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ONE) – DOHA STALEMATE DAMAGES WTO CREDIBILITY, WARNS US TRADE NEGOTIATOR

Deadlocked negotiations for a global trade treaty are threatening the credibility of the World Trade Organization, the U.S. ambassador to the trade body said on Wednesday. Negotiators meeting to discuss the long-stalled Doha round moved no closer to agreeing even a scaled-back treaty that would focus on the needs of poor states, agreeing only to keep negotiating for another month and then consider their options. "What's at risk is the WTO being seen as an effective forum for negotiating trade liberalisation," U.S. ambassador Michael Punke said in a telephone interview following a morning of deliberations at the WTO. Ten years of negotiations in the 153-member WTO have failed to seal an accord that could generate billions of dollars and alleviate poverty by freeing up trade in goods and services. A stop-gap deal proposed by WTO chief Pascal Lamy last month required that rich countries make good on promises made in 2005 to trim cotton subsidies, import most goods duty-free from least-developed countries and simplify sourcing rules for exporters in poor countries. Originally that stop-gap was to take effect while negotiators try and address more divisive market-opening issues. But trading countries led by the United States want to expand the slimmed-down agreement in a way that will distribute the burden of commitments to poor states. A potential expanded agreement could include issues from a reform of fisheries subsidies to tariff cuts for environmental goods and harmonisation of border controls -- sensitive issues whose inclusion further trims chances of agreement by the time trade ministers gather in Geneva in December. An idea floated by the European Union to freeze tariffs while negotiations continue was welcomed by the United States and Australia during Wednesday's meeting, but opposed by developing countries such as India and Brazil. Negotiators agreed they should assess chances of forging a December agreement by late July, and if necessary postpone that deadline again. "It is also very clear that we need to consider the (post-December) work on (Doha)," Lamy told negotiators. (Reuters)

TWO) - CHINA ECONOMY REMAINS RESILIENT

China's growth is slowing under the weight of Beijing's anti-inflation campaign and weaker global demand, but any investors betting on a hard landing would be underestimating the resilience of the world's second-largest economy. China's relentless urbanisation continue to drive expansion even as Beijing seeks to check unfettered investment by growth-obsessed local authorities, while stronger domestic consumption is providing a firmer cushion against external shocks. China bears may have been emboldened on Thursday by a purchasing managers' survey showing growth in the factory sector nearly stalled in June as new export orders fell. But sceptics who are expecting an abrupt economic slowdown may have miscalculated Beijing's resolve to act quickly if needed to revive growth, especially if inflation eases later this year as expected, reducing the need for fresh monetary tightening measures, analysts say. "The economy is set up for growth. You've still got urbanisation and industrialisation to come and all the incentives at local government levels are still to do with encouraging growth," said Stephen Green, an economist at Standard Chartered Bank in Hong Kong. "People always over-worry about a China hard landing. Clearly there are a lot of problems with the economy but people may underestimate the government's ability to muddle through." Green expects some policy relaxation later this year as price pressures start to moderate. (Reuters)

THREE) - EU LEADERS GIVE CONDITIONAL GO-AHEAD TO CROATIA ENTRY

European Union leaders gave the go-ahead on Friday for Croatia to join the EU, after six years of preparations marred by slow democratic reforms in Zagreb and the EU's reluctance to expand. The former Yugoslav state of 4.4 million people should be able to wrap up accession negotiations next week, they said at a summit in Brussels, but warned the Zagreb government that it has to continue to fight widespread corruption with "vigour". The recommendation marks a turnaround for Croatia, which struggled for years to convince the EU's 27 governments that its judiciary reforms will produce genuine results and prove it has recognised its role in the Balkan wars in the 1990s. However, its efforts will face more EU scrutiny in the coming months, and its hopes of joining the EU in July 2013 could be jeopardised if reform slip-ups persuade some of the EU's national parliaments to delay ratifying the accession treaty. "Monitoring up to accession of these reform efforts will give the necessary assurance to Croatia and current member states," EU leaders said in a [summit statement](#). Several EU governments, led by Britain and the Netherlands, pushed for strict monitoring of Croatia during the ratification process and had insisted that the completion of talks remains open-ended. But others wanted a clearer message. Many EU politicians are hopeful that rewarding Croatia for a last-minute reform push would

persuade other governments in the western Balkans that the EU is willing to accept new members if they are ready. Referring to Croatia's accession progress, the EU leaders said: "These developments bring a new momentum to the European perspective of the western Balkans, provided these countries continue on the path of reform." One reason behind Croatia's leap towards accession in recent months, EU diplomats say, was the arrest of former Prime Minister Ivo Sanader, who had been sought on charge of abuse of power. Croatia also got a push from the Hungarian government, which lobbied strongly to wrap up negotiations during its six-month presidency of the EU that ends next week. (Reuters)

FOUR) - EUROCRATS FACE SALARY CUTS AND LONGER WORKING HOURS

Eurocrats are set to suffer "salary squeezes and job losses" as part of the EU's forthcoming multiannual budget, the FT reports.

According to the paper, eight member states have written to the European commission to demand "very substantial reductions" in spending on salaries, pensions and benefits to be incorporated into the next budget plan.

These new cuts, along with other administrative reforms such as longer working hours, are expected to be announced next week when the commission presents its multiannual financial framework for 2014-2020.

FIVE) – AHEAD OF REFERENDUM, MOROCCAN REGIME CANCELS FARMERS' DEBT

The Moroccan government and state-owned Credit Agricole du Maroc (CAM) will equally shoulder a multi-million-dollar debt amnesty for 80,000 farmers, a senior official said on Wednesday, the first such operation since 2005. The plan was announced comes eight days before a July 1 referendum on constitutional reforms proposed by King Mohammed after a wave of street protests. Anxious to avoid the kind of unrest seen in other parts of the Arab world and worried about increases in global commodity prices, Morocco has in recent months raised salaries and almost tripled to 45 billion dirhams subsidies for food and energy. Jamaledine Jamali, CAM's Secretary General, dismissed any political motivation for the debt amnesty which he said was the first in seven years. Agriculture is Morocco's top employer and contributes 14 percent of Gross Domestic Product. "The king issued orders for this operation in April and we needed time to prepare it ... The last time we did something like this was in 2005 after drought hit our agriculture for a few years in a row," Jamali told Reuters. "We were encouraged to proceed with these operations by the fact that the last three campaigns have been very good and we have noticed a sharp increase in agricultural investment. We want to encourage farmers to invest," he added. CAM's loans to the agricultural sector doubled to 7.6 billion dirhams between 2008 and 2010. Without help with their debts, "the beneficiary farmers would have carried on their normal lives," he said. "There is no social pressure whatsoever." In addition to 765-million-dirham (\$97 million) in debt amnesty for 80,000 farmers, CAM will reschedule the debt for between 15,000 and 20,000 farmers, cut interest rates and cancel unpaid interest on loans previously granted to farmers. "We will be lowering interest rates from between 9-10 percent to 7-7.5 percent. This aims to readjust our rates to changes in the local markets," Jamali said. Farmers with loans below 50,000 dirhams will gain 50 percent payment relief, while those with loans between 50,000 and 100,000 dirhams will be exempt from paying 25 percent, he added. The scheme's impact on CAM will be "easily manageable", Jamali said. "Our activity is growing and we expect this operation to strengthen this growth". (Reuters)

SIX) – POOR COUNTRIES HOST VASTLY MORE DISPLACED PEOPLE THAN WEALTHIER NATIONS

The hardest part of Jan Egeland's job is coming home at the end of the day. He is the Director of the Norwegian Institute for International Affairs and the former U.N. Emergency Relief Coordinator, and has travelled to the farthest reaches of the world to help protect refugees and displaced people.

"It's very hard to leave," he said, "because when you leave, you go back to your welfare, your safety, all your riches, and I've always felt in a way a bad conscience."

On Monday, World Refugee Day, Egeland spoke in New York to commemorate the 150th birthday of Fridtjof Nansen, the first High Commissioner for Refugees, as well as the 60th anniversary of the U.N. Refugee Agency (UNHCR)'s landmark 1951 Refugee Convention.

Egeland described his experiences in places like Darfur and the Democratic Republic of Congo, and noted the

lack of international attention to the world's most desperate migrants, despite their staggering numbers. "The reason we're not hearing more about it is it's hurting very poor people, very far away," he said, adding, "The most difficult thing in meetings like this, so far from the front lines, is to try to imagine how it is to be at the front lines."

To shed some light on the situation on the ground the UNHCR annually releases a report on its work, spanning 120 countries. The 2010 edition, released last week, cites 43.7 million displaced people worldwide, including 15.4 million refugees, 27.5 million internally displaced people (IDPs) - those displaced within their own countries - and 850,000 asylum seekers.

These figures account only for migrants in 2010, and exclude any displacement caused by the Arab Spring or other recent conflicts - such as in Cote D'Ivoire.

Overall, the report finds an increasing protraction of the refugee experience, with millions of people in exile for 5 to 30 years.

Another primary challenge is the disproportionate pressure on developing countries to house increasing numbers of refugees and IDPs.

"Poor countries host vastly more displaced people than wealthier nations," U.N. Secretary-General Ban Ki-moon said Monday. "Anti-refugee sentiment is often hardest in industrialised nations, yet it is actually developing countries that host 80 percent of the world's refugees," he added, referring to new data from the 2010 UNHCR report.

Pakistan currently houses the greatest number of displaced people worldwide, with 1.9 million as of 2010. It is followed by Iran and Syria, with 1.1 million and 1 million migrants, respectively.

Tanzanian Ambassador Ombeni Sefue pointed out that, as a continent, Africa holds the greatest concentration of displaced people. "If a poor country like Tanzania, like others in Africa, can host so many refugees and try to help them," he said, "it should be possible for others to do."

Refugee living has also become largely a women's issue. "The majority of refugees are women or children," said Sarah Costa, executive director of the Women's Refugee Commission. "It's incredibly important that their needs are addressed," she said, "and their needs are quite different."

The unique concerns of female refugees range from accessing reproductive healthcare to finding employment - and, of course, avoiding sexual harassment and exploitation.

"We know that rape is a weapon of war," said Costa, "but we also know that in these kinds of settings, when women are fleeing, they're incredibly vulnerable to rape and sexual abuse. And then when they do finally land in an urban area to work, they're also vulnerable," she said. "They get exploited and they live in the shadows of their city."

That is what happened to Nour al-Kahl, an Iraqi woman who was kidnapped while working as a translator for 'New York Times' journalist Steven Vincent. They were both shot, but she survived and fled to Jordan, where she spent 18 months in exile.

In Jordan, however, Iraqi refugees are recognised only as visitors. As such, she had no access to health care or employment. When she did find a job, she learned that most women are sexually harassed in the workplace and forced to have sex before they are paid, she said.

Al-Kahl, however, was eventually assisted by the United States Agency for International Development (USAID), gained refugee status, and moved to the U.S.

"I said, there's no way I would go back where there is violence and my life is endangered. I must hold on to my dreams and hopes," she said in an interview with IPS. "And I want them to do the same thing," she added, referring to the increasing number of refugees, including many women, who are fleeing to countries like Jordan in the wake of the Arab Spring. "I'm just asking them to hold on, not to give up, not to compromise."

She also finds the international community too light-hearted in their refugee protection efforts.

"They are optimistic - I don't know why, because more and more people... get displaced and have to flee their countries," she said. "I'm not as optimistic as they are," she added.

Al-Kahl asked the international community "to act quickly and take the issue seriously - not just for media or propaganda."

And she is not the only one calling for more than 'band-aid' solutions and fleeting media coverage.

According to Egeland, all too often, refugee efforts result only in "keeping people alive, but giving them no life - giving them no protection."

Sefue agreed. "We have to invest in making sure that we don't impress only the short-term humanitarian needs, but we also need to feed the foundations of growing economies, inclusive economies," he said. "We have to save lives today, but we must also make those lives worth saving."

According to Costa, part of the answer is talking with the victims themselves. "They can tell you on the ground what should be in place to help them be better protected," she said. "Listening to them is key."

SEVEN) – MALI, SOUTH AFRICA URGE LIBYA CEASEFIRE

Le Mali et l'Afrique du Sud ont demandé mercredi "l'arrêt immédiat des hostilités" en Libye, pays en crise dont ils ont évoqué la situation à l'occasion d'une visite à Bamako de la chef de la diplomatie sud-africaine, Maite Nkoana-Mashabane. "S'agissant de la crise libyenne", le Mali et l'Afrique du Sud "ont appelé à l'arrêt immédiat des hostilités, à l'assistance humanitaire aux populations victimes de violences et à l'instauration rapide d'un climat de dialogue politique", indique le communiqué officiel publié à la fin de cette visite "d'amitié et de travail" entamée mardi. Les présidents malien Amadou Toumani Touré et sud-africain Jacob Zuma, font partie du panel de cinq chefs d'Etats africains, avec leurs homologues de Mauritanie, Congo et Ouganda, chargés par l'Union africaine (UA) de mener une médiation entre les belligérants libyens. L'UA a proposé une "feuille de route" pour mettre fin au conflit, qui a été acceptée par le dirigeant Mouammar Kadhafi mais a été rejetée par le Conseil national de transition (CNT), organe de direction de la rébellion qui combat depuis février le régime de M. Kadhafi. Cette feuille de route prévoit un cessez-le-feu et l'instauration d'une période de transition conduisant à des élections démocratiques. L'UA a aussi demandé la fin des bombardements de l'Otan, en cours depuis mars contre les forces de M. Kadhafi. En tant que membre du Conseil de sécurité, l'Afrique du Sud avait voté en faveur de la résolution qui a autorisé les opérations militaires internationales en Libye, avant de regretter la manière dont elle est mise en oeuvre. Fin mai, Jacob Zuma, mandaté par l'UA, s'était rendu à Tripoli pour rencontrer Mouammar Kadhafi et tenter une médiation, en vain. (AFP)

EIGHT) – LIBYA BOMBARDMENTS TO COST BRITAIN € 280 MILLION

La facture des six premiers mois de raids aériens britanniques en Libye avoisinera 260 millions de livres (281 millions d'euros), a estimé jeudi le ministre de la Défense Liam Fox, confronté à une dépense largement plus importante que prévue. Dans une déclaration écrite aux députés, M. Fox a indiqué qu'aux coûts des opérations menées par la Royal Air Force (RAF) et la Navy, "d'environ 120 millions de livres", s'ajouteront 140 millions de livres correspondant "au remplacement des missiles et autres munitions, si les opérations se poursuivent au niveau actuel". Le ministre a justifié le surcoût par l'utilisation intensive "d'armes de précision plus onéreuses, en vue de limiter au maximum le nombre de victimes civiles en Libye". En Libye, la Grande-Bretagne a engagé des avions de combat Eurofighter et Tornado, des avions de surveillance, des sous-marins, deux frégates et depuis peu quatre hélicoptères de combat Apache. Le Premier ministre David Cameron affirme à qui veut l'entendre que la mission durera "aussi longtemps qu'il le faudra". Depuis quelque temps, il est confronté à une grogne de l'armée. Plusieurs hauts responsables ont exprimé dans des documents connus par des fuites dans les médias leurs craintes de ne pas pouvoir assurer leur mission, du fait de la diminution de 8% du budget national de défense, le quatrième plus important au monde, en application de la politique générale d'austérité. Les coupes se traduisent par l'abandon de programmes d'avions, de chars, de navires, et par une réduction de 11.000 effectifs, alors même que le pays est engagé dans deux conflits. Aux opérations aériennes en Libye s'ajoute un déploiement terrestre de 9.500 soldats en Afghanistan, où Londres est engagé depuis 2001. Ces deux opérations sont cependant sans commune mesure, au plan financier. Les projections annoncées jeudi par Liam Fox sont autrement plus conséquentes sur la Libye. Mais l'ardoise reste très en deçà du coût annuel de la guerre d'Afghanistan, évalué à 4,6 milliards d'euros par Malcolm Chalmers, expert au Royal United services Institute. (AFP)

NINE) – NATO'S WAR ON LIBYA FORCES OECD TO RELEASE EMERGENCY OIL RESERVES

La guerre en Libye va contraindre les pays membres de l'[Agence internationale de l'énergie](#) (AIE) à puiser dans leurs réserves stratégiques de pétrole, une décision exceptionnelle visant à contrer les menaces de "pénurie" à l'entrée de l'été dans l'hémisphère nord. "Pour la troisième fois de l'histoire de l'AIE, ses membres ont décidé de puiser dans leurs réserves" en mettant sur le marché "60 millions de barils de pétrole sur une période d'un mois," a déclaré son directeur général Nobuo Tanaka au siège de l'organisation à Paris. Ceci "afin de répondre aux perturbations affectant l'approvisionnement en pétrole en provenance de Libye", qui ont privé le marché à fin mai de 132 millions de barils de pétrole brut, a-t-il ajouté. L'agence, créée après le premier choc pétrolier, n'a touché à ses stocks stratégiques qu'à deux reprises, après l'invasion du Koweït par l'Irak en 1990 et après l'ouragan Katrina qui avait frappé les Etats-Unis en 2005. Après ce prélèvement, les stocks stratégiques de l'Agence permettront encore de couvrir l'équivalent de 90 jours d'importations pétrolières des pays membres. Outre la "poursuite de la crise libyenne", l'agence invoque la perspective d'une forte hausse de la demande de

pétrole alors que s'ouvre la "saison automobile" dans l'hémisphère nord, allusion aux migrations estivales aux Etats-Unis et en Europe. Au delà des circonstances, l'Agence se montre soucieuse de ne pas contrarier la "reprise fragile" de l'économie mondiale, sur laquelle l'envolée des cours depuis novembre fait peser une "menace inacceptable", selon M. Tanaka. Immédiatement après cette annonce de l'AIE, les cours du pétrole se sont fortement repliés, lâchant plus de 8 dollars à Londres et près de 6 dollars à New York. Le baril de Brent de la Mer du Nord continuait toutefois d'évoluer non loin du niveau élevé de 110 dollars. (See [details](#)) (AFP)

TEN) – KENYA: NO LONGER FORCED TO BUY INEFFECTIVE ANTI-MALARIAL DRUGS

People in Western Kenya are now able to buy effective anti-malarial drugs at low prices thanks to the success of the Global Fund's subsidy programme, and thanks to honest pharmacists who are reselling the drugs at the recommended low prices.

The program by the Global Fund to subsidise the cost of the most effective anti-malarial drugs in least developed countries has recorded early success in Western Kenya, 10 months after introduction.

Early findings from a survey conducted by the Kenyan government show that 80 percent of pharmacies in Nyanza Province in Western Kenya have stocked the subsidised drugs. The study is yet to be released but it also found that most locals have taken advantage of the subsidy to access the highly effective medicine. Unsubsidised, the drugs cost about seven dollars.

"We recorded anomalies in prices, where some pharmacists were selling the subsidised drugs slightly higher than the recommended price of 40 Kenyan Shillings (Ksh) (50 cents), but most of the prices were within affordable limits," says Dr Elizabeth Juma, the managing director for the Division of Malaria Control in Kenya. Artemisinin Combination Therapy (ACT) is subsidised through the Affordable Medicine Facility – malaria (AMFm) programme, which is hosted and managed by the Global Fund. The Fund is an international financing institution that invests in the fight against HIV/Aids, tuberculosis and malaria.

Since the launch of the subsidised anti-malarial drug distribution in August 2010, the private sector has ordered 13 million doses. According to Juma, eight million doses were delivered by May. The Kenyan government has placed orders for 12.2 million doses for the subsidised ACTs.

According to Juma, the Division of Malaria Control partnered with the Pharmacy and Poisons Board to conduct a survey covering 270 private pharmacies in all districts within Nyanza Province (a malaria endemic zone) during March.

"We found out that all the surveyed pharmacies had stocked the recommended ACT drugs for malaria, while 80 percent (216) had the subsidised ACTs," says Juma. "The mode and median price was Ksh 40 (50 cents) while the average price was Ksh 49 (above 50 cents). In only one pharmacy did we find the subsidised drugs being sold at more than Ksh 100 (2.50 dollars)," adds Juma.

It is a significant success in a country where 25 million of the 34 million Kenyans are at risk of contracting malaria.

And the slight overpricing of the ACTs did not seem to have a huge impact on those in need of the drugs. "The average of Ksh 49 was found to be far better than Ksh 600 (7.50 dollars) people were paying for the same (unsubsidised) dose," she says.

Dr Olusoji Adeyi, the director of AMFm in Geneva, echoes her sentiments. Adeyi was optimistic that prices of the subsidised drugs will eventually drop with time.

"When the AMFm started, the government of Kenya set a recommended retail price of Ksh 40 (about 50 cents) for AMFm co-paid ACTs. In our understanding, this was set as a desirable target, not a decree, because the AMFm in the private sector works through markets. Yet with the ongoing public information campaigns to make both buyers and sellers aware of these recommended prices, the cost of ACT will soon go down," says Adeyi. There is no legislation of price control in Kenya, hence shopkeepers, including pharmacists, usually decide on what price to mark the subsidised ACTs, despite government's price recommendation.

However, Josephine Akinyi, a resident of Kisumu city in Nyanza Province appreciates the fact that the subsidised drugs are available despite anomalies in the prices. "Though I am aware of the recommended price of these drugs, I find it far easier to part with double the recommended price for a dose, which is several times cheaper than what we used to pay for the same dose of (unsubsidised) medicine," says the mother of six. Adeyi says that the project's success means people will no longer be forced to buy cheaper anti-malarial drugs that are not effective.

"Nyanza province has already achieved its strategic objective of reducing the retail price of ACTs to about the same range as those of SP (Sulfadoxine-pyrimethamine-based) and amodiaquine (anti-malarial drugs that are no longer effective in treating the disease). This means that high prices will no longer force people to buy ineffective medicines. Instead they can easily buy quality-assured ACTs for about the same price or even

cheaper," he says.

Though the SP drugs, which include Fansidar and Metakelfin, are banned in treating malaria because of their ineffectiveness, many people in Kenya still buy them because they cannot afford alternative effective drugs. The banned drugs retail at about Ksh 100 (2.50 dollars).

"I receive customers on a daily basis who seek to buy Fansidar because they know it is cheaper than the (unsubsidised) ACTs. But upon realisation of the availability of the subsidised ACTs, they usually change their options and go for the highly effective alternative," says Willis Otieno, a pharmacist in Kisumu city.

In Kenya, the AMFm program has reduced the retail price of ACTs by up to 92 percent. According to the program's plan, the private sector is entirely responsible for all costs of distribution, storage, staff salaries and overheads. It is a strategy, Adeyi says, that has never been attempted in global health financing for malaria treatment.

He says there was a need to increase the availability of ACTs and to reduce variations in their retail prices. Adeyi says this will happen when the supply of ACTs is large enough to meet the demand everywhere.

ELEVEN) – U.S. REQUESTS 4,200 ETHIOPIAN TROOPS FOR ABYEI

The United States said on Thursday it submitted a draft resolution to the U.N. Security Council that would authorize the deployment of 4,200 Ethiopian troops to Sudan's disputed Abyei region. U.S. Ambassador to the United Nations Susan Rice also said that Washington was "gravely concerned about the humanitarian situation in Southern Kordofan," a northern oil state that borders south Sudan. "The United States has just tabled this morning a draft resolution to establish the interim security force for Abyei as requested by the government of Sudan and the government of south Sudan," she told reporters. She said the draft "calls for the deployment of 4,200 Ethiopian national defence force personnel under the United Nations flag." The draft also calls for 50 police personnel. According to the draft text, a copy of which was obtained by Reuters, the Ethiopian force would be called the United Nations Interim Security Force in Abyei (UNISFA) and would be authorized to "ensure security in the Abyei area." "We are looking forward to discussions with council members in order to swiftly adopt a resolution ... so that the agreement that the parties have reached, which is obviously urgent and fragile, can be implemented immediately and effectively," Rice said. The north and south signed a deal on Monday in Addis Ababa to demilitarize Abyei and let Ethiopian troops in. The draft says that UNISFA will have an initial deployment of six months and a mandate to monitor demilitarization of Abyei by northern and southern troops, protect civilians and provide security to U.N. and humanitarian aid workers. "When necessary and in cooperation with the Abyei Police Service, (UNIFSA will) provide security for oil infrastructure in the Abyei Area," the draft says. The Ethiopians will be separate from the 10,000-strong U.N. peacekeeping force in Sudan, known as UNMIS, which Khartoum has said it wants out of the country by July 9, the day south Sudan is set to secede from the north. There is also a much larger joint U.N.-African Union force in Sudan's conflict-torn western Darfur region called UNAMID, which means Sudan could soon have three separate U.N. peacekeeping missions on its soil. (Reuters)

TWELVE) – ZIMBABWE: MICROCREDIT OPERATORS TARGET SALARIED WORKERS

Johnson Gama knows life on the poverty line only too well. A qualified teacher, Gama has in the last few years been unable to survive on his salary despite working in a profession which two decades ago was considered middleclass in Zimbabwe.

The Zimbabwean dollar crashed due to the political crisis in the country, creating a fiscal crisis that affected civil servants' salaries, forcing people like Gama to join the queue at microcredit operators. These businesses have sprung up everywhere in the Southern African country's second largest city.

"I get money every month from microfinance people in the city. That's what keeps me going, as I cannot survive on my salary," laments Gama.

Teachers are about to go on a nation-wide strike demanding a raise to 500 U.S. dollars per month from their current salary level of 200 U.S. dollars per month.

This amount is below the official total consumption poverty line of about 502 U.S. dollars for a family of five in Bulawayo, which is the amount that a household requires for both food and non-food items per month in order not to be classified as "poor".

Microcredit schemes, registered and unregistered, are cashing in on people's need. Local newspapers are

never without advertisements calling on civil servants, especially, to apply for loans at interest rates that can only create an unending cycle of debt. Microcredit services have been touted by some global development agencies as one of the vehicles to end poverty in sub-Saharan Africa. But these services need to be regulated carefully, as Gama's case attests.

He complains that while the local microcredit schemes are ostensibly designed to assist poorly remunerated civil servants, they have "enslaved" him.

"It is difficult to free yourself from these debts once you start. I know each month that the salary I am getting is not mine as I have to ask for another loan," Gama explains. "Everyone I know who gets microfinance complains about this."

Another teacher called Janice Mbewe agrees: "It's particularly tempting for women because some of these microfinance people do not demand any collateral from women (who frequently don't own property). But, once you start getting the money, it is difficult to break out of it."

Microcredit institutions in Bulawayo target civil servants because they receive regular salaries, admits Nomusa Phiri, who runs a small microfinance scheme in Bulawayo's central business district.

"We demand proof of regular income in the form of a pay slip. We know civil servants are employed by government and government will never go broke," she declares.

Her statement expresses a popular sentiment, despite the ministry of finance telling labour unions that salaries cannot be increased because the government has no money.

"If they skip their payments, we can always attach their property," Phiri adds.

There is growing criticism of microcredit operations here. Poor regulation seems a huge problem, as some have been set up without being registered, while the registered ones allegedly go beyond their legislated remit.

"Borrowers are exposed to all kinds of exploitation by these microcredit institutions as they can attach property worth more than the loans to recover their money. Desperate civil servants have nowhere to run," argues Khumbulani Nxumalo, an economist with a local bank.

"You just have to look at the interest rates to see how the people's desperation is being exploited. The law must be called in to protect cash-strapped workers who seek credit," he said.

Locally, Zimbabweans still regard microfinance as different to illegal loan shark operations as the microfinance operators charge interest of up to 35 percent, while loan sharks demand up to 50 percent.

Microfinance policy is governed under the Financial Laws Amendment Act, which requires that non-banking financial institutions be registered.

However, in the past few years Zimbabwe has seen a proliferation of institutions in sectors ranging from education to banking that operate without licences, with members of the public having no legal recourse.

The informal sector has become Zimbabwe's largest employer since the economy began to shrink more than a decade ago. The minister of small to medium enterprises (SMEs), Sithembiso Nyoni, has called for support for small entrepreneurs to create employment.

Nevertheless, there is little evidence that microfinance institutions are providing loans to SMEs. Instead, they target ordinary workers where the money does not create value.

"The problem is that this money is not used for any capital projects or anything that will generate income. It is spent on hand-to-mouth expenses, thereby guaranteeing that the borrower will be back for more," explains Nxumalo. "Very few people escape from this debt cycle."

Therefore, while an organisation such as the United Nations Development Programme may promote microfinance as part of a development agenda for poorer nations, little has emerged in cities such as Bulawayo along the line of microfinance that could generate income.

Phiri says she also offers "business loans" of up to 5,000 U.S. dollars to small informal outfits but not many who approach her meet the requirements.

"Many people say they want to start their own businesses but they have no business proposals and no bank accounts that show they can pay back the loans," Phiri points out.

Unlike civil servants with regular salaries, many SME owners cannot afford the interest. Says Robert Komboni, who runs a small furniture factory in Bulawayo's industrial area: "We do want access to microfinance, but the interest rates are prohibitive."

THIRTEEN) – SOMALIA'S SHEBAB DENOUNCE U.S. BOMBARDMENT

De "fortes explosions" ont été entendues jeudi près de la ville portuaire de Kismayo (sud-ouest de la Somalie) où un responsable des islamistes somaliens shebab a fait état d'un "bombardement aérien sur une base de moudjahidine" qui a fait, selon lui, "plusieurs morts". "L'avion militaire ennemi a procédé à un bombardement aérien d'une base où quelques moudjahidine se trouvaient. Les premiers rapports reçus précisent que plusieurs

moudjahidine dont des muhajirs (combattants étrangers) sont morts", a déclaré sous couvert d'anonymat un responsable des shebab à Kismayo. "Nous pensons que cet avion était américain", a-t-il encore dit. Un avion a survolé la zone après ces explosions, a indiqué un responsable local. "Nous avons entendu de fortes explosions, puis quelques minutes plus tard, nous avons entendu le bruit d'un avion", a déclaré Abdulahi Ise, un responsable local à Kismayo. Il a indiqué qu'elles s'étaient produites dans le secteur de Qandal, à quelques kilomètres de Kismayo. En janvier 2007, une attaque aérienne américaine avait provoqué la mort d'une dizaine de personnes dans l'extrême sud de la Somalie, à Ras Kamboni. Elle avait été couplée avec une autre attaque à 155 kilomètres plus au nord. Une des cibles présumée de ces attaques était Fazul Abdullah Mohammed, chef présumé d'Al-Qaïda en Afrique de l'est tué à Mogadiscio début juin. Fazul, soupçonné notamment d'avoir été le cerveau des attentats anti-américains de 1998 à Nairobi, a été tué lors d'une fusillade lors d'un contrôle routier à Mogadiscio. En mars 2008 l'armée américaine a déclaré avoir tiré au moins un missile de croisière en Somalie, visant un dirigeant d'Al-Qaïda. Des informations en provenance de Mogadiscio avaient indiqué que cette frappe avait fait au moins dix morts, dont un responsable militaire d'Al-Qaïda, Aden Hashi Ayro. Ayro avait été entraîné par Al-Qaïda en Afghanistan et était lié à la mort de travailleurs humanitaires en Somalie. Il aurait également été la cible de frappes américaines en 2007. Un autre chef présumé d'Al-Qaïda dans la Corne de l'Afrique, le Kényan Saleh Ali Saleh Nabhan, a été tué lors d'une opération hélicoptère des forces spéciales américaines dans le sud de la Somalie, en zone tenue par les shebab, en septembre 2009. Nabhan figurait sur la liste des personnes les plus recherchées par le FBI qui le considérait comme le cerveau présumé d'un attentat à Mombasa en novembre 2002 contre un hôtel appartenant à des Israéliens, qui avait fait 18 morts. Presque simultanément, un avion israélien avait échappé à deux missiles peu après son décollage de l'aéroport de la ville. Al-Qaïda avait revendiqué les attaques. Les shebab cherchent à commettre des attentats à l'étranger et n'entendent pas cantonner leurs opérations à la Somalie, a estimé mercredi le directeur de la CIA, Leon Panetta avant son audition jeudi devant le Sénat américain qui doit le confirmer comme nouveau secrétaire à la Défense. "Les chefs des shebab, qui sont affiliés à Al-Qaïda depuis 2007, développent leurs liens avec Al-Qaïda dans la péninsule arabique et manifestent l'envie croissante de commettre des attentats terroristes à l'échelle internationale", a-t-il fait valoir dans des réponses écrites aux sénateurs de la commission de la Défense, dont une copie a été obtenue mercredi par l'AFP. M. Panetta a été désigné le 28 avril par le président Barack Obama pour remplacer Robert Gates qui prend sa retraite à partir du 30 juin. Le Sénat doit confirmer cette nomination à la suite de son audition jeudi. Le mouvement islamiste contrôle la quasi-totalité du centre-sud de la Somalie et une grande partie de la capitale Mogadiscio. (AFP)

FOURTEEN) – SOUTH SUDAN: FUEL SHORTAGES GRIP COUNTRY

South Sudan is facing severe fuel shortages less than three weeks before it gains independence from the rest of the country. Many gas stations have shut down and those that remain open have people lining up overnight for fuel.

The shortage has affected all aspects of life. For the last two weeks many offices in oil-rich South Sudan's capital, Juba, have closed or only opened for half the day because they could not find fuel to power generators. The transport industry has also been affected. Moses Kenyi, a taxi operator, said he could not find petrol for his vehicle. "I have searched everywhere and I cannot find any. I would like to buy fuel however expensive it is so I can continue to operate my business. The problem is I cannot find it."

The fuel shortage has led to an increase in pump prices. A litre of petrol used to cost 1.10 dollars but now costs as much as two dollars. On the black-market a litre of oil costs as much as 10 dollars.

Government officials, humanitarian workers and local media have blamed North Sudan for the fuel and food shortages, which began in May. "The government in Khartoum has closed the trade routes at the north-south border. The purpose of the blockade is to agitate the civilians in the south. They want the civilians in the south to say that the SPLM-led government has failed to even provide fuel in South Sudan," said Yien Mathew Chol, spokesman of South Sudan's ruling party, the Sudan Peoples' Liberation Movement or SPLM.

North Sudan's government has denied it imposed any blockade on the south. While sources in the industry blame the fuel shortage on South Sudan's failure to prioritise the supply of this essential commodity and a battle with suppliers over price controls.

Sudan's oil, which is mostly found in the south, is being pumped by international oil companies including China National Petroleum Corporation, India's Oil and Natural Gas Corporation and Malaysia's Petrolia Nasional Berhad.

In mid-May government imposed a price limit for both diesel and petrol at about 1.90 dollars per litre.

Petroleum companies, which include Imatongas, Hass Petroleum, and Global Petroleum among others, have said this is unfair and means they will sell fuel at a loss. They have complained they are already paying inflated

prices for fuel from their Kenyan suppliers and face heavy taxation to import it.

The petroleum companies import diesel, petrol and kerosene from Kenya, which is closer than North Sudan's capital Khartoum. Though some petrol is imported from North Sudan.

Sources speaking on condition of anonymity, for fear of government reprisal, said suppliers had stopped importing fuel from East Africa and would not start again until government ended price controls.

David Loro Gubek, the Undersecretary in South Sudan's ministry of energy and mining, said government would not give in to this threat.

"It is difficult for us to agree to that because all over the world the government has an upper hand to control prices," he said.

"So I think the government is not in a position to allow them to be free to charge (high prices) because there is a government that is in charge and it must control (prices)," he added.

In addition, petroleum suppliers want South Sudan's government to allocate them foreign exchange from the Bank of Southern Sudan, which has a good dollar exchange rate.

But the government refused the demand saying it lacked sufficient foreign currency.

Majak Arop Bilkuei, chairman of the South Sudan Petroleum Dealers', said the high dollar rate was hurting fuel importers and affecting their profit margins.

"If I change money in the black market definitely it will be at a high cost. The (official) bank rate now is at 2.70 to 2.80 (Sudanese pounds to the dollar) in the black-market the range is 3.20 to 3.30 Sudanese pounds to the dollar," he said.

Bilkuei added: "So if the government can do something about this issue this can keep the prices low and we operate without any problem."

There are reports that some of the petroleum companies are stockpiling fuel until the price controls ended. But Bilkuei denied this.

He added that since government was not subsidising petroleum importers, the latter should be allowed to increase fuel prices.

"The market is free when nobody helps you in solving problems. If the government is not helping you and you are struggling alone to bring this fuel (into the country) you have a right to sell it (at a price of your choice)," he said.

"But if the government helps you to bring the fuel then the government can say; I helped you why do you increase the price?"

Reliable sources told that the fuel shortage has been made worse because what little fuel that is being imported from East Africa and North Sudan is being bought and stored by South Sudan's government in anticipation of a war with the north.

Observers say even if the current crisis ends, shortages like this could be a recurring problem if relations between North Sudan and South Sudan remain as bad as they are now.

But Gubek said government had long-term plans to prevent this, including building storage facilities.

Representatives of the petroleum importers are scheduled to meet with government officials to discuss the matter. Both were hopeful that a solution to the fuel shortage would be found.

FIFTEEN) – MASS RAPES TAKING PLACE IN EAST CONGO, SAYS UN

Quelque 150 femmes et jeunes filles ont été violées lors des violences qui ont éclaté dans la partie est de la République démocratique du Congo en juin, selon des responsables des Nations unies. L'ONU doit donner vendredi les premiers détails d'une enquête portant sur les combats ayant eu lieu dans la région de Minembwe, dans la province du Sud-Kivu, du 10 au 12 juin. La Suédoise Margot Wallström, représentante spéciale des Nations unies chargée des violences sexuelles dans les conflits armés, a déjà révélé que lors de ces combats plus de 150 femmes et jeunes filles avaient été violées, soulignant dans un communiqué que "ce viol de masse montre une absence totale et récurrente de discipline de la part de ceux qui portent les armes". Selon elle, il s'agit d'une "preuve tragique de plus" de la nécessité de réformer en profondeur les services de sécurité du pays. Mme Wallström a par le passé déjà qualifié la République démocratique du Congo de "capitale mondiale du viol". D'après une étude publiée le mois dernier et basée sur les chiffres de 2006-2007, quelque 1.500 femmes par jour sont violées en moyenne dans ce pays. (See [Estimates and Determinants of Sexual Violence Against Women in the Democratic Republic of Congo](#)) (AFP)

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