and operating in Africa.

Hogan Lovells speakers included, Beijing office managing partner Jun Wei, Shanghai office managing partner Andrew McGinty, partners Liang Xu (Beijing), Bruce Schulberg (Tokyo), Roy Zou (Beijing), Terence Wong (Shanghai), Warren Drue and Warren Beech (Johannesburg) and senior associate Kanyi Lui (Beijing).



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Pro Bono

Coaching for Hope

NGO Coaching for Hope uses football as a tool to deliver vital education on issues such as HIV prevention and human rights for young women in Africa by providing training to local youth football coaches who deliver the programme in areas where young people are most at risk.

Girls make up 77% of the 10% of South African youth between 15 and 24 years of age who are infected with HIV/AIDS. There is a general lack of respect for the rights of girls and women among Southern African men which at its worst manifests itself in high levels of domestic and sexual violence against women. There is a rape of a woman every 17 seconds in South Africa.

Young women who play sports are also often targets for misogynistic and homophobic abuse and violence because sport is perceived to be a male domain and women playing sports are assumed to be gay, which is considered to be an affront to men and results in such practices as "corrective rape". This issue received press attention following the rape and murder of the national South African footballer, Eudy Simelane, in 2008.

In 2012 London partner Elaine Penrose visited Coaching for Hope's women and girls project in Cape Town. Elaine, who is also captain of London office women's football team "the Lovelies" donned a full Liverpool kit and joined the coaching sessions. During those sessions she learned first-hand the risks taken by young women to play sport.

Over the next two years, in consultation with a number of human rights NGOs, Elaine and David Horan, of our London office worked on "Your Right to Play Sport", a booklet advising girls and young women on their rights and expectations as regards safety and equal treatment. Coaching for Hope secured funding from Sport England and HSBC Petoria so that it could be launched in January 2014 by members of the national England women's football team and was endorsed by the national Women's football team of South Africa.

The booklet will be used by Coaching for Hope to train around 60 coaches and will reach 6000 girls living in South Africa.

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Highlights from our Johannesburg office

Olievenhoutbosch Disability Centre – a beacon of hope

"*Bana ke tshegofatso mo matshelong a rona*", meaning "*children are a blessing in our lives*" is the motto by which the Olievenhoutbosch Disability Centre continues on a daily basis. The Centre, set up for both adults and children with disabilities, was founded by Dinah Sekese in May 2006 in a small community called Olievenhoutbosch, situated on the outskirts of Pretoria.

Dinah's story begins in the 1990's when she started working as a domestic worker and nanny to her employer's children. After 15 years of raising a number of children in her care, she left to start her own family. Little did she realize that the birth of her child Kgaladi, would change the course of her life.

Kgaladi was diagnosed with Down's Syndrome. There was very little information and medical support in the township for children with physical and mental disabilities and Dinah struggled to come to terms with her daughter's condition. The life of her little girl was short lived as she passed away seven months later. While the death of her child was devastating, Dinah set out to create awareness in her community on physical and mental disabilities in children.

The establishment of the centre was the culmination of these efforts. Dinah wanted to make a difference within her community so that other parents would not endure the difficulty and suffering she had undergone.

In 2006 the Centre started with 7 children and 10 adults with little or no help from the community or government. There was no infrastructure and Dinah battled to obtain permission from local authorities to be allowed to take occupation of a piece of land. Once temporary permission was granted, Dinah set out to build a makeshift day-care facility for the children and adults. Dinah encountered financial difficulty, lack of staff and lack of support from the community. She nonetheless persevered and has now built a haven for disabled children who need love, care and support.

The Centre has been running for more than 7 years and presently provides care to 25 children and 10 adults, all with disabilities. The aim of the centre is to support children with disabilities in Olievenhoutbosch and to provide day-care facilities for children with physical and mental disabilities. The Centre also provides residences for adults with physical and mental disabilities. This is currently the only Centre of its kind in the area and provides care to the disabled, support and education for the adults as well as the parents and family of the children and residents. The Centre provides skills development for the adults who produce arts and crafts which are sold to generate income.

A graduation ceremony was also sponsored at the end of the year for the children who received certificates, gifts and goodie bags.

"We are forever grateful to Hogan Lovells South Africa for the support they have given us over the years, both financially and emotionally", says a tearful Dinah. "The Centre is more than just a day care, we would not be able to uplift the community and would not be able to provide the health and learning programmes for the children without this monthly assistance"

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Hogan Lovells recent work in Africa

Hogan Lovells has recently been involved in the following deals:

Investec
Advising Investec in relation to the ZAR1 billion UK private placement of Tharisa plc in connection with its listing on the Johannesburg Stock Exchange. Tharisa plc is a European-headquartered mining and metallurgical group.

Real Estate development
Advising on second phase of tower block (15 storey) development for a Chinese developer in Northern area of Johannesburg, South Africa.

Advising Chinese developer on residential high density residential development in Western area of Johannesburg, South Africa.

Advising Greek developer on residential high density development in Western area of Johannesburg, South Africa.

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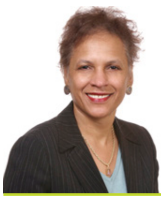

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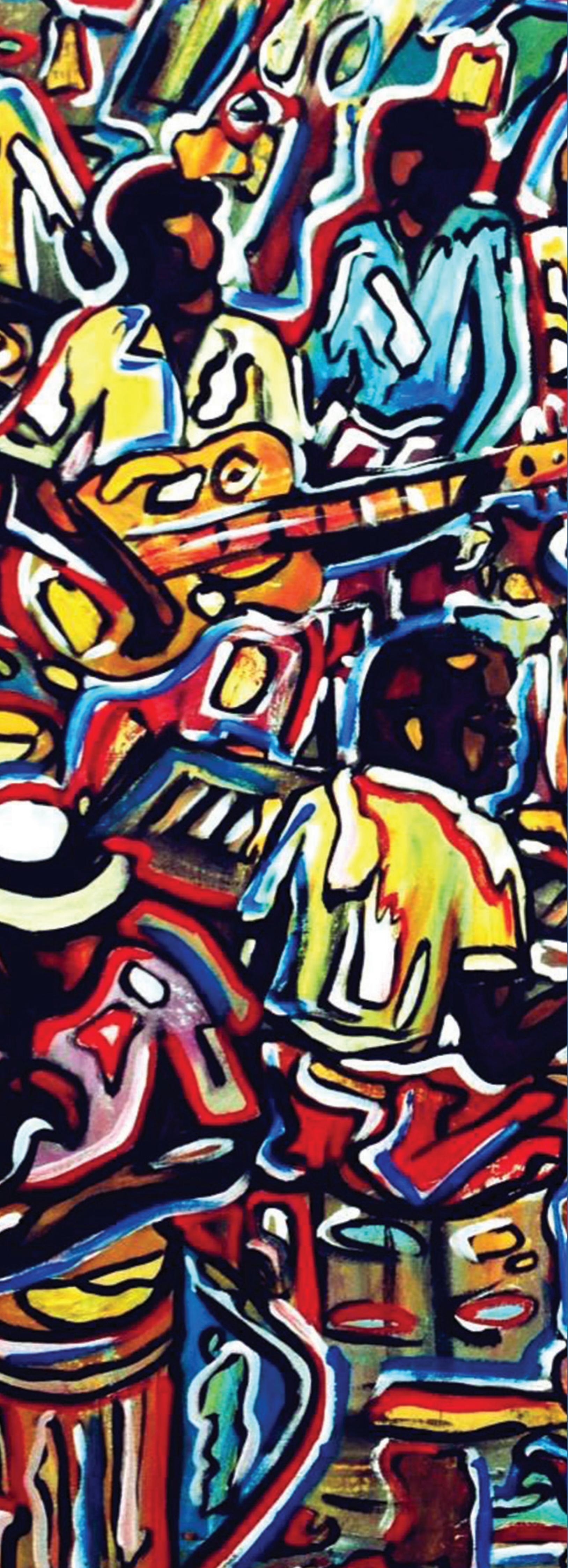

The artwork used throughout these materials has been licensed from Tony Cyizanye, an artist based in Rwanda.

About the artist

Tony Cyizanye was born in Bujumbura, Burundi, and later moved to Rwanda. He comes from a family of artists, with a musician as a father. His inspiration comes from his family as he was growing up, he saw his uncle, Adolphe Bigirimana painting and making music, his aunt is a fashion designer, and another uncle is a musician.

Being surrounded by the art and music inspired his passion and dedication to his art. In 2010 he exhibited in FESPAD in Rwanda, in the University of Colombia, New York, at the UN day in the Milles Collines Hotel Kigali Rwanda, and for the launch of the Ivuka magazine ‘Rwanda Art’ at the Novotel Hotel, Kigali, Rwanda.

In 2011 he has exhibited in the ‘Survival’ exhibition in Kigali, Rwanda and in Belgium, he has painted with street children in the Nyamirambo market, Kigali, Rwanda.

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