



## MEMORANDUM N° 14/2011

09/02/2011

### SUMMARY:

- ONE) - **SIMPLER, FASTER AND BETTER DELIVERY OF €622, 3 MILLION FOR HUMANITARIAN ASSISTANCE** – *Page 2*
- TWO) – **THE COMMISSION HONES THE INSTRUMENTS IN ITS HUMANITARIAN AID TOOLBOX**- *Page 2*
- THREE) – **THE COMMISSION CALLS FOR ACTION ON COMMODITIES AND RAW MATERIALS** – *Page 4*
- FOUR) - **EU CALLS FOR ORDERLY TRANSITION IN EGYPT** - *Page 5*
- FIVE) – **EUROPE FIRMS STOP EGYPT DRILLING, EVACUATE STAFF** - *Page 6*
- SIX) – **EU FREEZES AID TO GUINEA BISSAU** - *Page 6*
- GUINEA BISSAU WELCOMES POSTPONEMENT OF EU SANCTIONS DECISION** - *Page 6*
- SEVEN) – **EU AGREES TO FREEZE ASSETS OF TUNISIA'S BEN ALI** - *Page 7*
- EIGHT) – **EU TO INCREASE AID TO TUNISIA** - *Page 8*
- NINE) – **EU'S ASHTON TO STRESS EU SUPPORT FOR TUNISIA, YEMEN REFORMS** - *Page 8*
- TEN) – **NERVOUS MOROCCAN GOVERNMENT DENIES BEING NEXT IN RIOTS LINE** - *Page 9*
- ELEVEN) – **EU READY TO STEP UP SANCTIONS AGAINST IVORY COAST'S GBAGBO** - *Page 9*
- TWELVE) – **AFRICAN UNION GIVES ITSELF ONE MONTH TO SOLVE IVORY COAST CRISIS** – *Page 10*
- THIRTEEN) – **GBAGBO, OUATTARA CRITICISE AFRICAN UNION PANEL** – *Page 10*
- FOURTEEN) - **WEST AFRICA FRANC ZONE WORRIED ABOUT IVORIAN FALL-OUT** - *Page 11*
- FIFTEEN) – **EU SUMMIT TO DEBATE MIDDLE EAST STABILITY** - *Page 11*
- SIXTEEN) - **NORTH AFRICA CHANGES: REVOLUTIONS OR PLAIN RIOTS?** - *Page 12*
- SEVENTEEN) - **DOHA ROUND TARIFFS CUTS "WILL STILL HIT" POOR COUNTRIES** – *Page 13*

## **ONE) - SIMPLER, FASTER AND BETTER DELIVERY OF €622, 3 MILLION FOR HUMANITARIAN ASSISTANCE**

Humanitarian aid will be delivered faster and more efficiently following a set of decisions adopted by the European Commission today. The first of these decisions will allocate more than €564 million to fund relief operations in crisis zones across the world. Two other decisions will allocate €34.3 million and €24 million respectively for risk reduction and preparedness in disaster-prone areas and for helping humanitarian partners improve their response capacity.

Kristalina Georgieva, European Commissioner for International Cooperation, Humanitarian Aid and Crisis Response, said: "Humanitarian needs are on the rise world-wide. As one of the major donors of humanitarian assistance, the European Union needs continuously to improve the quality of delivery." She added: "With this new approach in our funding decisions, we are committing €622 million up front, i.e. 73% of our initial budget. As from today, our aid will be implemented faster, it will offer more predictability to our partners and significantly streamline the decision-making process by reducing 55 decisions to three."

The revamped decision-making system will apply mainly to aid for longer humanitarian crises, which used to be disbursed by 55 separate funding decisions. For sudden disasters, the current mechanism of fast-track decisions will stay in place, as it allows for emergency aid to be disbursed within 72 hours from the EU humanitarian aid budget to the disaster-affected country. Funding allocations will still be driven by humanitarian needs and distributed according to individual country/regional strategies. Under the umbrella of the main global decision, detailed implementation plans are drawn up for specific crisis zones such as Sudan, the Sahel, the Middle East, Haiti and Pakistan.

The Commission, through its network of humanitarian experts, is uniquely placed as a donor to assess the needs in the field and monitor the operations that it funds. Based on these assessments, the country/region strategies will be reviewed throughout the duration of the funding decision, and revised if necessary. The new arrangements will also improve coordination with implementing partners and other humanitarian stakeholders.

## **TWO) – THE COMMISSION HONES THE INSTRUMENTS IN ITS HUMANITARIAN AID TOOLBOX**

The Commission has adopted its first ever global funding decisions under a new system for humanitarian assistance, designed to speed up and streamline aid delivery. The main decision, worth more than €564 million, will fund relief operations in crisis zones across the world. Another decision, also adopted today, will provide €34.3 million for risk reduction and preparedness in disaster-prone areas; a further €24 million is allocated to help build the capacity of partner organisations involved in delivering aid on the ground. The three decisions represent 73% of the Commission's annual humanitarian aid budget and are valid for 24 months.

The new system will allow the Commission to act better in the face of rising global humanitarian needs, caused by disasters, conflicts and human displacement. The effects of climate change and the continued impact of the economic crisis particularly affect the most vulnerable populations. In addition, the delivery of aid and access to beneficiaries continues to get more and more difficult and dangerous, raising the cost of security measures in humanitarian operations.

### **What's new?**

For each crisis, ECHO's humanitarian experts evaluate the humanitarian needs on the field, in order to account for all relevant aspects of the disaster and to assess the scope of needs. This case-by-case evaluation is combined with the permanently ongoing Global Needs Assessment (based on crisis and vulnerability indicators) and with the Forgotten Crisis Assessment. These evaluations provide the framework to determine the needs and to allocate an adequate amount of funds. The results of these evaluations will now be presented in the form of the new Humanitarian Implementation Plans (HIPs) .

They will be published on the website of ECHO, the Commission's humanitarian aid department. Each HIP is a current snapshot of a crisis and offers an overview of needs and response as well as a detailed picture of where funds have been allocated, the number of beneficiaries and the help which will be provided through our partners in the field. Each HIP 'document' is accessible to the public.

The HIPs for 2011 cover 27 countries, the region of Sahel and small-scale disasters response.

### **Advantages of the new approach**

Until now, the European Commission adopted around 90 financing decisions every year - around 30 emergency decisions, several other ad-hoc ones, and 55 global humanitarian aid plans.

The new procedure reduces the number of action plans from 55 to just three per year, thus cutting red tape and improving efficiency. In addition, the new system of humanitarian decision-making will be faster, more efficient and more flexible. It will simplify internal administrative procedures, reduce delays in the response to fast-changing humanitarian needs, and allow for a more flexible contract management. Each of the HIPs will help avoid potentially cumbersome intra-service consultations during the year by using the Commission's experience and know-how of helping vulnerable people and by defining at the beginning of the year where and which are the needs and how to provide the most efficient response to them.

It will also ensure the equal treatment of partners and strengthen the audit trail in the selection process. The Commission gives its humanitarian partners an updated toolbox of simpler and more flexible means to participate in project selection.

Another important advantage is the greater transparency of humanitarian aid to stakeholders and EU-citizens. The new procedure offers a global view on the humanitarian intervention of the European Union around the world.

The new system will improve the value delivered by European solidarity to the people affected by disasters and humanitarian crises around the world. In addition, it will also be of benefit to other donor organisations, EU Member States, partner relief providers including the United Nations and its specialised agencies.

### **Allocation of funds**

For 2011, the following regions will be covered by the €564.35 million humanitarian aid budget:

#### **Africa – €309.5 million**

(€192.4 million for humanitarian aid and €117.1 million for food assistance) Covering: Burundi, Central African Republic, Chad, Democratic Republic of Congo, Djibouti, Ethiopia, Kenya, the Sahel, Sudan, Tanzania, Uganda.

#### **Middle East and Mediterranean countries, (Caucasus) – €68 million**

(€39.8 million for humanitarian aid and €28.2 million for food assistance)

Covering: Afghanistan, Iran, Iraq, Lebanon, Pakistan, occupied Palestinian territory, Yemen.

#### **Asia and Pacific – €138.85 million**

(€106.4 million for humanitarian aid and €32.45 million for food assistance)

Covering: Bangladesh, India, Myanmar (Burma), Nepal, Thailand.

#### **Latin America and Caribbean – €45 million**

(€33 million for humanitarian aid and €12 million for food assistance)

Covering: Colombia, Haiti

#### **Worldwide (small scale disasters and epidemics response) – €3 million**

Part of this overall humanitarian budget will be allocated to Disaster Preparedness (DP) and Disaster Risk Reduction (DRR) activities. There is an increasing awareness of the importance of DP/DRR in all regions, but local communities and institutions in highly disaster prone areas often have insufficient capacity to prepare for and cope with these events.

For 2011, the following regions will be covered by Disaster Preparedness "Action Plans" under the €34.3 million **Disaster Risk Reduction / Disaster Preparedness** budget:

#### **South America – €12 million**

Around one million direct beneficiaries will be targeted in the following countries: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela.

#### **South Asia – €12 million**

The Action Plan will focus on the following countries: Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan and Sri Lanka, with an estimated 1.2 million as potential beneficiaries. The entire region, with an estimated total population of over 1.6 billion, is prone to natural disasters but not all countries have the same degree of exposure.

#### **Caribbean – €8 million**

Around 400,000 direct beneficiaries will be targeted in the following countries and Overseas Countries and Territories (OCT): Anguilla (OCT), Antigua and Barbuda, Netherlands Antilles (OCT), Aruba (OCT), Bahamas, Barbados, Belize, Cuba, Dominique, Grenada, Guyana, Haiti, Cayman Islands (OCT), Turks and Caicos Islands (OCT), British Virgin Islands (OCT), Jamaica, Montserrat (OCT), Dominican Republic, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago.

#### **Pacific – €2.3 million**

While all Pacific Island States have a similar profile in terms of exposure to disaster risk, there is a varying degree of risk and coping capacity. Those who combine highest risk with low coping capacity are Papua-New Guinea, Solomon Islands and Vanuatu.

Activities funded in the four targeted regions will focus on improving the capacities of communities at risk and on institutions involved in disaster risk reduction/disaster management, to assist their better preparedness for and protection against natural disasters. Priority will be given to communities in the highest risk of natural disasters and with the lowest coping capacities.

### **Background**

Combining the resources of the Commission and Member States, the European Union is the world's largest provider of funds for humanitarian aid operations.

The European Commission, through its humanitarian aid department (ECHO), has financed relief projects in more than 140 countries since 1992, easing the suffering of millions of disaster victims around the world.

Funds are allocated for vital goods and services including food, shelter, medical provisions, water supplies, sanitation and demining. Disaster preparedness and risk reduction projects in regions prone to natural catastrophes are also among the life-saving activities financed by Europeans through the Commission.

In 2010, the Commission allocated €1.114.861 billion for humanitarian assistance from which more than €34.295 million for Disaster Risk Reduction/disaster preparedness in Central America, Central Asia, South-East Asia and South-East Africa and the South-East Indian Ocean region. Many of these projects are still ongoing.

Humanitarian projects, funded by the EU budget, are implemented through partners: non-governmental relief organisations, UN agencies and international organisations such as the Red Cross/Red Crescent. The execution of these projects follows the humanitarian principles of humanity, neutrality, impartiality and independence. Aid is channeled directly to the affected populations, regardless of their race, ethnic group, religion, gender, age, nationality or political affiliation through our implementing partners.

ECHO partner organisations in the area of disaster preparedness and disaster risk reduction regularly engage in the immediate response to disasters, especially in remote areas, and work to build and reinforce local preparedness in high-risk areas.

### **THREE) – THE COMMISSION CALLS FOR ACTION ON COMMODITIES AND RAW MATERIALS**

Excessive volatility of prices on all major commodity markets occurs at a time when the competitiveness of European industry crucially depends on efficient and secure access to raw materials. Raw materials are vital for the EU's economy and particularly crucial for the development of modern environmentally friendly technologies such as electric cars and photovoltaic's. The recent volatility in commodity prices threatens to increase inflation and global raw material markets are becoming increasingly distorted due to protectionist measures. The price fluctuation on the agricultural commodity markets has an impact on farmers, food-makers and consumers, including in the poorest countries. In response to these challenges, the European Commission presented today an integrated strategic vision to tackle challenges in Commodity markets and on Raw materials. The Commission proposes actions to improve the regulation, functioning and transparency of financial and commodity markets. The European Commission also calls for the swift

implementation of the Raw Materials Initiative adopted in 2008. The Communication on commodities and raw materials contributes to the Europe 2020 flagship initiative 'A resource-efficient Europe' that was adopted last month).

The European Commission presents an overview of developments in financial and physical markets and outlines what has been done since the launch of the Raw Materials Initiative. This includes achievements such as identifying critical raw materials, actions in the area of trade and development, guidelines that clarify how extraction in the EU can be compatible with Natura 2000 requirements, new research opportunities under the 7th Research Framework Programme and development of end-of-waste criteria.

In today's Communication, the European Commission proposes a series of measures, based on its Raw Materials Initiative to ensure a fair and sustainable supply of raw materials from global markets, to foster sustainable supply within the EU and to boost resource efficiency and to promote recycling.

At the same time, recent developments on commodity markets show that the prices of derivative and physical markets may be linked in multiple ways. Clearly, the price of commodity derivatives is influenced by the price of the underlying commodity. It is also clear that investors increasingly use commodity derivatives as part of their strategic investments.

Financial market regulation is one important response to these developments. The regulatory initiatives already undertaken or planned for the coming months will ensure enhanced integrity, transparency and stability of commodity derivative markets. The Communication also notes that further work is necessary to understand fully the interlink between physical and financial markets. The European Commission intends to continue working on this matter, in the framework of the G20-debate taking place at the global level.

The **key elements** of the integrated strategic approach include:

- **Improving the integrity, transparency and stability of commodity derivatives markets**, inter alia through a review of the Directives on Market Abuse and Markets in Financial Instruments;
- Undertaking additional research on developments in financial and physical commodities markets with the aim of identifying how the linkages work;
- Regularly updating the **list of 14 critical raw materials** already identified by the European Commission;
- Monitoring the development of access to **critical raw materials** with the view to identifying priority actions;
- **Strengthening the EU's trade strategy** in relation to raw materials and pursuing the "raw material diplomacy" to address raw materials priorities in bilateral and multilateral frameworks and dialogues;
- Developing a **bilateral co-operation with African countries** in the area of raw materials, based on promoting governance, investment and geological knowledge and skills;
- Working closely with Member States and other stakeholders to improve the **regulatory framework for sustainable extraction within the EU**;
- **Enhancing resource efficiency and promoting recycling**, by tackling the waste levels due to sub-standard treatment inside or outside the EU and obstacles to the development of the recycling industries through for example the strengthening of the enforcement of the directive on waste from electrical and electronic equipment;
- Further **promoting research and innovation efforts** along the entire value chain of raw materials, from extraction, processing, recycling and resource efficiency to substitution.

#### FOUR) - EU CALLS FOR ORDERLY TRANSITION IN EGYPT

The European Union called for an orderly transition to a broad-based government in Egypt, saying democratic reforms were needed to create the conditions for free and fair elections. A [joint statement](#) from the 27 EU foreign ministers stopped short of calling for an immediate poll in Egypt, where a presidential election is scheduled for September. But it mirrored a White House statement on Sunday calling for a transition to a more responsive government. Several EU ministers expressed concerns about a danger of Islamist radicalisation in Egypt and their joint statement called for "an orderly transition to a broad-based government, leading to a genuine process of essential democratic reforms". It said transition in the Arab world's most populous country

should "respect the rule of law, human rights and fundamental freedoms, paving the way for free and fair elections". The EU statement expressed regret at the violence and loss of life during the unrest and urged the government to ensure security and property of citizens and an end to looting. Officials say EU states have been divided, with some believing Mubarak should step down immediately while others argue he should be given time to create better conditions for an orderly and democratic transition of power. **OBAMA STOPS SHORT ON MUBARAK** U.S. President Barack Obama spoke with Britain's David Cameron and Germany's Angela Merkel on Sunday and issued a statement afterwards calling for political reform in Egypt, while stopping short of urging Mubarak to leave. Monday's EU statement reflected a joint position on Saturday by the bloc's three biggest foreign policy players -France, German and Britain- which called on Mubarak to launch a process of political transformation to produce a more broad-based government and free and fair elections. France's Foreign Minister Michele Alliot-Marie said several ministers expressed concern at Monday's meeting about the dangers of Islamist radicalisation in Egypt. They included Germany's Guido Westerwelle. "It is very important to support the democratic process," he told reporters. "What we don't want to see is that radical forces benefit from this process with their propaganda of intolerance." EU foreign affairs chief Catherine Ashton urged Egyptian authorities to hold talks with opposition groups, release demonstrators and take steps towards democracy to end the unrest that has convulsed the country of 80 million people. Ashton said it was essential all sides, including the police, showed restraint in order to avoid further bloodshed. "We urge the authorities to release immediately all peaceful demonstrators who are in detention," she told reporters.

#### **FIVE) – EUROPE FIRMS STOP EGYPT DRILLING, EVACUATE STAFF**

Some big European energy companies have suspended drilling and evacuated staff in Egypt due to political unrest but gas production has not yet been affected, they said on Monday. Egypt is one of the world's top 10 exporters of liquefied natural gas (LNG), and consumes a lot of its own output, but is not a big oil exporter. Britain's BP, which produces a large share of Egypt's oil and gas, and Spain's Gas Natural, operator of the Damietta LNG plant, said they were evacuating some employees but that operations were unaffected. Royal Dutch Shell planned to evacuate its international staff on Sunday, while Norway's Statoil also evacuated some staff and suspended drilling for more fuel. "We have decided to stop the drilling operations for the moment to be on the safe side," a Statoil spokesman said, adding that the company had let some staff leave the country as the uprising against Egyptian President Hosni Mubarak's 30-year-rule intensified. "They left during the weekend as a precautionary measure as the situation is unstable and we don't know how it is going to develop," he said. Protesters intensified their campaign on Monday to force Mubarak to quit as world leaders struggled to find a solution to a crisis that has torn up the Middle East political map. "The levels of unrest, particularly during the last three days, have rattled oil companies as well as global oil markets, as fears have started to rise over the Egyptian regime's stability," Samuel Cizuk, senior Middle East analyst at IHS Energy, said. Britain's BG Group -which produces about a third of Egypt's gas and holds stakes in Egypt LNG (ELNG) plant- has stopped drilling. But production from its West Delta Deep Marine offshore gas field -a joint venture with Malaysia's PETRONAS- and the LNG export plant continued as normal on Monday. "Drilling activities have been temporarily suspended," a BG spokesperson said. "Gas production continues unaffected and LNG operations continue unaffected ... All our employees, contractors and their families are accounted for and safe." A spokeswoman for Spain's Gas Natural, which operates the Damietta LNG export plant on the north coast, said it had started evacuating non-essential staff and their families.

#### **SIX) – EU FREEZES AID TO GUINEA BISSAU**

Les ministres européens des Affaires étrangères ont décidé lundi de suspendre une partie de la coopération au développement avec la Guinée-Bissau, suite aux violations des droits de l'Homme sur place. Cette décision témoigne de "l'inquiétude de l'UE en ce qui concerne la situation en Guinée-Bissau après la mutinerie du 1er avril 2010 (au sein de l'armée) et la situation générale en matière de gouvernance dans le pays", a précisé l'UE dans un communiqué. Dans le cadre du Fonds européen de Développement et du budget communautaire, 120 millions d'euros sont envisagés pour la Guinée-Bissau jusqu'en 2013. Ne seront pas gelés les contrats déjà en exécution, les actions humanitaires ou bénéficiant directement aux populations, et les projets à caractère

régional ou ayant trait à la lutte contre la criminalité transnationale notamment. "Si le gouvernement du pays prend des engagements satisfaisants, la coopération au développement pourrait progressivement être rétablie", précise l'UE. Dans une lettre aux autorités guinéennes, le commissaire européen en charge du Développement Andris Piebalgs et la chef de la diplomatie européenne Catherine Ashton s'inquiètent des violations des droits de l'Homme sur place, "dans un contexte d'accroissement du trafic de drogue". L'UE réclame notamment l'ouverture et la conclusion d'enquêtes pleinement indépendantes sur les événements qui ont affecté la Guinée-Bissau entre mars 2009 et avril 2010 et la nomination à la tête de l'armée de personnes "non impliquées dans des actes de violence, inconstitutionnels ou illégaux". Les ambassadeurs des 27 s'étaient également mis d'accord la semaine dernière pour adopter des sanctions ciblées (gels d'avoirs et interdictions de visas) contre plusieurs responsables soupçonnés de "menacer la paix, la sécurité ou la stabilité". Mais cette décision a été reportée lundi sine die à la demande du Portugal, selon une source diplomatique. Renversé de la tête de l'armée bissau-guinéenne et arrêté le 1er avril 2010, l'ancien chef d'état-major des forces armées, l'Amiral José Zamora Induta, a été libéré en décembre avec l'ancien chef du service des renseignements militaires, le colonel Samba Djalo. Mais les deux hommes ne peuvent pas quitter le pays. (See [L'UE ouvre des consultations avec la Guinée-Bissau](#)).

*See next clip*

### **GUINEA BISSAU WELCOMES POSTPONEMENT OF EU SANCTIONS DECISION**

Le Premier ministre de Guinée-Bissau, Carlos Gomes Junior, s'est réjoui mardi que l'Union européenne (UE) ait renoncé à des sanctions contre son pays pour violations des droits de l'homme. "Le président (Malan Bacai Sanha) et moi étions très préoccupés par l'information véhiculée dans les médias selon laquelle l'UE allait prendre des sanctions contre la Guinée-Bissau", a déclaré le Premier ministre à la presse. "Maintenant, ces sanctions ne sont plus de mise, mais plutôt des négociations", a-t-il ajouté, souriant. "Nous avons nommé une équipe de diplomates qui va se déplacer pour négocier avec l'UE", a-t-il affirmé. Les ambassadeurs de l'UE s'étaient entendus la semaine dernière pour adopter des sanctions ciblées (gels d'avoirs et interdictions de visas) contre plusieurs responsables soupçonnés de "menacer la paix, la sécurité ou la stabilité". Mais cette décision a été reportée lundi sine die à la demande du Portugal, selon une source diplomatique. Les ministres européens des Affaires étrangères ont cependant décidé de suspendre une partie de la coopération au développement avec la Guinée-Bissau, pays à l'instabilité chronique. Cette décision témoigne de "l'inquiétude de l'UE en ce qui concerne la situation en Guinée-Bissau après la mutinerie du 1er avril 2010 (au sein de l'armée) et la situation générale en matière de gouvernance dans le pays", a précisé l'UE dans un communiqué. L'UE réclame notamment l'ouverture et la conclusion d'enquêtes pleinement indépendantes sur des événements violents ayant touché le pays entre mars 2009 et avril 2010 et la nomination à la tête de l'armée de personnes "non impliquées dans des actes de violence, inconstitutionnels ou illégaux".

### **SEVEN) – EU AGREES TO FREEZE ASSETS OF TUNISIA'S BEN ALI**

The European Union agreed on Monday to freeze the assets of Tunisia's former President Zine-al Abidine Ben Ali and his wife, while holding out the prospect of better trade ties with a post-election government. EU officials said the sanctions could be extended in future to other people considered to have misappropriated state funds. Ben Ali and his family built up interests in many Tunisian companies and industries during his two decades in power, including hotels, banks, tuna exports, construction, newspapers and pharmaceuticals. He was driven out by a popular revolt on Jan. 14 and sought refuge in Saudi Arabia. EU ministers meeting in Brussels expressed regret at the violence and loss of life in the unrest but said ties would be strengthened thanks to the country's democratic transition. In a [statement](#) they urged the transitional government to release of political prisoners and legalise political parties, and offered support for the holding of elections. It said the European Union intended to conclude an agreement with the government that emerged from democratic elections to bring relations to "advanced status", which would entail better trade terms. The EU has been alarmed by the spread of popular unrest in the Middle East and Africa and has been trying to forge a new relationship Tunisia, a country with which it developed strong trade and political ties during Ben Ali's 23 years in power. France, Tunisia's former colonial ruler, Italy and Spain all had good relations with Ben Ali and his government in recent years, while at the same time urging democratic reforms. It was not yet clear where the Ben Ali family's assets were held, although Switzerland has said it intends to freeze any deposited there. France has announced measures to block any suspicious movements of Tunisian money. Catherine Ashton, the EU foreign affairs chief, spoke to

Tunisia's foreign minister by telephone on Friday and invited him to come to Brussels this week to discuss how the EU could help the country as it tries to restore stability.

#### **EIGHT) – EU TO INCREASE AID TO TUNISIA**

Le représentant de l'Union européenne à Tunis a déclaré à l'AFP que Bruxelles allait "sûrement augmenter sa coopération en 2011" avec la Tunisie et que les négociations sur l'octroi d'un statut avancé à ce pays allaient être grandement facilitées par la nouvelle donne politique. "80% de ce qui a été proposé depuis l'ouverture de ces négociations demeure et certains éléments peuvent être accélérés, maintenant que le peuple tunisien s'est lui-même choisi un +statut avancé+" et que l'hypothèque de la bonne gouvernance exigée par Bruxelles "est levée", a précisé Adrianus Koetsenruijter. Une coopération accrue en 2011 vise "à générer un tissu social plus fort et plus productif", notamment dans "les régions faibles" du pays, a-t-il expliqué. L'Union européenne avait entamé en mai 2010 avec le régime du président aujourd'hui déchu Zine El Abidine Ben Ali, des négociations sur ce statut avancé, censé ouvrir la voie à un traitement douanier préférentiel pour les échanges et à une libéralisation en matière de visas. Mais ces discussions n'ont pas fait de progrès sensibles depuis lors. La visite mercredi à Bruxelles du nouveau chef de la diplomatie tunisienne Ahmed Abderraouf Ounaïs pour relancer ces négociations "va permettre d'identifier les urgences pour que l'UE puisse adapter son action", a commenté l'ambassadeur européen. "Il n'est toutefois pas possible", a-t-il nuancé, de signer l'octroi un tel statut avec des autorités de transition, mais cela n'empêchera pas selon lui l'UE d'"accélérer" dans certains domaines comme l'agriculture et les services, "même sans ce statut avancé". L'UE, a-t-il rappelé, accorde actuellement à la Tunisie entre 80 et 90 millions d'euros par an en aides non remboursables. La Banque européenne d'investissement (BEI) a de son côté octroyé en 2010 un prêt de 500 millions d'euros pour des projets d'infrastructures, notamment dans les transports et les routes. Lundi, les ministres des Affaires étrangères de l'UE ont décidé de geler les avoirs de l'ex-président tunisien Zine El Abidine Ben Ali et de son épouse. L'ambassadeur européen à Tunis a précisé qu'au total la liste pour concerner "une cinquantaine de personnes". Le chef de la diplomatie de l'UE, Catherine Ashton a annoncé vendredi que l'Union allait envoyer cette semaine une mission d'experts en Tunisie "pour aider à l'organisation" des élections que le gouvernement de transition tunisien doit convoquer d'ici six mois. Une délégation de 25 députés du Parlement européen est également attendue cette semaine à Tunis, a précisé Koetsenruijter.

#### **NINE) – EU'S ASHTON TO STRESS EU SUPPORT FOR TUNISIA, YEMEN REFORMS**

The European Union's foreign policy chief is to stress the bloc's support for democratic reforms and reconciliation in Tunisia and Yemen when she meets the two countries' foreign ministers on Wednesday, her spokeswoman said. The EU is keen to see greater democracy in the region, but not at the cost of instability in its neighbourhood. EU High Representative Catherine Ashton will discuss with Tunisian Foreign Minister Ahmed Ouneies "how we can build up the offer that the EU has made, in particular on the electoral support that we have offered," Ashton's spokeswoman, Maja Kocijancic, said. The EU has already sent an expert mission to Tunisia to discuss how best to set up and run free and fair elections, and is expected to offer more aid in the coming days. In a separate meeting with Yemeni Foreign Minister Abu Bakr al-Qirbi, Ashton "will give our clear support to a democratic, unified and stable Yemen," Kocijancic said. Yemen shot up the international agenda a year ago after it emerged that a would-be terrorist had received training in the country. Issues in Yemen were hastily tacked onto a conference on Afghanistan in London, but the country has since fallen back down diplomats' priority list. "We will also reiterate our call to the government and all parties in Yemen to engage in a genuine national dialogue ... which extends from holding meaningful democratic election to a wider national reconciliation," Kocijancic said.

## TEN) – NERVOUS MOROCCAN GOVERNMENT DENIES BEING NEXT IN RIOTS LINE

Les autorités marocaines ont marqué leur volonté de prévenir toute tentation d'établir un parallèle avec l'Egypte et la Tunisie, et de nombreux journaux proches du pouvoir s'élevaient contre l'idée d'une éventuelle "contagion". Dimanche, le gouvernement a démenti avec fermeté avoir rappelé des troupes déployées dans le Sahara occidental pour parer à d'éventuelles manifestations dans des villes marocaines, comme l'affirmaient des médias espagnols. Le ministre des Affaires étrangères Taieb Fassi Firhi a convoqué l'ambassadeur d'Espagne et eu un entretien avec le chef de la diplomatie espagnole pour leur exprimer l'"indignation" du Maroc face à ces "agissements irresponsables". La situation en Egypte faisait lundi la Une de la plupart des journaux, et de nombreux Marocains sont restés collés à leurs téléviseurs ces derniers jours pour suivre - notamment sur la chaîne satellitaire al-Jazeera - les manifestations de masse contre le pouvoir du président Hosni Moubarak. Une petite centaine de personnes ont manifesté lundi après-midi à Rabat devant l'ambassade d'Egypte à l'appel de plusieurs ONG pour exprimer leur "solidarité" avec le peuple égyptien. Le gouvernement marocain n'a de son côté pas fait de commentaires publics sur la situation en Egypte, mais la vivacité de sa réaction aux informations de la presse espagnole montre que le sujet est très sensible pour lui. Des médias espagnols et d'autres sites -repreant une information postée sur sa page Facebook par le journaliste marocain Ali Lmrabet- avaient rapporté que des troupes auraient été rappelées du Sahara occidental pour être prêtes à intervenir en cas de troubles. "Parfois, le gouvernement fait preuve d'une certaine nervosité qui n'est pas toujours utile", a estimé Mohammed Darif, professeur de science politique à l'université Hassan II de Casablanca, à propos de la salve marocaine, tout en soulignant que c'est "le rôle de tout gouvernement de prévenir tout ce qui pourrait favoriser l'instabilité".

**MAINTAINS FOODSUBSIDIES** Le gouvernement marocain a aussi exprimé récemment sa détermination à maintenir les subventions sur les produits de base comme la farine, le sucre, l'huile et le gaz butane afin d'éviter que leurs prix ne flambent. En annonçant cette mesure, le ministre de la communication et porte-parole du gouvernement Khalid Naciri avait affirmé, la semaine dernière, que cette décision n'était pas influencée par la révolte tunisienne qui a chassé le président Ben Ali. Un débat sur l'éventualité d'une contagion au Maroc des événements de Tunisie et d'Egypte agite néanmoins la presse marocaine. Dans une interview au *Nouvel Observateur*, Aboubakr Jamaï, fondateur d'un journal critique aujourd'hui disparu, le "Journal hebdomadaire", a ainsi suscité une levée de boucliers dans plusieurs journaux proches du pouvoir.

**BLOODIER THAN TUNISIA ?** Jamaï estime notamment dans cette interview que "si le Maroc s'embrase, la disparité des richesses y est telle que la révolution y sera beaucoup plus sanglante qu'en Tunisie". Dénonçant vivement, en même temps que plusieurs autres publications, la "fabrication d'un mythe de la contagion", l'hebdomadaire *Le Temps* a estimé que M. Jamaï faisait preuve d'une "méconnaissance inattendue de la situation politico-sociale du Maroc". Certains organes de presse trouvent un "plaisir jubilatoire à faire le parallèle entre ce qui s'est passé en Tunisie et la situation au Maroc. Ils connaissent mal leur pays", a écrit pour sa part l'hebdomadaire francophone *la Vie éco*. Dans une interview publiée lundi par le quotidien espagnol *El País*, le prince Moulay Hicham, surnommé le "prince rouge" pour ses critiques de la monarchie, a pour sa part estimé que si le "Maroc n'a pas été encore atteint" par la vague de contestation sociale et politique qui secoue les pays arabes, il "ne sera probablement pas une exception".

## ELEVEN) – EU READY TO STEP UP SANCTIONS AGAINST IVORY COAST'S GBAGBO

European Union foreign ministers on Monday added two people to a travel-ban-and-asset-freeze list targeting Ivory Coast's outgoing president Laurent Gbagbo and his supporters, and signalled they were ready to go further. Gbagbo's clan has been hit with EU sanctions after refusing to concede defeat in November elections, which - according to the international community - were won by opposition candidate Alassane Ouattara. "The list we approved in December, we have extended again today," EU foreign policy chief Catherine Ashton said after chairing a meeting of the bloc's foreign ministers in Brussels. EU diplomats said officials from a West African bank supporting Gbagbo were targeted, bringing to 87 the total number of people on the sanctions list, which also includes 11 business entities. Ministers warned that the squeeze could go further. "The EU will regularly examine the restrictive measures as to ensure their effectiveness and leverage, including the possible increase of their scope," they said in a [statement](#). Possible steps include economic sanctions on key Ivory Coast exports such as cocoa, EU officials indicated. The bloc reiterated its backing for regional efforts - including the African Union's - "to support a peaceful handover of power to President Alassane Ouattara and his government." Ouattara has been hemmed in an Abidjan hotel by troops loyal to Gbagbo. EU ministers called for "the immediate lifting

of the blockade," and condemned the attacks against the United Nations peacekeepers who are protecting the internationally-recognized election winner.

## TWELVE) – AFRICAN UNION GIVES ITSELF ONE MONTH TO SOLVE IVORY COAST CRISIS

Les chefs d'Etat africains réunis à Addis Abeba se sont donné lundi un mois supplémentaire pour résoudre l'imbroglio né du scrutin présidentiel contesté en Côte d'Ivoire, se préparant par ailleurs à accueillir un Sud-Soudan bientôt indépendant au sein de l'Union africaine. A la conclusion de deux jours de sommet, l'UA a dit "suivre de près les développements de la situation en Egypte", après une semaine de manifestations contre le pouvoir de Hosni Moubarak, et a demandé "des élections libres" en Tunisie, où la formation d'un nouveau gouvernement a paru ramener un peu de calme. Sur la Côte d'Ivoire, un "panel" de cinq chefs d'Etat chargés de présenter d'ici un mois des décisions "contraignantes" a tenu sa première réunion lundi. Présidé par le chef d'Etat Mauritanien Mohamed Ould Abdel Aziz, il réunit Idriss Deby (Tchad), Jacob Zuma (Afrique du Sud), Blaise Compaore (Burkina Faso) et Jakaya Kikwete (Tanzanie). Cette initiative vise à "amener Alassane Ouattara à exercer la réalité du pouvoir" dans le pays "par la négociation", selon le président de la Commission de l'UA Jean Ping, ajoutant que son organisation considèrerait toujours M. Ouattara comme le vainqueur du scrutin qui l'a opposé au président sortant Laurent Gbagbo. **SOUTH AFRICA, UGANDA UNCONVINCED** La création du panel offre à l'UA un nouveau délai pour refaire son unité, alors que plusieurs pays dont l'Afrique du Sud et l'Ouganda paraissent plus sensibles aux arguments de M. Gbagbo. M. Ouattara s'est félicité de ce qu'il a vu comme une confirmation de sa victoire, mais il a regretté ce nouveau délai. Le camp de M. Gbagbo a salué "la décision d'aller dans le sens d'une résolution pacifique de la crise". De façon plus consensuelle, le 16e sommet de l'UA "a réitéré son engagement à reconnaître les résultats du référendum" de janvier au Sud-Soudan, par lequel 98,83% de la population s'est prononcée pour l'indépendance. "Un Etat est sur le point de naître, et c'est un accouchement sans douleur, contrairement à ce que le monde entier craignait", s'est félicité Jean Ping. Mais le secrétaire général de l'ONU Ban Ki-moon s'est dit "très inquiet des défis de l'après-référendum", et il a eu de longs entretiens lundi avec le président soudanais Omar el-Béchar et le chef sud-soudanais Salva Kiir sur les nombreux différends en suspens, de la région stratégique contestée d'Abyei au partage des ressources pétrolières. M. Ping a dressé par ailleurs un constat d'échec sans précédent du gouvernement de transition somalien du président Sharif Cheikh Ahmed, à sept mois de la fin du mandat que lui a confié la communauté internationale, estimant "qu'il n'a pas été capable de remplir dans les faits ses obligations gouvernementales". Soutenu à bout de bras par la communauté internationale face aux attaques quotidiennes des insurgés islamistes radicaux, le TFG ne survit que grâce au soutien des 8.000 hommes de la force de l'Union africaine en Somalie (Amisom). De son côté, le Kenya a obtenu le soutien de l'UA en vue de suspendre les poursuites de la Cour pénale internationale contre six responsables présumés des violences postélectorales de 2007-2008. L'UA a déjà réclamé, en vain, un tel ajournement de ces poursuites contre Béchar pour ses crimes présumés au Darfour (ouest). **OBIANG HEADS AFRICAN UNION NOW** L'UA sera désormais dirigée par le président de Guinée Equatoriale, désigné dimanche par ses pairs restés sourds aux critiques de la société civile sur les violations des droits l'homme et la corruption qui caractérisent selon elles les trois décennies de pouvoir sans partage de Teodoro Obiang Nguema. Le prochain sommet de l'organisation aura d'ailleurs lieu en juin dans la capitale équato-guinéenne Malabo.

## THIRTEEN) – GBAGBO, OUATTARA CRITICISE AFRICAN UNION PANEL

Le panel de l'Union africaine chargé de dénouer la crise ivoirienne a été critiqué mardi par un proche de Laurent Gbagbo qui a "récusé" un de ses membres, et par le Premier ministre d'Alassane Ouattara qui s'est dit convaincu que M. Gbagbo ne partirait pas sous la pression du comité. "Les +patriotes+ de Côte d'Ivoire récusent (le président burkinabè) Blaise Compaoré comme membre du panel et il n'est pas le bienvenu" dans le pays, a déclaré à Abidjan Charles Blé Goudé, leader des "jeunes patriotes", partisans du président sortant Laurent Gbagbo. "Son pays continue d'être l'arrière-base de la rébellion (alliée à M. Ouattara). C'est un belligérant", a-t-il accusé. Ancien médiateur du processus de paix ivoirien, M. Compaoré est considéré comme un tenant de la fermeté face à son voisin Laurent Gbagbo, qui refuse depuis l'élection du 28 novembre de céder le pouvoir à Alassane Ouattara, reconnu président élu par la communauté internationale. Avec les présidents

de Mauritanie, du Tchad, d'Afrique du Sud et de Tanzanie, M. Compaoré fait partie du panel mis en place ce week-end par l'UA et qui a un mois pour rendre ses conclusions "contraignantes". A Ouagadougou, où il a justement rencontré M. Compaoré lundi, Guillaume Soro, Premier ministre de M. Ouattara, s'est dit "convaincu que Gbagbo ne cédera pas le pouvoir. Il dira non au panel des chefs d'Etat" de l'UA. Le sortant "est allé trop loin pour reculer" et "c'est sûr (qu'il) opposera une fin de non-recevoir au panel", a ajouté M. Soro, prônant "une position de fermeté et de force légitime" à son égard. La Communauté économique des Etats d'Afrique de l'Ouest (Cédéao) a menacé M. Gbagbo de le déloger par la force s'il refuse de céder la place, mais l'Union africaine a insisté pour une résolution pacifique de la crise. La position de M. Soro sur ce panel se distingue de celle de M. Ouattara, qui avait simplement "pris acte" de sa mise en place et souhaité que ses conclusions "soient rendues rapidement", en se félicitant d'être de nouveau reconnu comme président élu. La bataille entre les deux rivaux se poursuivait par ailleurs au plan économique-financier, particulièrement autour de la banque centrale ouest-africaine (BCEAO). Réunie à Dakar, l'Union économique et monétaire ouest-africaine (Uémoa) a "mis en garde" le camp Gbagbo contre toute opération "illégal" visant la banque. Les ministres de l'Uémoa ont "fermement condamné l'occupation des locaux des agences de la BCEAO" en Côte d'Ivoire par des partisans de M. Gbagbo depuis la semaine dernière "et l'exécution illégale et frauduleuse des opérations qui ont été effectuées". L'Uémoa a retiré la signature du chef d'Etat sortant et accordé la gestion des comptes ivoiriens de la BCEAO à Alassane Ouattara, qui vise l'asphyxie financière du régime en place.

#### FOURTEEN) - WEST AFRICA FRANC ZONE WORRIED ABOUT IVORIAN FALL-OUT

A battle for control over Ivory Coast state funds in the regional central bank risks hurting the finances of the other seven countries in the West African franc zone, officials said at an emergency meeting on Tuesday. Laurent Gbagbo has refused to step down as the Ivory Coast's president despite losing a Nov. 28 election according to UN-certified results which showed rival Alassane Ouattara the victor. The eight-country West African Economic and Monetary Union (WAEMU) has shut down Gbagbo's access to Ivorian funds held at the Senegal headquarters of the region's central bank, but Gbagbo hit back last week by requisitioning its local Ivorian offices. "These acts are without precedent in the Union," Jose Mario Vaz, finance minister of Guinea Bissau and current president of the eight-country zone's council said before talks in Dakar. "The stability of the banking system and limiting impacts of the crisis on the Union's economies are a major preoccupation and must be addressed in our deliberations," he said of the Union, also known by its French acronym UEMOA. The eight countries of the West African franc zone are: Ivory Coast, Benin, Burkina Faso, Guinea-Bissau, Mali, Niger, Senegal, and Togo. Finance ministers of the zone were due to issue a statement after their talks. The West African franc (CFA) is currently pegged at around 656 to the euro and while few believe the Ivorian crisis could force a devaluation of the franc, concerns are growing that it could hit the rest of the zone in other ways. Investors said on Tuesday Ivory Coast had defaulted on the \$29 million coupon payment of its 2032 \$2.3 billion bond due by Jan. 31, raising question marks over whether it will follow by defaulting on CFA-denominated debt. Citing a leaked WAEMU document, French magazine Jeune Afrique this week said around two-thirds of treasury bills held by banks in the single currency zone were Ivorian, amounting to 604.3 billion CFA franc (\$1.26 billion). It said banks in Senegal, Burkina Faso and Benin were most exposed to a possible Ivorian default, and quoted the same document as querying whether Ivory Coast would pay its share of the running costs of WAEMU institutions

#### FIFTEEN) – EU SUMMIT TO DEBATE MIDDLE EAST STABILITY

Friday's European Union summit is to debate the surge of pro-democracy demonstrations in North Africa and their implications for Middle East security, according to the official letter of invitation to leaders. The summit had been scheduled to discuss energy and innovation, but the uprisings against the presidents of Tunisia, Egypt and Yemen have forced summit chairman Herman Van Rompuy to change the agenda. "We will exchange views on the latest events in Egypt and Tunisia and their implications for the region itself and the European Union," Van Rompuy wrote in [his letter of invitation to EU leaders](#). EU foreign ministers called for a peaceful transition to more democracy in Egypt. They carefully refrained from commenting on the future of President Hosny Mubarak, saying that that was a decision for the Egyptian people. But on Tuesday, Mubarak pledged not

to run in elections planned for September. Hours later, his Yemeni counterpart, Ali Abdullah Saleh, vowed not to run in elections in 2013. The EU summit will therefore have to debate the bloc's reaction, including whether the two presidents' pledges are enough to satisfy Western calls for democratic transition. The summit is also due to discuss how the EU can use its muscle to get better access to Russia's energy resources. Leaders are also expected to debate ways of reinforcing the euro's credibility following last year's crisis. They are not, however, expected to take any decisions until March.

## SIXTEEN) - NORTH AFRICA CHANGES: REVOLUTIONS OR PLAIN RIOTS?

If the Egyptian government falls, will the revolution be complete? No one knows for certain what will happen, but the developments in Egypt have awakened memories of the regime changes that took place in East Germany and Eastern Europe in 1989. Demonstrators there also had to overcome their fear of dictators. Some conditions for a successful change can be ascertained in hindsight, even when the circumstances, such as the poverty in Egypt, are completely different. "Violence appears where power is in jeopardy," wrote German- American political scientist Hannah Arendt. Is power emerging from the opposition movement that the regime could only confront with sheer violence? Or will the protests ebb away? Can the people ultimately liberate themselves? Revolutions proceed in phases of mobilization. In the German Democratic Republic a demonstration involving about 500 people in Leipzig on January 15, 1989 marked a change. They gathered in the city's market plaza to demand freedom of speech and freedom of assembly in the first demonstration in years to take place without government permission. Initially, the East German opposition used the shelter of the church under which they tentatively, but unflinchingly gathered. There was no Facebook or Twitter back then. Instead word-of-mouth propaganda and secretly produced leaflets accelerated the uprising and kept it well lubricated. Egypt had already taken the step toward mass protest ahead of the current violent demonstrations. Small opposition movements have existed deep in the political landscape for some time. They have been very tentative, but visible. There was a small demonstration at the end of 2004 in front of Cairo University, for example. Tunisia's recent jasmine revolution gave the opposition movement pivotal momentum from the outside. It was similar in East Germany. Protests there became massive by October 1989 after Poland and Hungary bit by bit cleared old rulers away. The Poles had the Solidarity labour movement, the experience of countrywide strikes and finally a political roundtable from February 1989. By comparison change occurred much more quietly in Hungary where reforms were accompanied by negotiations between those in power and the opposition. The British historian Timothy Garton Ash attests to the mixture of revolution and reform - what he calls "refolution" - that took place in those two countries. Many observers say the beginnings of reforms dating back to 2004 are little else than an attempt to solidify power. Can anything different come out of the reform promises of the politically boxed-in President Hosny Mubarak? In East Germany a westward exodus of tens of thousands of refugees played a role. Their departure from the communist country coincided with demonstrations every Monday in Leipzig that grew larger and larger until October when East German leader Erich Honecker and his closest political allies resigned. Fears that the new leaders would seek a violent end to the protests as the communist government of China had done in June of 1989 at Tiananmen Square turned out to be unfounded. When the rulers of then Czechoslovakia tried to hold on to power by ordering security forces to beat down a student demonstration in November of 1989, the result was a massive protest and general strike. The government gave in. **VIOLENCE MAKES THE DIFFERENCE** What were the reasons for the success of demonstrations in Eastern Europe? Kai-Olaf Lang, a researcher in Berlin, cites several. The protests didn't get out of hand, there was no violence that hardened the opposing sides and no bloody chaos on the streets as in past days in Cairo, Suez, Alexandria and other cities - partially steered from above. And there were no groups with goals outside the desire to form a democratic republic, which might not be the case in Egypt where the Muslim Brotherhood is politically active. More often movements and new parties in Eastern Europe found themselves successfully able to contain their resentment and form groups that pull the rug from under the radical currents - post communists as reformers, for example. Despite all heterogeneity, the goal of removing the old system united them. And there also was also the closeness of the west, an undertow that came from the European community and that gained strength through cooperation that crossed over borders. Will the Arab dictators fall like the communists dictators fell? There is no clear answer. "If Egypt falls, then it is very likely other countries will follow," said Guido Steinberg, an expert on the Middle East, in an interview. In light of the intransigence of Mubarak, the emphasis is on the word "if." Another question is whether dispensing of the old regime would be followed by freedom for the people of Egypt under a democratic system.

## SEVENTEEN) - DOHA ROUND TARIFFS CUTS "WILL STILL HIT" POOR COUNTRIES

To allow least developed countries (LDCs) to protect nascent industries, they are not required to cut tariffs for industrial goods and fisheries in the Doha Development Round. However, tariffs cuts will affect them if they are members of customs unions where some of their neighbours are larger developing countries without LDC status. For example, "Nigeria is not an LDC but the nine LDCs in the Economic Community of West African States (ECOWAS) may also be bound by the commitments that their more powerful neighbour agrees to in the Doha Round," explains Aileen Kwa in response to questions from IPS about what lies ahead for LDCs at the World Trade Organisation (WTO) during 2011.

Kwa is coordinator of the trade and development programme at the South Centre, an intergovernmental organisation representing developing countries and based in Geneva.

"This is the problem: tariff cuts, whether in agriculture or NAMA (non- agricultural market access), are not going to help poor countries with food security, industrialisation or increasing their domestic production. In most African countries, agriculture has been destroyed by liberalisation, so they need to put up their tariffs instead of reducing them," Kwa argues.

This point of view is shared by an African diplomat who spoke on condition of anonymity due to the sensitivity of negotiating positions: "Sectorals (deep cuts or elimination of tariffs in certain industrial sectors by some developing countries, supposedly voluntary) will affect LDCs that are in custom unions with large developing countries, particularly those LDCs that depend on tariffs for their revenue.

"It is difficult to bring this subject to the negotiating table. In the economic partnership agreements (EPAs) being negotiated with the European Union there is at least the recognition that the implementation of the EPAs may have adverse effects. In the WTO we do not have that."

Mohammad Abdul Hannan, Bangladesh's ambassador and coordinator of the LDCs group at the WTO, admitted in an interview that the Doha Round would cause preference erosion for LDCs.

"That is an issue. LDCs have duty-free and quota-free market access to most developed countries under various autonomous preference schemes. Reduction of tariffs across the board will make LDCs less competitive in comparison to other developing countries. Therefore, there should be other measures to compensate LDCs for subsequent losses," says Hannan.

LDCs need more clarity from other WTO members on tariffs cuts and tariff lines where LDCs will be given duty-free and quota-free market access, he adds.

Kwa doubts that the conclusion of the round will benefit LDCs at all. She points to studies showing that, apart from a handful of developing countries like Brazil, China and India that would suffer losses but also enjoy gains, the majority of developing countries are facing mainly losses.

LDCs' total share of world trade is only one percent and their exports consist mainly of natural resources and some manufacturing and agricultural products.

"The issue is production and until these countries can actually produce, having market access holds no real value for them. The gains for LDCs and other lower income countries from the Doha Round are not apparent," Kwa argues.

Hannan disagrees on this point: "Richer countries and large developing ones will benefit the most from the conclusion of the round because of their capacity to trade. But through special and differential treatment LDCs can also benefit from the international trading system.

"Developed and developing countries who are able to do so have to support the efforts of the LDCs to build and expand their supply-side (production) capacities." Special and differential treatment involves exemptions and assistance for developing countries.

Hannan adds that, "as LDCs, we expect the Doha Round to protect and augment our productive capacity and enhance our effective market access. The Doha Round, with development at its core, came about to correct the

imbalances of the previous rounds.

"The final outcome of Doha must ensure that development remains the centerpiece of the agreement."

Hannan is confident that trade liberalisation will bring about growth, employment and development for the poorest countries: "For us, market access, cotton and services are very crucial. These have to be complemented with aid for trade for capacity building and trade facilitation for LDCs to beneficially integrate into the multilateral trading system.

"We are encouraged by the momentum generated recently and would like to believe that we are in the last lap of this decade-long round. Failure to conclude the round would affect LDCs the most."

It is hoped that the just-concluded World Economic Forum in Davos, Switzerland, will give new impetus to the round. Pascal Lamy, WTO director general, asked the chairs of the negotiating groups to produce new texts by April and the rhythm has intensified.

Kwa regards the high unemployment rates in many countries – due to the global economic recession – as a significant spur for opposition to the conclusion of the round.

Fernando Matos Rosa

Brussels

