



MEMORANDUM N° 125/2011

04/08/2011

SUMMARY:

ONE) – INDIA TO CREATE CENTRAL FOREIGN AID AGENCY – Page 2

TWO) - ASHTON APPOINTS 25 NEW HEADS OF EU OVERSEAS DELEGATIONS - Page 3

THREE) - AFDB AND DENMARK: TECHNICAL COOPERATION AGREEMENT ON SUSTAINABLE ENERGY FUND FOR AFRICA - Page 3

FOUR) - WHEN CAN CIVIL SOCIETY IMPROVES STATE PERFORMANCE? - Page 4

FIVE) – SOUTH AFRICAN COFFEE FARMERS GET SH7BN EU DEAL - Page 4

SIX) – FAO EMERGENCY MEETING ON THE DROUGHT CRISIS IN THE HORN OF AFRICA – Page 4

SEVEN) – MALAWI: CONCERNS OF PROTESTERS NEED TO BE TAKEN SERIOUSLY - Page 5

EIGHT) – MALAWI: WATER DRIVES INTEGRATED AGRICULTURE ON SMALL FARM - Page 6

NINE) – AFRICA-DEVELOPMENT: GOVERNMENTS NEED TO REACH OUT TO RURAL WOMEN - Page 7

TEN) – EU: NO SHIPMENT OF NUCLEAR WASTE TO ACP COUNTRIES – Page 8

ONE) – INDIA TO CREATE CENTRAL FOREIGN AID AGENCY

India is to set up a new central agency to manage foreign aid in a bid to curb corruption and prevent delays in aid delivery. The move to set up a foreign aid agency in India has been welcomed by policymakers.

[India](#) is to set up a central foreign [aid](#) agency to prevent funds from being misused and delays in aid delivery. India's aid commitments have soared in recent years as the country seeks to improve its strategic, political and economic clout on the world stage, especially as China extends its hand. The agency will reportedly be called the Indian Agency for Partnership in Development, overseeing \$11.3bn over the next five to seven years.

The move has been welcomed by policymakers who say a central agency will halt leakages, curb delays, slash operation costs and prevent projects being rushed through by individuals misusing their discretionary powers. Furthermore, aid would no longer be driven by territorial divisions and regional interests, making way for a cohesive aid strategy.

Rajiv Sharma, secretary general of the [Federation of Indian Chambers of Commerce and Industry](#) (FICCI) said: "The creation of an aid agency is a recognition by the Indian establishment that India has arrived as a global player with strategic interests. In the past we have ducked this issue because we were one of the largest recipients of aid."

Gopalaswami Parthasarathy, a former diplomat and member of the [Centre for Policy Research](#) said an agency is urgently needed, as one person currently handles aid to [Bangladesh](#), Sri Lanka, Maldives and Burma. "How can you have one joint secretary to deal with aid to some of our biggest recipients? He would have political and diplomatic work to conduct too," he said.

The agency will have to ensure quick decision-making and insulate aid from political considerations if it is to deliver aid effectively. Experts say that India's legal framework monitoring government procurement should be strengthened to boost accountability and to prevent it from falling prey to corruption.

The concerns over aid management are timely. Earlier this year, the government auditor revealed that \$22.6bn (Rs 1 lakh crore) in [foreign aid given to India was lying unused](#) due to poor planning by various ministries.

The creation of the aid agency, believed to be modelled on the US international development agency, [USAid](#), raises the question of whether India should be dishing out aid at all when it still receives international aid and suffers from rampant poverty and poor development. But supporters of India's foreign aid programme say aid helps the country's domestic agenda indirectly by opening economic doors, ensuring regional peace and boosting business opportunities in recipient countries.

Gurpreet Bhatia of the [Research and Information System for Developing Countries](#) said: "Aid will pacify India's neighbours and change their perception about us, sending out a message that we are here to help and protect them."

Aid has already helped foster India's interests in countries such as [Afghanistan](#), Bangladesh and some African countries including [Somalia](#) and Ethiopia. [Pakistan](#) and India have long been jostling for influence in Afghanistan, and, in May 2011, India pledged \$500m to Afghanistan in addition to its existing commitment of \$1.5bn, acquiring considerable goodwill. Also in May this year, [\\$5bn was promised to African countries](#) to reach its development goals, following an injection of \$5.4bn in 2008 for infrastructure development. [Africa](#) provides widescale business opportunities to India as well as China, which is also vying for a slice of the continent's economic resources. In January 2010, India announced a \$1bn line of credit for Bangladesh, the highest one-off amount to any country from India as a reward for its co-operation in dealing with terrorism and insurgency.

TWO) - ASHTON APPOINTS 25 NEW HEADS OF EU OVERSEAS DELEGATIONS

Some 25 new heads of EU overseas delegations have been appointed by EU foreign affairs chief Catherine Ashton. The appointments are part of the 2011 rotation of heads of delegation and include 16 candidates from member state diplomatic services, seven from the external action service (EAS) and two from the commission.

The appointments were announced on Wednesday by Catherine Ashton, EU high representative for foreign affairs. She said, "For the second year I have been impressed by the quality of candidates for these important posts in the external action service." "The opportunity to represent the EU in the world continues to attract the brightest and best diplomats, which is good news for a service whose success depends on the quality of its people."

"The staff of the EAS should come from all the member states, including in the senior posts in delegations. I am determined to make further progress as we continue with the recruitment to the remaining posts in the 2011 rotation and beyond. "Achieving our goals on gender balance is also vitally important to me." "The number of women in this group of appointments is up on last year, but still not good enough."

With the appointments, 45 of the 149 management positions in EU delegations will be held by diplomats on secondment from national foreign ministries. This means that in the second year of recruitment, 30 per cent of management posts will be occupied by national diplomats, close to the one third target.

The four new appointments of candidates from member states that joined the EU in 2004 and 2007, take the total number of management posts in delegations held by nationals of these countries to 21 which represents 15 per cent of the total population. Overall, there are nationals of 24 out of the 27 member states in posts at this level.

The new appointments also include eight women, taking the number up to 31, or 22 per cent of the total posts.

This compares with only 10 women in management posts in delegations when the Lisbon treaty entered into force in 2009.

These appointments form part of a major recruitment exercise covering posts at all levels in the new service in both delegations and headquarters. They fill existing posts in delegations as part of the regular annual rotation procedure and, as such, do not add to the resources or expenditure in delegations.

The selection procedures have not yet been conclusive for a number of head of delegation posts in the 2011 rotation package: Kosovo, Syria, Uzbekistan, Mali and Chile.

Other procedures are ongoing, including for heads of delegation in Egypt, FYR Macedonia, Eritrea and the head of the EU office in Jerusalem, as well as Chargé d'Affaires posts in New Zealand, Solomon Islands, Laos and Trinidad and Tobago.

Since the start of the year, the EAS has published six posts in headquarters at director level and 19 posts at middle management level.

THREE) - AFDB AND DENMARK: TECHNICAL COOPERATION AGREEMENT ON SUSTAINABLE ENERGY FUND FOR AFRICA

The Board of Directors of the African Development Bank (AfDB) has approved a technical cooperation agreement with the Government of Denmark for the establishment of a sustainable energy fund for Africa (SEFA) for capacity building and investment in sustainable energy over a five-year period. The budget for the fund is set at a DKK 300 million (equivalent to USD 57 million). The objective of this Fund is to provide technical capacity building and investment capital to support the provision of sustainable energy to SMEs in Africa. SEFA seeks to serve the overall the purpose of generating employment and economic growth.

This proposal to establish a Sustainable Energy Fund for Africa demonstrates a strong commitment of the Government of Denmark to support Regional Member Countries through the Bank in addressing the major development challenges towards the achievement of the Millennium Development Goals by 2015.

It is intended that SEFA becomes a multi donor fund as soon as additional donors agree to join. SEFA is completely untied and intended for financing projects with special emphasis on sustainable energy in support of the Bank's mandates.

Africa's untapped renewable energy sources could become the backbone of a reliable, affordable and low-carbon energy system. The technologies are well known and are becoming more reliable and profitable in response to fluctuating fossil fuel prices, increasing market volumes and technological innovation. There are thus promising market opportunities in Africa for small and medium enterprises, both as energy producers and energy consumers, be it in agriculture, industry (especially agro-industry), tourism or commerce.

FOUR) - WHEN CAN CIVIL SOCIETY IMPROVE STATE PERFORMANCE?

A new research paper analysing the [potential role of civil society action in increasing the accountability of the state for development](#) in sub-Saharan Africa was published by the World Bank. At the outset, the authors underline that this question must be looked at in the context of the overall political economy of African societies and the way in which civil society is constituted and functions. They find that if the political leadership does not have incentives to deliver on development, civil society pressure on bureaucratic state agencies is likely to have limited, or local effects. If, however, the government is committed to development, civil society may influence how internal state mechanisms work. Aid agencies could work to improve the incentives of higher-level leadership to pursue appropriate policy, the authors recommend, and at the same time warn that such efforts need to build on existing structures, rather than copying best practice approaches from elsewhere.

FIVE) – SOUTH AFRICAN COFFEE FARMERS GET SH7BN EU DEAL

Coffee farmers, under the Ankole Coffee Producers Co-operative Union, have secured a contract to supply over 1,000 tonnes of coffee to the European Union (EU) and South Africa. The development comes at a time when the country is faced with a shortfall in foreign exchange earnings as a result of dwindling export receipts.

John Nuwagaba, the union's general manager, said farmers would fetch about sh7.2bn (€2.0bn) this season if they supply the required coffee. Nuwagaba identified the EU countries as Spain, Holland, UK and Germany. He, however, expressed fear that they might fail to raise the required quantities because farmers are not organised and due to a decrease in coffee acreages caused by the coffee wilt disease.

His concern is not far-fetched as issues of honouring and raising contractual quantities have always been a big asking for local exporters. This has, in turn, taken a huge toll on Uganda's export earnings. The official said, besides being strict on quality, the interested countries want non-contaminated organic coffee. (New Vision)

SIX) – FAO EMERGENCY MEETING ON THE DROUGHT CRISIS IN THE HORN OF AFRICA

1.1 billion EUR are needed in the next twelve months to stop the famine in the Horn of Africa, said FAO Director-General Jacques Diouf at an [emergency meeting](#) in Rome on Monday 25 July. At the meeting, the World Bank consented to [disburse 348 million EUR](#) to the poor in the Horn of Africa, while [Germany](#) and the [Netherlands](#) again increased their emergency aid by 15 million EUR and 6.5 million EUR. The Czech Republic [committed 5 million CZK](#) (210,000 EUR). The European Commission [declared](#) on Wednesday

that it will increase its aid to Somalia by another 27,8 million EUR, meaning that it is contributing an overall 158 million EUR to fight against the hunger crisis.

The FAO highlighted that money was not only needed for emergency food aid but also to stop another drought from occurring. "If we want to avoid future famine and food insecurity crises in the region, countries and the international community urgently need to bolster the agricultural sector and accelerate investments in rural development," said Diouf.

The international development organisation Oxfam [stresses the need](#) to not only relaunch agricultural production in Africa, but also to improve access to agricultural goods for the people. Ahead of the meeting, Oxfam had criticised European states for willfully ignoring the drought crisis at the Horn of Africa. (FAO)

SEVEN) – MALAWI: CONCERNS OF PROTESTERS NEED TO BE TAKEN SERIOUSLY

Unless Malawi's government does something to find solutions to its economic and governance problems, the country will see more nationwide protests like the ones last week where 18 people were killed and 275 arrested, analysts say. The Jul. 20-21 protests were the first of their kind since the country attained democracy in 1994. Amid condemnation from the international community, President Bingu wa Mutharika called in the army to quell the protests in three cities; Lilongwe, Blantyre and Mzuzu. The media had also been restricted in reporting on the demonstrations.

Mustapha Hussein, a political analyst at the University of Malawi, said that Mutharika should start taking the concerns of Malawians seriously before things get out of hand. "The president seems to not be ready to accept blame for the economic and governance problems facing the country. There will be bigger protests in the country than what we just saw should the government not move fast in addressing the issues that are being raised," said Hussein.

Dalitso Kubalasa, executive director of the Malawi Economic Justice Network (MEJN), a coalition of more than 100 civil society organisations which promotes economic governance, told IPS that the lack of response from government about the issues raised by demonstrators does not help the country.

"The whiplash that we are witnessing all around us – internal and external – from development partners and other stakeholders is continuing to paint a lot of gloom, and is ultimately not projecting the hope Malawians seem to be longing and craving for or that has been long awaited," said Kubalasa.

Currently, tensions remain high as fuel queues keep getting longer as people seek out the now scarce commodity. There is also an acute shortage of foreign exchange, households and businesses continue to experience frequent and long spells of power outages, and water scarcity is still a problem – even in the country's affluent neighbourhoods.

Mutharika has still not responded to the demonstrators' demands, which included a call for the president to work on the restoration of the economy and democratic governance.

The protests came just as Britain announced it was suspending 35 million dollars of budget support to Malawi.

Up to 40 percent of Malawi's national budget has been dependent on donors and 80 percent of the country's development budget was being provided under the Common Approach to Budget Support, which includes Britain, Germany, the African Development Bank, Norway, the European Union and the World Bank. The British and German governments are already refusing to release up to 400 million dollars. However, during the June budget session of parliament Mutharika insisted that Malawi will be operating on a zero-deficit budget so that it will not be dependent on donors.

Speaking at a graduating ceremony for new police officers on Jul. 22, Mutharika said he was the only one concerned about running the country well, and that no one should pressure him on the issue of fuel.

But after government's disastrous handling of the protests, the Millennium Challenge Corporation (MCC), a United States government foreign aid agency leading the fight against global poverty, announced that it was putting on hold 350.7 million dollars meant to improve Malawi's energy sector.

The MCC said in a statement on Tuesday that it made the decision because of the use of force by Malawian authorities to prevent peaceful demonstrations, and the restrictions imposed on the media reporting on those demonstrations.

The southern African country is already reeling from poor relations with its traditional donors who have also accused it of failing to respect the human rights of lesbian, gay, bisexual and transgender people and the right to freedom of the press.

Even though Tina Kaduya's grocery store was looted during the demonstrations and she lost all her stock, she supports their demands. "I have lost goods worth about 2,000 dollars through the riots but I can't blame the people who attacked my shop. Many Malawians are angry because of the declining standards of living and many are poor so they saw an opportunity (to loot) when the demonstrations were happening," said Kaduya. She said government has not helped matters by introducing a value-added tax (VAT) of up to 16.5 percent on products such as bread, meat, milk. In the 2011/2012 national budget, delivered June, the country's minister of finance, Ken Kandodo, announced the introduction of taxes that also include a 25 percent excise duty on used clothing, furniture and toys.

"The country is staggering under miserable economic and governance problems. There's need for change and much as I worry about the loss of revenue after my shop was looted, I do understand people's actions," said Kaduya.

EIGHT) – MALAWI: WATER DRIVES INTEGRATED AGRICULTURE ON SMALL FARM

When the original owners of a 3.5 hectare piece of land put it up for sale because it was too waterlogged to farm on, Diana Sitima and her husband, Wilson, jumped to buy it. "People said we had lost our minds to buy land that was unusable. We started with building our house because we wanted to stay right here to manage the place. They said the house would collapse in days. It's now six years old," said Diana Sitima. Now their small farm is an outstanding example of integrated farming, which combines animal and crop production with the two enterprises depending on each other for their growth. At the heart of that growth is water.

Located about 15 kilometres outside Blantyre in the district of Chiradzulu in southern Malawi, the farm is a moist field of bananas, sugarcane, and a variety of vegetables. There are four dams stocked with fish, two dairy cows, pigs, goats and poultry. The farm is designed so that the animals feed on the crops grown on it and in turn the animal manure is used to fertilise the crops. The dams supply water for irrigation.

The success of the farm has attracted agricultural experts, top government officials and even cabinet ministers who visit the farm to admire its productivity.

The farm generates about 700 dollars a week from the sale of produce and livestock – an income 100 times higher than what half of the people in Malawi scrape by on, according to figures from the ministry of finance.

The Sitimas also employ 10 permanent workers, while dozens more work on a temporary basis throughout the year. The farm is now a viable business and the husband and wife team have been able to get bank loans to invest further in it.

The family attributes their success to the abundance and good management of water on the plot they bought in 1994 for less than 15 dollars. "The owners sold it to us in a way of throwing it away because it was too water logged and they didn't know how to work it. But we knew water is life, and with good management we would make the most of this piece of land," says Wilson Sitima.

Morris Salifu, an agricultural extension worker the Sitimas consulted for advice, helped them design the integrated farming system they currently use and advised them to dig four dams on the site to reduce the surface water saturation and make the land cultivable.

The dams also harvest water when it rains, so throughout the year there is water for irrigation.

This small landlocked southern African nation has numerous water resources comprising three inland lakes, over 13 perennial rivers and scores of wetlands. In addition to widespread ground water sources, the water system in Malawi covers over 21 percent of the country's territorial area, according to the national water policy.

However, the policy states that the country's water resources have not been "adequately and strategically managed" through irrigated agriculture for the realisation of maximum social and economic benefits.

Records from the ministry of agriculture show that in 2009/2010 Malawi produced 3.5 million tonnes of maize, the country's staple crop. This was one million tonnes more than the national food requirements. Of the total harvest, only 300,000 tonnes came from irrigation farming.

Land shortage was also listed as among the major factors leading to low agricultural productivity in Malawi. The national land policy says land holding sizes in Malawi have shrunk from 1.53 hectares in 1968 to 0.8 hectares in 2000 and 0.2 hectares in 2008 due to an increasing population.

After adjusting for wetlands, steep slopes and traditionally protected areas, only 4.5 million hectares of land is available for small scale farmers who account for about 80 percent of the country's total agricultural production.

Government has called for productive farm practices on the small pieces of land available as many

Malawians risk sliding further into poverty. And the Sitimas' way of farming could be a solution for many small scale farmers.

"We can't keep complaining about small land sizes because we may never get larger pieces of land. So, what we have been doing on this farm is to ask the experts about how we can make the most of our land," says Diana Sitima.

Noting the potential of the farm early on, Wilson Sitima quit a well-paying job with one of the top banks in Malawi and Diana Sitima resigned from a sales executive position so they could concentrate on farming. National coordinator for the Civil Society Agriculture Network, Tamani Nkhono-Mvula, says integrated agriculture has the potential to maximise productivity in small scale agriculture, especially on water-logged sites and near permanent water sources. The system is self-sustaining, he says, because it thrives on the interdependence of enterprises.

However, Nkhono thinks not many small scale farmers in Malawi would be enthusiastic about adopting commercial integrated agriculture because they are afraid to take risks. "Most small scale farmers in Malawi don't want to take (on) challenges. They would rather do things the old way and that is not quite helpful, especially as farm land sizes keep shrinking," he says.

The Sitimas did not start with much money; their capital was the water on the site, good advice and hard work, they say. "If there was no water, this place would have been dead. Water is fuelling the integration here and without it, we would not have purchased this land," says Wilson Sitima.

NINE) – AFRICA-DEVELOPMENT: GOVERNMENTS NEED TO REACH OUT TO RURAL WOMEN

Governments, especially in Africa, need to have strong accountability measures in place in order to effectively reach women in rural areas through gender responsive budgeting. This was one of the recommendations in the Global Call for Action plan drawn up at the end of an international high-level meeting on gender responsive budgeting held in Kigali from 26 to 28 Jul. The meeting was held in conjunction with the United Nations Entity for Gender Equality and the Empowerment of Women (U.N. Women) and the European Union.

Delegates also agreed that there was a need to strengthen the skills, competencies and abilities of local government leaders. In addition, the enhancement of national statistical systems was needed to provide accurate data about various aspects of gender. The document, which is yet to be released, also said that the livelihood of marginalised women in rural areas needed to be improved by increasing their access to land ownership and property rights.

Rwanda has been called a role model for other African countries in promoting gender equity at all decision-making levels, as here women outnumber men in parliament. The country's constitution also guarantees a minimum of 30 percent female representation at all levels of leadership.

Rwanda is involved in a three-year pilot programme, Gender Equitable Local Development (GELD), dedicated to improving women's access to resources and services at local level through gender responsive planning and budgeting. GELD is organised by U.N. Women and the United Nations Capital Development Fund.

"Rwanda records female-dominated occupations at various levels of decision-making, but women also need to engage in other economic careers such as the construction and transport industries," said Suzanne Ruboneka, a women's rights activist based in Kigali.

Women comprise 54 percent of Rwanda's population of nine million. Although there are no statistics available on the number of businesses owned by women, government acknowledges that the majority of employees in both the formal and informal sectors are women.

The regional programme director for U.N. Women, Diana Ofwona, said it is important to further promote gender equality through women's ownership of development initiatives, such as microfinance schemes. She said it was a way to increase efficient coordination in gender responsive budgeting.

Fatuma Mukakarara, president of a Muslim women's cooperative in Nyagatare, in northeastern Rwanda, said women's involvement in financial services ensures that there is greater transparency.

"We are part of the management team in these financial services cooperatives (and) this contributes to ensure that there is greater transparency and accountability," she told.

She said that through her experience in managing a microfinance business she knows that rural women can play a principal role in managing financial resources.

"But sometimes women experience difficulty while applying for a loan from a microfinance (institution). This can be because of a lack of self-esteem for many," Mukakarara said.

Ofwona said that what was mostly needed was adequate planning to integrate equity in managing and

sharing resources. "This includes removing some barriers which sometimes restrict women from equitably accessing local facilities (such as transport and microfinance schemes) ... particularly in rural areas," Ofwona says.

Economic analysts say the collection of statistical data on gender issues is still a major challenge for some countries.

"Once there is available data about gender, this would enable countries to determine what progress has been made towards achieving their targets (with gender responsive budgeting)," said Bernard Kayinamura, an economic expert based in Kigali. Kayinamura said that, for example, the disaggregated data on secondary school pupils studying science subjects could not explain why the number of girls studying the subjects was not increasing. "Thus there are sometimes missing figures which should be used (by decision-makers) in reviewing policies, procedures, practices and targets," he said.

Since 2009 Rwanda's government and civil society organisations have embarked on a national campaign dedicated to training rural women in the administration and management of microfinance schemes. However, there are no available figures about the number of women who have undergone training.

TEN) – EU: NO SHIPMENT OF NUCLEAR WASTE TO ACP COUNTRIES

For the first time, the European Union has committed itself to the final disposal of its nuclear waste. Heads of government adopted the radioactive waste and spent fuel management directive, "in order to avoid imposing undue burdens on future generations." [...] The directive will enter into force at the latest in September of this year. Member States will have two years to transpose its provisions into their national laws. By 2015, governments must submit their first national programs to the European Commission, the EU's executive branch, which will examine them and can require changes. [...] In its most controversial provision, the new law allows export of nuclear waste to countries outside the EU [...] but only under strict and binding conditions. The third country must have a final deep geological repository in operation when the waste is shipped. At present, such deep geological repositories do not exist anywhere in the world nor is a repository in construction outside of the EU. It takes a minimum of 40 years to develop and build a deep geological repository, the Commission said today in a statement on adoption of the new directive. According to already existing EU laws on the shipment of spent fuels and radioactive waste, the export to African, Pacific and Caribbean countries, as well as to Antarctica, is [explicitly ruled out](#) (ens-newswire.com)

Fernando Matos Rosa

Brussels

