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ONE) - ITALY PROPOSES NEW TREATY CHANGE

Italy's Finance Minister Giulio Tremonti called for a new revision of the EU Treaties in order to equip the European Union with updated tools to face immigration, the economic crisis and energy challenges.

On 1 December 2009, the Treaty of Lisbon entered into force, thus ending a decade-long negotiation on institutional issues. The Treaty of Lisbon amends the current EU and EC treaties, without replacing them.

The Treaty establishing the European Atomic Energy Community (Euratom) was initially going to be included in the Lisbon Treaty, but in the end remained an external legal document.

Following the financial crisis, EU leaders agreed at their December 2010 summit to limited Treaty change to allow the establishment of a permanent mechanism to safeguard the stability of the euro zone.

After the definitive adoption of the reform by the European Council and the European Parliament in March 2011, the changes will need to be ratified by all 27 member states in order to have the mechanism in force by the beginning of 2013. "The Treaties were written in a period that is long over. They precede globalisation," Tremonti said during a hearing with the European Parliament's constitutional affairs committee in Brussels.

He invited the European Union to use the current economic and geopolitical crises as "a trigger" for new and more intense agreements. His intervention comes amid growing discontent in Silvio Berlusconi's government over the alleged sidelining of Italian positions at EU level.

"We need stress tests for the European treaties to check if it's possible to go ahead with our common dream," Tremonti said, reportedly referring both to the Lisbon Treaty and to the Euratom Treaty. He added that "in marriages as in treaties, the engagement is for good and bad times, although in the treaties the emphasis is on good luck".

Criticism in Italy is mounting over the alleged lack of support shown by Brussels and other member states during the current emergency in the Mediterranean Sea, which many migrants, especially from Tunisia, are crossing to escape poverty and political instability in North Africa.

Most of these migrants land in Italian territory, and Rome has repeatedly requested a sharing of "the burden" among EU member states. Brussels is providing financial support but management of the migrants remains in the hands of the Italians.

Italian Home Affairs Minister Roberto Maroni went as far as questioning Italy's membership of the EU last week after the latest diplomatic failure to convince other member states to shelter some of the migrants reaching Italian shores.

Tremonti insisted that "the European vision on immigration is insufficient," but added that he was not in the Parliament "to ask for money".

Many Northern European states and France have argued that the migrants currently arriving in Italy do not yet represent a genuine emergency, as they are limited in number. Frontex, the EU agency in charge of immigration, calculates that so far around 20,000 migrants have landed in Italy as a consequence of turmoil in North Africa.

In praise of private debt

Tremonti's proposals to change the treaties also referred to the economic situation and the method of assessing the financial stability of member states.

"The instability produced by the private sector has never received sufficient attention," Tremonti said, repeating Italy's long-standing call for the focus to be switched from public to private debt.

However, his proposal comes as the European institutions have just approved treaty change aimed at establishing a [permanent stability mechanism for the euro zone](#).

Nuclear U-turn

Tremonti also warned against the risks of nuclear energy. "We know that its benefits are local, but its negative effects are general." Italy is the only G8 country without nuclear plants.

Rome decided to decommission them after the Chernobyl accident. However, Berlusconi's government tabled in 2009 an ambitious plan to return to atomic energy.

Immediately after the nuclear catastrophe in Japan, Italy's government confirmed its pro-nuclear stance, but later had to shift to more moderate position as the tragedy of Fukushima unfolded.

Tremonti's words come as a confirmation of the Italian government's new prudent approach to nuclear issues. Indeed, yesterday Rome proposed to freeze indefinitely its nuclear programme, marking a U-turn compared to previously held positions.

At the same time, [Italy has reviewed current generous incentives to the booming solar market](#) - originally expected to run from 2011 to 2013. The European Union's energy chief sent a letter to Berlusconi's government urging Italy to set up a clear and predictable support scheme for the solar energy sector and ensure stability for investors to avoid possible penalties

TWO) – WTO FACES TOUGH CHOICES AFTER LATEST DOHA SETBACK

World Trade Organization members have little time left to rescue the 10-year old Doha trade talks and solve the fight over manufacturing trade between the United States and major emerging economies like China, India and Brazil before they meet next week in Geneva.

The Doha Development Agenda, launched in November 2001 in Qatar's capital Doha, aimed to free global trade by cutting industrial and agricultural tariffs and by reducing farm subsidies, with a special focus on achieving concrete benefits for developing countries.

The initial target was to finalise the negotiations by the end of 2005, so that the agreement could be approved by the US under the fast-track procedure of the 'Trade Promotion Act' (TPA), which allows the president to adopt international trade agreements without Congress altering them.

But successive deadlines have been missed and the US TPA expired on 1 July 2007. The talks in Geneva, convened by World Trade Organisation Director-General Pascal Lamy, began in July 2008 but quickly ran into trouble and have since been deadlocked.

With trade up 10% in 2010 and leaders praising the World Trade Organisation (WTO) for its success in containing protectionism, cautious optimism is emerging that the time may be ripe for a breakthrough.

After weeks of consultations with the WTO's 153 member states, Director General Pascal Lamy, in a note accompanying new negotiating documents, said yesterday (21 April) that differences between countries over how much to cut manufactured goods tariffs were "unbridgeable."

That posed a "serious risk" to the rest of wide-ranging negotiations that also cover agriculture, services and a number of regulatory issues such as fish subsidies, anti-dumping rules and non-tariff barriers, Lamy said.

Members, including the United States, now face the tough choice of whether to cling to long-held positions or to modify their demands in the hope of striking a deal.

But President Barack Obama's administration risks Congress rejecting any agreement that does not create big new export opportunities for U.S. farmers, manufacturers and service companies.

The Doha round was launched in 2001 in the capital of Qatar with the goal of helping poor countries prosper through greater access to markets in rich countries.

Lamy's grim warning that the talks were on the brink of failure came one day after a former top U.S. trade official said the Doha round was "doomed."

"For years, the threat of being blamed for the Doha Round's collapse has made it too risky for governments to suggest that the talks are dead," former U.S. Trade Representative Susan Schwab wrote in the latest issue of Foreign Affairs.

"But the pretense that the deal will somehow come together at long last is now a greater threat to the multilateral trading system than acknowledging the truth."

Rescue operation

Countries are expected to start thrashing over the question of what to do next when the WTO's main negotiating forum gathers next Friday (29 April) in Geneva.

Schwab argued that countries should try to salvage what they can from the Doha round to bring the talks to a close in 2011, and then move onto new initiatives focused on reducing barriers to trade in areas like healthcare, pharmaceuticals and medical equipment or standardizing rules for e-commerce.

She suggested harvesting a "trade facilitation" agreement from the Doha talks which the Washington-based Peterson Institute for International Economics has estimated could boost global gross domestic product by more than \$100 billion by reducing the costs of moving goods across borders.

Portions of the agricultural negotiations covering proposed agreements on export credits, food aid, state-trading firms, and the elimination of export subsidies could also possibly be saved, Schwab said.

Certain environmental agreements might also be within reach, such as "cutting subsidies to industrial fishing fleets guilty of overfishing the world's oceans and ... ending tariff and nontariff barriers to 'green' technologies in major producing and consuming countries," she said.

That would require giving up hope for a broader agreement covering all of those elements as well as new market-openings in agriculture, manufactured goods and services.

But repeated effort has shown the differences in the market access talks are too difficult to overcome, Schwab said.

"Fundamentally different views"

Lamy said he concluded talks on manufactured goods were unbridgeable after consulting with seven WTO members: Australia, Brazil, China, the European Union, India, Japan and the United States.

Countries have already agreed most manufactured goods tariffs would be cut by two formulas, one for developing countries like China, India and Brazil and the other for developed countries such as the United States, EU and Japan.

Washington complains its formula would require it to further cut its already low tariffs on most goods and dramatically reduce "peak" tariffs on sensitive items like textiles and trucks, while the developing country formula would allow China, India and Brazil to keep much higher duties.

To level the playing field, the United States wants those countries to sign up for additional "sectoral" pacts covering goods like chemicals, industrial machinery and electronics where participants would reduce tariffs more aggressively.

But China, India and Brazil are resisting U.S. terms, creating the impasse. Members simply have "fundamentally different views" in the manufactured goods talks, Lamy said. (*Reuters*)

THREE) – MORE COUNTRIES HIT BY RISE IN FOOD AND FUEL PRICES

The [World Bank](#) on Thursday warned that higher global food and energy prices are affecting a larger swathe of developing countries than in the beginning of the year, threatening to push more people into poverty. The World Bank's updated [Food Price Watch report](#) said ongoing unrest in the Middle East and North Africa had driven the price of oil 21 percent higher in the first three months of the year, leading to increased food price volatility and inflation in many countries. "Food price increases are linked to energy price increases," the report said. In the oil-producing Arab world engulfed by protests against unemployment, repression and corruption, Syria, Egypt and Iran have been hardest hit by double-digit food price inflation, while in Bahrain, Tunisia and Jordan the rise has been more modest, the bank said. It said a 10 percent increase in oil prices pushed the bank's food price index, which measures global prices, up 2.7 percent. The index is currently 36 percent above its level a year ago close to its 2008 peak. In its last report on Feb. 15 the World Bank said rising food prices had pushed an estimated 44 million more people into extreme poverty over the course of eight months. Bank simulations show that a further 10 percent increase in the food price index could lead to 10 million more people falling into poverty, and a 30 percent increase could push poverty up by 34 million people. **AFRICAN COUNTRIES HIT** The bank said political turmoil in the West African nation of Ivory Coast had disrupted supplies and also pushed prices up for processed foods such as dried milk, sugar and vegetable oil in landlocked countries such as Mali, Niger and Burkina Faso. A 17 percent spike in maize prices in the first quarter, compared to the last quarter of 2010, has led to double digit increases in food prices in some African countries, the bank said. It said the sharpest rises in maize prices were felt in Kenya, Somalia, Uganda, Democratic Republic of Congo and Benin. There also were sharp rises in Latin American nations Mexico, Brazil and Argentina. The poverty-fighting institution called for policy actions to reduce pressures on tight global food markets by relaxing biofuel mandates when food prices exceed threshold levels and removing export restrictions on grains. (*Reuters*)

FOUR) - EU APPROVES NEW TRADE INCENTIVES FOR NORTH AFRICA

Exporters in North Africa, the Middle East and the Balkans will be able to sell goods to the European Union at lower tariffs more easily in future, under an agreement endorsed by the 27-nation bloc on Thursday. The [agreement on preferential "rules of origin"](#), approved by EU ministers, allows exporting states to source raw materials from countries such as China, and still qualify for low duties when shipping finished goods to Europe. "This will help their economies to grow faster, thus contributing to the stability of the whole region and easing migration pressures," the EU's rotating presidency, held by Hungary, said of the accord. The agreement covers seven Balkan countries and nine North African and Middle Eastern states -- Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia and Turkey -- plus the West Bank and Gaza. It replaces a series of existing bilateral protocols on rules of origin with a single convention covering all the countries. The EU's rules of origin require exporters to prove that a minimum level of added value was created in goods produced domestically from imported raw materials, in order to qualify for preferential EU import tariffs. Under the new agreement, the added value of goods produced in more than one participating country can be added together when determining if a product meets the minimum threshold. The combined value of the trade in goods between the EU and the Middle East and North Africa was 140 billion Euros (\$202 billion) in 2010. Algeria, Egypt and Syria mainly export fuels and mining goods to Europe, while Tunisia and Morocco are the most diversified, with exports ranging from minerals and textiles to farm produce and machinery. (See [full details](#)) (*Reuters*)

FIVE) – EMERGING ECONOMIES RESERVE RIGHT TO CONTROL CAPITAL FLOWS

Le groupe des pays émergents et en développement ([G24](#)) a rejeté jeudi à Washington les recommandations du Fonds monétaire international (FMI) pour encadrer les mouvements de capitaux, jugeant que leur contrôle devait rester à la discrétion des Etats concernés. Lors d'une rencontre en marge des réunions semestrielles du FMI et de la Banque mondiale, les ministres de ce groupe qui inclut notamment le Brésil, le Mexique et l'Inde, ont affirmé leur désaccord "avec le cadre de recommandations aux pays membres" du FMI "pour gérer les flux de capitaux". Ils ont également exprimé leur refus de voir le Fonds surveiller la gestion des mouvements de capitaux par les gouvernements. "Les autorités des pays confrontés à des flux de capitaux massifs et volatils doivent avoir la flexibilité et la liberté nécessaires pour adopter des politiques qu'elles considèrent appropriées et efficaces", y compris des mesures de "contrôle" de ces capitaux, estiment-ils dans une déclaration commune. Le G24 appelle donc le FMI à "adopter une approche ouverte et équilibrée de la gestion des flux de capitaux, prenant en compte également les politiques des pays dont sont originaires ces capitaux, notamment s'il s'agit de centres financiers d'importance systémique", ajoutent les ministres, dans une allusion aux Etats-Unis et à leur politique monétaire extrêmement généreuse qui a inondé l'économie de liquidités. Le FMI a publié début avril un cadre de recommandations sur la gestion des flux de capitaux. Il s'agit d'une rupture historique pour cette institution qui, pour la première fois, reconnaît officiellement que, dans certains cas et en dernier ressort, des mesures pour limiter une entrée excessive d'argent venu de l'étranger peuvent se justifier. La France, qui préside cette année le G20 des principaux pays riches et émergents, souhaite mettre en place un "code de conduite" pour la gestion des flux de capitaux, dans le cadre de la réforme du système monétaire international. Il s'agit aux yeux de Paris de permettre aux pays émergents de se protéger en cas d'entrées massives et soudaines de capitaux. (AFP)

SIX) – WORL BANK, IMF URGE G20 TO FOCUS ON FOOD AND JOBS

Le [Fonds monétaire international](#) et la [Banque mondiale](#) sont allés au plus simple jeudi en demandant au G20, qui se réunissait à Washington, de se concentrer sur deux questions urgentes, avec une attention particulière au monde arabe: nourrir le monde et créer des emplois. En fin d'après-midi, les pays industrialisés du G7 devaient "réexaminer le rôle" de la Banque européenne pour la reconstruction et le développement (BERD) afin qu'elle participe "au financement" du "redéveloppement" de la Tunisie et de l'Egypte, a déclaré la ministre française des Finances, Christine Lagarde. Un "dialogue sur les transitions au Moyen-Orient et en Afrique du Nord" était également prévu, à huis-clos, avec les ministres tunisien et égyptien, selon le programme officiel du FMI. En ouvrant les réunions semestrielles de leurs institutions, le directeur général du FMI Dominique Strauss-Kahn et le président de la Banque mondiale Robert Zoellick se sont répartis les rôles: le premier a insisté sur la lutte contre le chômage, le second sur la hausse des prix de l'alimentation. "Nous devons agir (...). Ne comptez pas sur l'idée que la croissance sera suffisante. Nous avons besoin de plus que de la croissance, nous avons besoin de politiques actives", a déclaré M. Strauss-Kahn. "Je ne suis pas sûr d'être d'accord (...) avec l'idée que nous sommes dans une période d'après-crise. Nous sommes toujours en crise", a souligné le directeur du FMI. Depuis le début des révoltes dans les pays arabes, le FMI a beaucoup insisté sur la lutte contre le chômage et les inégalités. Il compte intégrer les indicateurs pour mesurer son efficacité à ses évaluations des économies des Etats membres. La Banque mondiale s'est fixé comme priorité de répondre à la hausse des prix de l'alimentation, proches de leurs records de 2008. "Nous sommes dans la zone dangereuse, parce que les prix ont déjà augmenté, et que les stocks pour beaucoup de matières premières sont relativement bas", a expliqué Robert Zoellick. Il a salué l'ambition de la présidence française du G20, groupe des principaux pays riches et émergents, de combattre la spéculation sur les matières premières. "Le monde peut faire quelque chose contre cela", a affirmé M. Zoellick, en prédisant des "progrès importants" sur la volatilité des prix et la sécurité alimentaire. Selon son institution, 935 millions de personnes souffrent de malnutrition chronique. "La Banque mondiale tire la sonnette d'alarme sur la crise depuis un certain temps, mais les bailleurs de fonds ont honteusement fait preuve de négligence dans leur réponse", a réagi le directeur général de l'ONG Oxfam-France, Luc Lamprolière. Les ministres des Finances et banquiers centraux du G20 doivent se retrouver jeudi soir et vendredi à Washington. La France a imposé un ordre du jour ambitieux en vue du sommet du G20 de Cannes en novembre, avec comme objectif la réduction des déséquilibres économiques et financiers de la planète. Après avoir adopté en février, au prix d'un compromis arraché in extremis à la Chine, une liste d'indicateurs pour mesurer les déséquilibres, les ministres doivent établir des lignes directrices pour analyser la situation de chaque pays. Mais l'accord sur ces lignes directrices n'est pas acquis, a reconnu Christine Lagarde. Elle n'a donc pas été en mesure de dire si le G20 publierait vendredi une liste de pays présentant des déséquilibres tels qu'ils méritent un examen plus approfondi suivi,

en novembre, de recommandations de politique économique pour les résorber. "Il revient aux membres du G20 de décider comment gérer cette question", a-t-elle déclaré. (See [Statement by the Managing Director to the International Monetary and Financial Committee on the Fund's Policy Agenda](#)) (AFP)

SEVEN) – G24 SAYS RICH NATIONS' POLICIES HURTING DEVELOPING WORLD

Finance ministers of the G24 group of developing and emerging countries met on the sidelines the World Bank and International Monetary Fund spring meetings here on Thursday, warning against continued risks to their economies, despite largely "strong" growth as the world climbs out of the global financial crisis.

"[T]he nature of that recovery and the very expansionary monetary policies in advanced economies have had important spill-over effects on developing countries, contributing to a surge in capital flows and overheating pressures," Lesetja Kganyago, the [G24's](#) current chairperson, told reporters after the meeting.

The cost and price volatility of commodities was also high on the group's agenda. While improved trade terms benefit commodity- exporters, they said, high food and fuel prices partly driven by excessive financial speculation are a pressing concern for developing countries, who are most vulnerable to price shocks.

"The sharp increases will...accentuate inflationary pressures, pose a renewed threat to the poor and vulnerable, exacerbate social tensions, and add significantly to fiscal and import burdens, endangering growth prospects, especially of low income countries," the group warned in a communiqué.

"Beyond the recovery, the environment for growth and development in the post-crisis period will be characterised by major structural changes. A major challenge is how to ensure that growth in the future is inclusive and employment-intensive," Kganyago, director-general of South Africa's National Treasury, added.

"A push to raise investment, including for infrastructure improvement, can help sustain and broaden growth poles in the developing world, but this will require a reinvigoration of development finance," he said.

In their communiqué, the G24 ministers called for a "shift towards multi-polar sources of growth", noting, "[T]he most dynamic sources [are] now centred in the developing world."

Notably on Thursday, South Africa officially joined the so-called alliance of powerhouse emerging market BRIC (Brazil, Russia, India and China) nations.

The group also continued discussion on climate financing and again called for "even-handed surveillance" of not only developing countries but also advanced economies and the expansion of the SDR basket to include emerging market currencies.

The G24 ministers also rejected two proposed [IMF](#) policies that would provide greater oversight and that they consider to be restrictive.

These include a new method of determining whether a developing country's given level of foreign currency reserves is "adequate". Although reserve build-ups can lend to exchange rate manipulation and global imbalances, they are a necessary line of defence against potential crises, the group said.

Another sticky matter is a newly planned framework for staff to advise countries on managing capital flows – much of which streams from developed to developing nations.

"[T]he idea of having a toolkit is a good one," Kganyago said. "What we had a problem with is to then say that these things get integrated into the surveillance programme of the IMF and will form the basis of the advice of the IMF staff."

"The second issue where we had a problem with the Fund's approach was the fact that the focus tended to be on receiving countries," he added. "You cannot just say that there are these inflows that are coming into developing countries without dealing with the source of the problem."

"Certainly, the question of capital flows will still create some debate, but it is a very important, very interesting one, and it shows that the institution doesn't shy away from difficult problems," IMF Managing Director Dominique Strauss-Kahn told reporters on Thursday. "On the contrary, we want to address this problem directly and try to find collective solution."

Meanwhile, the France-chaired G20 of advanced and emerging economies are slated to meet here on Friday, when they are expected to grapple with commodities concerns and the thorny issue of global economic imbalances as well as assess the world economy and prospects for growth more broadly.

On Wednesday, 1,000 economists from over 50 countries penned a [letter](#) to G20 policymakers urging them to adopt a so-called "[Robin Hood Tax](#)," which would impose a minimal levy on financial transactions and could potentially raise hundreds of billions of dollars for development financing.

"[T]here can't be a business as usual approach to growth," Oxfam spokesperson Luc Lamprière said, echoing a sentiment expressed by Strauss-Kahn. "The G20 talks about inclusive sustainable growth but it are going to have to turn the rhetoric into action on a whole range of policies including fair tax systems."

EIGHT) – THE € 400 MILLION FRANCE HAS OFFERED TO IVORY COAST ARE LOANS, NOT GRANTS

L'aide exceptionnelle de 400 millions d'euros de la France à la Côte d'Ivoire annoncée mardi est un "prêt souverain" qui sera essentiellement accordé sous forme d'aide budgétaire, ont indiqué jeudi les ministres français des Affaires étrangères et de la Coopération. [L'Agence française de développement](#) (AFD) a consenti "un prêt à l'Etat ivoirien d'un montant de 350 millions d'euros. Ce prêt sera mis en oeuvre sous forme d'aide budgétaire" destinée aux dépenses prioritaires, "en particulier payer les fonctionnaires et financer les dépenses sociales d'urgence", ont indiqué Alain Juppé et Henri de Raincourt dans un communiqué commun. Ce prêt "s'accompagnera de la mise en place d'un prêt relais de 50 millions d'euros pour refinancer les arriérés (de la Côte d'Ivoire) à l'égard des institutions financières" comme la Banque mondiale et la Banque africaine de développement "avant le décaissement de leurs premiers appuis", selon le texte. Ce prêt souverain "courra sur 9 ans et est comptabilisable au titre de l'aide publique au développement", ont précisé les ministres. L'aide publique au développement de la France a atteint en 2010 un niveau historique, avec près de 10 milliards d'euros. Elle représente 0,50% du Revenu nationale brut (RNB) de la France, frôlant l'objectif européen de 0,51% décidé lors du G8 de Gleneagles en 2005. Mais plusieurs ONG jugent l'aide française de mauvaise qualité et critiquent sa répartition, déplorant notamment l'attribution massive de prêts au détriment des dons et le fait d'inclure dans le calcul de l'aide les annulations de dette. Selon le ministère de la Coopération, les quelque 10 milliards d'aide publique française se déclinent en 40% d'aide multilatérale (environ 1,9 milliard EUR aux institutions onusiennes, 2 mds aux institutions européennes et 870 millions au Fonds européen de développement) et 60% d'aide bilatérale. Cette aide bilatérale correspond à plus d'1 milliard de prêts, plus d'1 milliard destiné à des annulations de dette, 1,77 milliard d'aide non programmée (qui compte l'aide aux réfugiés, la recherche, l'aide aux ONG etc.), 842 millions destinés à la coopération technique et 1,1 milliard pour des dons et projets. L'Afrique est la priorité de l'aide publique au développement française, dont 50% des subventions sont concentrées sur 14 pays, tous africains. Pour 2011-2013, l'Afrique sub-saharienne bénéficiera de plus de 60% de l'effort financier bilatéral français. (AFP)

NINE) – AIRBUS MILITARY STILL LOOKING FOR SOUTH AFRICA A400M CONTRACT

Airbus Military est toujours en discussions avec l'Afrique du Sud, qui avait annulé sa commande de huit avions de transport militaire A400M en 2009, a déclaré jeudi à l'AFP son directeur Domingo Ureña-Raso. "Le dialogue continue, avec des périodes plus ou moins intenses, mais on n'a jamais arrêté le dialogue", a dit le responsable. "On discute. C'est un client avec lequel on a une relation dans le domaine aussi bien civil que militaire", a-t-il poursuivi. L'Afrique du Sud avait annulé sa commande pour huit appareils en novembre 2009 en raison d'une augmentation des coûts et des délais de livraison. La Malaisie, avec quatre A400M, reste aujourd'hui le seul client à l'exportation pour ce programme qui regroupe sept pays de l'OTAN (Allemagne, France, Espagne, Royaume-Uni, Belgique, Luxembourg et Turquie). Le dossier avait été évoqué début mars lors de la visite du président sud-africain Jacob Zuma à Paris pour rencontrer son homologue Nicolas Sarkozy. "Nous avons de bonne raison de penser que la qualité de l'appareil et de nos relations devrait permettre d'aller vers un nouveau partenariat consolidé, mais il est prématuré de l'affirmer", a indiqué mercredi le ministre français de la Défense Gérard Longuet à Toulouse lors d'une visite d'un A400M d'essais. Les pays clients ont formellement signé jeudi dernier à Séville (Espagne) un amendement au contrat A400M, permettant de financer les 3,5 milliards d'euros de surcoût de ce programme en retard de près de quatre ans. Le nombre d'appareils commandés par les sept pays du programme a été ramené de 180 à 170 unités. L'Allemagne, premier pays client, a commandé 53 appareils mais a fait savoir qu'elle ne souhaitait n'en garder que 40 pour son armée de l'air et en revendre 13 à un pays tiers. "Si l'Allemagne confirme à un moment donné ce choix de se délivrer de treize avions, on verra bien comment ils concrétisent ce choix et comment on peut donner réponse", a commenté M. Ureña-Raso. Le premier avion doit être livré en 2013, à la France. (AFP)

TEN) – IBSA'S SOUTH-SOUTH FUNDING WITH NO STRINGS ATTACHED

Development donors typically impose strict conditions on recipient countries. Now a different South-South approach to funding is taking shape through the India-Brazil-South Africa (IBSA) Fund for Poverty and Hunger Alleviation.

"This has to do with the priorities of the country or government receiving the support. Unlike other donor

relationships, it is not about imposing conditionality," says Fernando Sena from the Brazilian Embassy in South Africa in an interview with IPS.

The IBSA forum started in 2003 with a view to building co-operation between India, Brazil and South Africa. Trade flows between the three countries subsequently increased, reaching the 15 billion dollars mark in 2010 – up from 3.8 billion dollars in 2004.

The three member states established the IBSA Fund in 2004, with each contributing one million dollars per annum. The money is set aside to support development projects in low-income countries. As the Fund does not have its own secretariat, it enlisted the United Nations Development Programme (UNDP) to handle the financial administration.

Flagship IBSA Fund projects include a drive in Guinea-Bissau to improve agricultural practices and a project in Haiti to bring together members of conflicting factions in the violence-prone Carrefour Feuilles zone through a joint solid waste collection project.

Support from the IBSA Fund "is not a loan and we are not expecting them to pay us back", explains Sena. As emerging economies that still have their own development requirements, the IBSA members are determined to distance themselves as far as possible from traditional donor-recipient relationships.

"We are talking about three developing countries (forming IBSA). We also have our own needs but what drives us is to show solidarity with other countries. The idea is to support viable and replicable projects, based on capacities in the IBSA countries and successes experienced in the IBSA countries. The projects should be needs-driven, as well as locally owned and managed.

"We each bring our experience as a developing country. When we are talking about cooperating in another country, we are not trying to impose our views. It is a conversation. We are not trying to tell them what to do. We are not arrogant," adds Sena.

During a speech in March 2011, the Brazilian envoy to South Africa, Jose de Sá Pimentel, said the reasons for IBSA's establishment included a desire to operate "independently of developed countries' preconceptions". He also said that "the war on Iraq and the economic collapse of 2008 eroded the international world order and made it clear that new rules and new political actors are needed if we want the system to work properly. So far, however, no adequate response has been given by the powers and organisations that should lead the way.

"The signs of something new are undisputable, but doubts remain about its scope, depth and direction. There is an ongoing shift in the economic balance, though a slow one, benefiting the countries of the South. But the main players do not seem to be at the driver's seat."

The IBSA Fund provides an opportunity to showcase a viable, even if limited, South-South development approach. It also provides a chance for new players to test their abilities in the "driver's seat" that De Sá Pimentel mentioned.

"Brazil is strongly driven by resources and mining. India is quite serious about seeing development in Africa because it is in their interest to grow markets. South Africa's role is based on its influence on the continent," notes Dr Petrus de Kock, senior researcher in the "governance of Africa's resources" programme at the South African Institute of International Affairs (SAIIA), a research organisation in Johannesburg.

"It is an interesting indication that in 2008 alone India spent 547 million dollars on aid-related activities, either directly or indirectly linked to IBSA. In 2008 India also extended 2.96 million dollars in lines of credit, mostly to sub-Saharan Africa. These don't only link to IBSA but shows India is becoming an important player in development aid," says de Kock.

However, Dr Lyal White, director of the Centre for Dynamic Markets (CDM) at the University of Pretoria's Gordon Institute for Business Science (GIBS), believes Brazil is the strongest political player within IBSA.

"Brazil has the most vested interests," says White. "India tends to focus on unilateral engagement and South Africa is part of Africa. Brazil uses the IBSA platform more effectively as a political and diplomatic forum."

While the three IBSA members may individually have different priorities, their common ground as multi-cultural democracies with emerging economies provides the potential for a stronger future role on the global stage.

"The North's economies are in perpetual crisis. The jury is still out on the long-term sustainability of their recovery. There is an aging, shrinking population in Europe, with the consequence that the state has to support them. For a picture of future growth in the global economy, we need look no further than the IBAs of the world," argues De Kock

ELEVEN) – CLINTON URGES NATO TO MAINTAIN UNITY OVER LIBYA

U.S. Secretary of State Hillary Clinton urged NATO on Thursday to maintain unity, saying Libyan leader Muammar Gaddafi was trying to test the alliance's resolve in the Western-led air campaign against his forces.

"As our mission continues, maintaining our resolve and unity only grows more important," Clinton said in prepared remarks to a NATO foreign ministers' meeting in Berlin amid signs of strain within the alliance. "Gaddafi is testing our determination." She called for efforts to "sharpen the choices facing those around him." "We need to tighten the squeeze on Gaddafi's inner circle through asset freezes, travel bans and other penalties. We need to work with Libya's neighbours to aggressively enforce the arms embargo so that Gaddafi cannot resupply his forces." Clinton reaffirmed the United States' commitment to the military campaign against Gaddafi but stopped short of signalling a stronger U.S. role after Washington relinquished command of the operation to NATO last month. "The U.S. is committed to our shared mission. We will strongly support the coalition until our work is completed," she said. (Reuters)

TWELVE) – LIBYAN ENVOY MEETS WITH CYPRUS FOREIGN MINISTER

Cyprus' foreign minister has met with the new Libyan foreign minister to discuss how to end the crisis in the North African country. Markos Kyprianou did not provide details of Thursday's talks with Abdul-Ati al-Obeidi, who has traveled to several countries to discuss possible solutions. Kyprianou said al-Obeidi reaffirmed his government's commitment to a peace initiative proposed by the African Union recently, the call for an end to hostilities and continued cooperation on humanitarian assistance. Libyan rebels rejected the AU proposal because it did not say Moammar Gadhafi must relinquish power. Kyprianou said he would brief EU foreign policy Chief Catherine Ashton and other EU colleagues about the meeting. **CYPRUS STRESSES LIBYA PEACE TALKS MUST** Cyprus' foreign minister has stressed efforts must continue to find peace in Libya during talks with his Libyan counterpart Thursday, despite the failure of an African Union proposal. Markos Kyprianou said he had proposed "some ideas" to end the crisis during his one-hour meeting with Abdul-Ati al-Obeidi, but did not provide details. Al-Obeidi has traveled to several countries to discuss possible solutions. Kyprianou said al-Obeidi reaffirmed his government's commitment to a peace initiative proposed by the African Union recently, the call for an end to hostilities and continued cooperation on humanitarian assistance. Libyan rebels rejected the AU proposal because it did not say Moammar Gadhafi must relinquish power. Kyprianou said efforts for a deal "satisfying the expectations and wishes" of the Libyan people must continue despite the failed proposal. The Cypriot official said that he stressed to al-Obeidi the need for an immediate cease-fire by all sides and to protect the civilian population. He also said that Libya's unity and territorial integrity must be safeguarded per European Union positions. Kyprianou said he would brief EU foreign policy chief Catherine Ashton and other EU colleagues about the meeting. Abdul-Ati al-Obeidi, a former Libyan prime minister who had served as a Gadhafi envoy during the crisis, was named foreign minister after the incumbent Moussa Koussa resigned April 30. (AP)

THIRTEEN) – UN CALLS FOR LIBYA CEASEFIRE, EU'S ASHTON CALLS FOR GADDAFI DEPARTURE

Le secrétaire général de l'ONU Ban Ki-moon a appelé jeudi à une solution "politique" et à un "cessez-le-feu immédiat" en Libye lors d'une réunion internationale à la Ligue arabe au Caire, tandis que la chef de la diplomatie européenne Catherine Ashton a réclamé le départ du colonel Kadhafi. "Nous appelons à un processus politique pour que le peuple libyen puisse réaliser ses aspirations", a déclaré M. Ban, qui co-présidait la réunion, lors d'une conférence de presse à l'issue des travaux. "Nous réitérons notre appel à un cessez-le-feu immédiat", a-t-il ajouté. Mme Ashton a pour sa part déclaré que "la position de l'UE est très claire, le colonel Kadhafi doit se retirer immédiatement". "La seule solution pour mettre fin à cette crise est politique", a-t-elle ajouté, en appelant à "un dialogue entre toutes les parties qui devrait mener à une période de transition". Le chef de l'Organisation de la conférence islamique (OCI) Ekmeleddin Ihsanoglu et le président de la Commission de l'Union africaine Jean Ping ont également participé à cette réunion consacrée à l'examen des moyens de mettre fin à la crise en Libye et co-présidée par M. Ban et le secrétaire général de l'organisation panarabe, Amr Moussa. "Cette conférence vise à examiner les solutions et les issues politiques à la crise libyenne et à coordonner les efforts entre ces organisations", selon Ahmed Ben Helli, le secrétaire général adjoint de la Ligue, cité par l'agence officielle égyptienne Mena. Elle s'est tenue au lendemain de la réunion à Doha du Groupe de contact sur la Libye, chargé du suivi politique de l'intervention internationale dans ce pays, qui a décidé la création d'un fonds d'aide à la rébellion et réitéré la nécessité d'un départ du colonel Mouammar Kadhafi pour régler le conflit. Nouredine Mezni, le porte-parole de M. Ping, a affirmé pendant les travaux que la réunion discutait "d'un mécanisme international pour mettre en place un cessez-le-feu" en Libye. "L'essentiel actuellement, c'est un cessez-le-feu immédiat. Après le cessez-le-feu nous

suggérons un dialogue global n'excluant aucune partie, une période transitoire au cours de laquelle le peuple libyen choisira lui-même ses dirigeants", a-t-il dit à des journalistes. "Parmi les idées discutées pour un mécanisme de cessez-le-feu, il y a le déploiement d'une force internationale" d'interposition, a-t-il précisé. "Une solution militaire est exclue et fournir des armes à n'importe quelle partie signifie davantage de destruction alors qu'il y a une catastrophe humanitaire", a-t-il ajouté. (AFP)

FOURTEEN) - NATO STATES RESIST FRENCH, BRITISH CALL ON LIBYA

NATO allies rebuffed calls from France and Britain on Thursday to contribute more actively to the alliance's air war in Libya despite fears of a military stalemate. U.S. Secretary of State Hillary Clinton told NATO foreign ministers meeting in Berlin it was vital for NATO to maintain "resolve and unity" against Libyan leader Muammar Gaddafi but gave no hint that Washington was prepared to re-engage in ground strikes. As they met, a spokesman for the anti-Gaddafi rebels besieged in the western city of Misrata warned of an impending government "massacre" unless NATO intervened more decisively. U.S. officials, briefing reporters on condition of anonymity, appeared to brush aside French and British complaints about the pace of air strikes, saying NATO commanders had not sought more resources. Spain said it had no plan to join the seven NATO states that have been involved in ground strikes, while Italy, the former colonial power in Libya, said it would need to hear convincing arguments for it to do so. "As far as NATO is concerned, we have the forces that we need," one U.S. official said, as the NATO ministers discussed the air campaign with Arab countries and other states that have joined the NATO-led effort in Libya. "If the commanders feel they need more capability, they will ask for more capability. That's not what they're doing ... there is not a demand from the commanders for more." French Defence Minister Gerard Longuet said this week that Gaddafi's attacks would not be stopped without U.S. participation in strikes on his tanks and artillery, which ceased after NATO took command of Libyan operations on March 31. **SHORT OF AIRCRAFT** A NATO official said on Wednesday the alliance was still short of about 10 aircraft a day to conduct air strikes. A French official named Italy, Spain, the Netherlands and Sweden as countries could do more to assist operations. The French official said greater U.S. involvement would help as European air forces conducting ground strikes lack low-flying A-10 "tank buster" planes and AC-130 gunships that analysts say would be useful against Gaddafi's forces. The Pentagon said U.S. warplanes had continued to strike Gaddafi's air defences even after NATO took over Libya operations, but targeting his tanks and artillery is now key. Spanish Foreign Minister Trinidad Jimenez told reporters Madrid had decided at the start of the mission to provide ships and planes to implement a U.N.-mandated arms embargo and the no-fly zone. "This is the Spanish contribution now and it will be the Spanish contribution in the future," she said. Italian Foreign Minister Franco Frattini said Rome would consider any request by Libyan rebels for its forces to open fire, but needed to consider its colonial past in the country. "Italy has apologised to the Libyan people for the horrors committed during the period of fascist colonisation, so if civilian casualties were caused by any bombing operations it would be an extremely serious thing," he told the daily *Il Sole 24 Ore* in an interview. (Reuters)

FIFTEEN) – UGANDA OPPOSITION LEADER HOSPITALISED AFTER PROTEST

Ugandan opposition leader Kizza Besigye, President Yoweri Museveni's closest rival in February elections, was taken to hospital after apparently being injured while taking part in a protest, police said on Thursday. "Besigye fell down, we don't know what happened to him but the next thing we saw was that a Red Cross vehicle came nearby and he jumped into it. We understand he has been taken to hospital," said police spokesman Vincent Sekate. (Reuters)

SIXTEEN) - MOROCCAN COURT ORDERS LIBERATION OF WESTERN SAHARA ACTIVISTS

Le tribunal de première instance de Casablanca a décidé jeudi, après un procès plusieurs fois reporté, la mise en liberté provisoire de trois militants sahraouis arrêtés en octobre 2009 et accusés "d'atteinte à la sécurité intérieure" du Maroc. Les trois prisonniers, Ali Salem Tamek, Ibrahim Dahhane et Ahmed Naciri, ainsi que quatre autres -dont une femme, Dakcha Lachguer- laissés libres, ont été arrêtés en octobre 2009 à l'aéroport de Casablanca à leur retour de Tindouf, dans le sud algérien, place forte du mouvement pour l'indépendance du Sahara occidental, le Polisario. "Nous avons déposé la demande de liberté provisoire il y a longtemps. Et

cette décision du tribunal montre qu'il n'y a pas suffisamment de preuves pour les inculper", a déclaré à l'AFP Me Mohamed Sadqo, l'avocat des militants sahraouis. "C'est un pas positif qui intervient sans doute dans un contexte de pression sur les autorités marocaines. Nous devions tenir une conférence de presse lundi prochain pour annoncer la décision des militants d'entamer une grève de la faim", a-t-il ajouté. Dans un premier temps, le tribunal militaire de Rabat avait poursuivi les militants "pour espionnage", mais s'est déclaré le 25 septembre 2010 incompétent. Leur dossier a été transféré devant la chambre correctionnelle du tribunal de Casablanca. Avant la décision, jeudi, de leur accorder la liberté provisoire, le procès des sept militants sahraouis a été plusieurs fois reporté par le tribunal de première instance de Casablanca. Les questions que le juge posait aux militants au cours des différentes audiences portaient notamment sur les raisons et les modalités de financement de leur séjour à Tindouf, où ils avaient rencontré des responsables du Polisario. Les ONG Amnesty International et Human Rights Watch (HRW) avaient appelé plusieurs fois "les autorités marocaines à libérer les trois activistes sahraouis" qui étaient encore détenus. Ancienne colonie espagnole, le Sahara occidental a été annexé en 1975 par le Maroc. **KING PARDONS 190 POLITICAL PRISONERS** - Le roi Mohammed VI du Maroc a gracié jeudi 190 détenus dont des islamistes et des politiques, en réponse à un mémorandum qui lui a été soumis par le Conseil national des droits de l'homme (CNDH), récemment installé, a-t-on appris de source officielle. (AFP)

SEVENTEEN) - MUTINY IN BURKINA FASO

La mutinerie débutée dans la nuit à Ouagadougou par des gardes présidentiels s'est étendue vendredi matin à trois autres camps militaires dont l'un des plus importants de la ville, a constaté un journaliste de l'AFP. (AFP)

EIGHTEEN) - MILITIA KILL 20 BEFORE ELECTIONS IN SUDAN STATE

Plus de vingt personnes, dont des femmes et des enfants, ont été tuées dans l'attaque d'un village par des paramilitaires du Nord-Soudan dans le Kordofan-Sud, Etat pétrolier nordiste à la lisière du Darfour, a indiqué jeudi le gouverneur adjoint Abdelaziz al-Hilou. M. Hilou a accusé le gouverneur Ahmed Haroun, membre d'un parti rival, d'avoir "organisé une attaque menée par les Forces de défense populaires contre (son) village", El-Faid Um Abdoullah, dans l'est du Kordofan-Sud. "Ils ont tué plus de vingt personnes et brûlé entre 300 et 500 maisons au petit matin. Deux femmes et quatre enfants, tués dans l'incendie de leurs maisons, font partie des victimes", a-t-il déclaré à l'AFP. Haroun, qui est recherché par la Cour pénale internationale, n'était pas joignable. La mission des Nations Unies au Soudan a indiqué avoir dépêché dans la zone des patrouilles pour examiner la situation et un hélicoptère pour permettre aux agences d'aide des Nations Unies d'évaluer les besoins humanitaires. L'attaque a été perpétrée mercredi, à quelques semaines d'un scrutin destiné à élire le gouverneur et le Parlement de cette province sensible du Nord Soudan, située à la frontière du Sud-Soudan et du Darfour. Lors de cette élection le 2 mai, M. Hilou, qui dirige la branche Nord du Mouvement populaire de libération du Soudan (SPLM), le parti au pouvoir dans la région autonome du Sud-Soudan, se présente contre Haroun, poulain du Parti du Congrès National (NCP), au pouvoir dans le Nord. La plupart de la production pétrolière du Nord-Soudan provient de l'Etat du Kordofan-Sud, théâtre de violents combats durant la guerre civile entre Khartoum et les rebelles du Sud-Soudan, et très lié avec le Sud-Soudan. Hilou a accusé M. Haroun d'essayer "d'empêcher le déroulement des élections" en créant de l'insécurité. Les élections dans le Kordofan-Sud, qui devaient avoir lieu pendant les élections législatives soudanaises en avril dernier, ont été retardées en raison de l'opposition du SPLM à un recensement mené en 2008, qui sous-estimait largement selon ce parti la population de l'Etat. Un recensement amendé a été publié en novembre, ajoutant plus d'un million de personnes au premier décompte et entraînant une modification des circonscriptions électorales. Selon M. Hilou, deux incidents ont suivi mercredi l'attaque d'El-Faid: les paramilitaires se sont rendus à Um Barmbita, 15 km plus au nord, "où ils ont brûlé toutes les échoppes des vendeuses de thé", et à Um Shuran, où ils ont perturbé un rassemblement du SPLM en tirant en l'air. Des responsables du SPLM ont déjà accusé les Forces de défense populaires, une milice intégrée dans l'armée gouvernementale du Nord-Soudan, d'attaquer ses partisans dans la région disputée d'Abyei, qui fait partie du Kordofan-Sud, et dont le futur statut est l'objet d'âpres discussions dans la perspective de la sécession du Soudan. L'état nordiste du Kordofan-Sud, qui compte d'importantes communautés non-arabes et chrétiennes, bénéficie comme celui du Nil Bleu d'un statut spécial en vertu de l'accord de paix ayant mis fin en 2005 à une guerre civile dévastatrice entre le Nord, majoritairement arabe et musulman, et le Sud du Soudan. (AFP)

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