



## **MEMORANDUM N° 78/2011**

**10/05/2011**

### **SUMMARY:**

- ONE) - CLIMATE CHANGE PANEL DRAFTS RENEWABLE ENERGY PAPER – Page 2**
- TWO) – AFRICA: INVESTMENT GROWTH BENEFITING ONLY SOME POOR STATES – Page 2**
- THREE) – EC ACCELERATING EDF IMPLEMENTATION – Page 3**
- FOUR) - PLOTTING A WORLD WITHOUT LDCS- Page 4**
- FIVE) - CONTINUED GROWTH OF BRICS INVESTMENTS AND TRADE IN NORTH AFRICA – Page 5**
- SIX) – EU TO REVAMP TRADE BENEFITS FOR EMERGING COUNTRIES - Page 5**
- SEVEN) – AFRICAN COUNTRIES SET UP 'CONSTITUTIONAL JUSTICE SPACE' - Page 6**
- EIGHT) – CHINA, RUSSIA URGE CEASEFIRE IN LIBYA - Page 6**
- TEN) – SHIP WITH 600 MIGRANTS SINKS OFF LIBYA - Page 7**
- ELEVEN) – EU-LIBERIA DEAL SEEKS TO SAVE WEST AFRICA'S FORESTS - Page 8**
- TWELVE) – SUDAN'S NORTH, SOUTH TO WITHDRAW ABYEI FORCES - Page 8**
- THIRTEEN) – AFRICA: DEVELOPMENT AGENCIES SUPPORT HARMFUL OIL PALM PRODUCTION - Page 8**
- FOURTEEN) - DEVELOPMENT: INVESTMENT, NOT CHARITY FOR LDCS – Page 10**

## ONE) - CLIMATE CHANGE PANEL DRAFTS RENEWABLE ENERGY PAPER

The world's top scientific body concluded that renewable energy in the coming decades will be widespread and could one day represent the dominant source for powering factories and lighting homes, according to a draft report obtained by The Associated Press Thursday. But the report also warned that such expansion will be costly and policy changes will have to be enacted to ensure that renewable energy can achieve its potential in helping reduce greenhouse gas emissions. It called for better balancing competing demands for land, addressing "institutional barriers" that prevent the installation of solar energy as well as overcoming the constraints to transmitting renewable energy to users. The [four-day meeting](#) of the [U.N. Intergovernmental Panel on Climate Change](#) which began Thursday in Abu Dhabi was largely bullish on replacing fossil fuels. "It is likely that renewable energy will have a significantly larger role in the global energy system in the future than today," said the report. "The scenarios indicate that even without efforts to address climate change, renewable energy can be expected to expand." A spokesman for the IPCC refused to comment on the report, saying it was still subject to several days of negotiations. The report found that renewable energy - including solar, hydro, wind, biomass, geothermal and ocean energy - represented only about 13 percent of the primary energy supply in 2008. But its growth is picking up with almost half of new electricity generating capacity coming from renewables in 2008 and 2009. That growth will continue through 2050 with 164 different scenarios predicting the use of renewables significantly increasing as the world shifts to a low-carbon economy. The most ambitious projected it will represent 77 percent of global energy sources in 2050. Commitments to reduce greenhouse gas emissions coupled with cheaper technology for renewable energies will spur their growth, especially as the increasing shortages of oil and other fossil fuels raises those costs. But the report made clear there are plenty of challenges that could hamper the growth of renewables as they still need to be better integrated into existing energy supply systems. Policies also need to be changed to attract massive investment to build the infrastructure and spur the technology innovations needed that make renewables more affordable and dependable. And despite its rosy predictions for renewable use, at least one environmental group observing the talks say the report falls short of their expectations. "IPCC delivers a landmark report that shows the rapid growth potential for renewable energy - but unfortunately does not endorse a 100 percent renewable energy pathway until 2050," said Stephan Singer, director for Global Energy Policy at WWF International. "We need to be fast if we want to tackle pressing issues as varied as energy security and efficiency, and at the same time keep climate change below the danger threshold," he added. (AP)

## TWO) – AFRICA: INVESTMENT GROWTH BENEFITING ONLY SOME POOR STATES

While foreign direct investment in least developed countries (LDCs) in Africa has risen sharply over the past decade, most of it went to resource-rich economies and had little impact on employment creation. On the eve of the fourth United Nations' conference on LDCs, UNCTAD has launched a study on the developmental effects of foreign direct investment (FDI), adopted at the 2001 LDCs conference as one of the tools to foster development in poor countries.

The study, called "FDI in LDCs: Lessons learned from the decade 2001 – 2010", shows the results are at best mixed.

In terms of capital formation, figures are encouraging: despite an abrupt interruption in 2009 due to the economic crisis, FDI flows to LDCs grew at a rate of 15 percent during the last decade to reach 24 billion dollars in 2010.

This is significant when compared to the 7,1 billion dollars of FDI inflows in 2001. In international comparison, LDCs' share of FDI in global flows almost doubled, going from 0,9 percent to more than two percent over the same period of time.

"FDI from developing and transition economies is increasing. (Emergent economies) provide LDCs with more opportunities to attract investment," James Zhan, director of UNCTAD's division on investment and enterprise, says.

The EU is still the largest investor but transnational corporations (TNCs) from emerging economies – particularly Brazil, China, India and South Africa - are becoming increasingly important, especially to many African LDCs. Nearly half of total inflows came from these economies in 2010, compared with one quarter in 2003, Zhan points out.

FDI inflows have trumped bilateral official development aid (ODA) from 2006 onwards. But there was a fall in FDI by 12 percent in 2009 and 14 percent in 2010. For UNCTAD, "this is a matter of grave concern, particularly when taking into account the global increase in FDI", Zhan remarks.

Despite the overall growth, foreign investment has not lived up to the high expectations in terms of development that were set up 10 years ago. With over 80 percent of FDI flows in value going to resource-rich economies in Africa, the effects on job creation have been weaker than expected and the transfer of technology and skills limited.

"As a result, LDCs remain at the margin of the global value chain. The predominance of FDI has reinforced the commodity dependence of some LDCs and worsened their vulnerability to external shocks," Zhan warns.

Also, the geographic concentration of FDI flows has increased, contributing to further divergences in economic performance.

However, the picture is not entirely negative and many LDCs have also succeeded in attracting more diverse forms of investment in value-adding activities, like telecommunications, banking, tourism, commerce, food and beverage and agriculture.

Poor physical infrastructure hinders the development of productive capacities that are key to sustainable development.

Therefore, UNCTAD proposes a plan of action that foresees the careful liberalisation of the infrastructure sector while, at the same time, establishing a regulatory framework - in particular in electricity, telecoms, transport and water.

Concretely, it suggests establishing an LDCs infrastructure development fund to support public-private partnerships and grant risk insurance to private investors.

Another idea is to boost aid for productive capacity. "The key bottleneck preventing benefits from trade is not just the rules but the capacity to produce," comments Zhan. "Therefore, we suggest creating a productive capacities fund to increase investment in vocational training, among others."

The third measure seeks to enable firms of all sizes (and not just TNCs) to capture investment opportunities in LDCs.

"Big firms may see LDCs markets as limited but others may see opportunities in sectors like solar energy. Solar energy does not require network infrastructure and the price of solar energy equipment has dropped. It is not high tech anymore but a mature energy," Zhan explains.

"We need new ideas for TNCs. How can we change business mentality? Usually companies look at GDP (gross domestic product) rates and the size of markets. But we see business opportunities even in the bottom of the pyramid. There are more and more social entrepreneurs but we need to educate them on the concept of sustainable investment."

UNCTAD wants to tap into the rising pool of "impact investors". Masataka Fujita, head of the investment trends and issues branch of UNCTAD, explains that the concept of "impact investment" appears to have emerged from a variety of sources, but mostly from the investor community itself.

"These sources and initiatives are now converging to better define the concept, and perhaps even move towards some sort of regulatory framework. The U.S. department of state has bought into the concept and is now seeking to advance it through partnerships," he explains.

The Global Impact Investing Network is a U.S.-based initiative aiming to provide a framework for "impact investment", including through the impact reporting and investment standards (IRIS) initiative, an attempt to elaborate a set of tools to measure social and environmental impacts.

### THREE) – EC ACCELERATING EDF IMPLEMENTATION

The European Commission (EC) is trying to speed up the implementation of African, Caribbean and Pacific (ACP) regional indicative programmes under the European Development Fund (EDF). This according to the [EC's annual EDF Financial Management report](#) published last week. Results of the Mid Term Reviews of country Strategy Papers and National Indicative Programmes should be accelerated and finalised in 2011 to provide a basis for future financing. And pilot countries have been identified as one way to potentially increase decentralised management through the use of ACP country systems. Decisions on proposals to accelerate the implementation of off-track MDGs will be taken by the EC by the end of 2011. The report indicates that around 50% of the 10th EDF had been committed. Despite backloading of commitments, the EC says it is on track to meet the target to commit all the 10th EDF before end 2013. The report's annexes provide detailed information on the evolution of EDF spending, budget and sector support commitments, coordination and harmonisation activities, and implementation of improvements proposed by the Court of Auditors.

## FOUR) - PLOTTING A WORLD WITHOUT LDCS

Malawi's gross domestic product has grown by more than six percent in each year since 2005. The country's most recent Welfare Monitoring Survey finds unemployment stands at just one percent. At a glance, Malawi makes being a landlocked, least developed country almost desirable.

There are plenty of reasons for optimism over the economic performance of Africa's poorest countries since 2000. Many developing economies did well on the back of a booming global economy that drove up prices for the primary commodities they export.

But the 2007 food crisis and the 2008 financial crisis, which ushered in a global recession, have exposed the vulnerability of least-developed countries (LDCs) to external shocks - and in some cases a lack of essential domestic economic data to guide policy.

Even before the global slowdown, civil society and other observers warned that GDP growth was not being effectively translated into improvements in the lives of the most vulnerable. The numerous Millennium Development Goal targets that are unlikely to be met by 2015 substantiate these fears.

The Fourth United Nations Conference on the Least Developed Countries, which opens in Istanbul on May 9, will be an occasion to review progress under the decade-old Brussels Programme of Action and set out fresh guiding principles for improving lives and livelihoods in 48 of the world's poorest countries.

### ***Malawi's real story***

Only a small fraction - perhaps 500,000 - of Malawi's work force of more than six million actually enjoys formal employment.

Accurate, detailed information about employment is hard to come by in African LDCs - in part a measure of inadequate capacity, in part a reflection of the highly informal nature of work.

Employment figures from Malawi's 2008 census are not yet available; the one percent unemployment figure comes from Malawi's National Statistics Office, which conducts annual surveys meant to identify vulnerable households. The survey definition of "employed" covers anyone who has done even one hour of work within the past week, and doesn't discriminate between formal or informal employment, or even paid and unpaid work.

The reality is that half of Malawian adults earn less than 36 dollars a month in cash, though they may grow most of their own food; 30 percent earn less than 50 cents a day. The minimum wage (92 cents/day in urban areas, 75 cents/day in rural areas) is not enough to keep an average family of five above the poverty line.

Sustainable jobs and improved livelihoods are among the priorities that the Malawi Congress of Trade Unions has stressed at a meeting of civil society preceding the U.N. conference.

"How will the country make progress in development if its people remain unemployed?" said MCTU Secretary-General Robert Mkwezalamba.

"How can we get decent jobs for our people? These are the prerequisite questions we are bringing to the LDC conference. We want to get answers from our peers in the LDCs, developed nations and donors on this and find solutions."

An International Labour Organization analysis of employment carried out for the government of Malawi in 2010 found 80 percent of the labour force is employed in agriculture, overwhelmingly involved in subsistence farming. Strong maize harvests by smallholder farmers since the introduction of the Agriculture Input Subsidy Programme in 2004 have improved food security and produced signs of prosperity such as livestock and other assets in the countryside, but debate about the efficiency and sustainability of this subsidy is growing ever louder.

### ***Vulnerable actor on a global stage***

Malawi derives 60 percent of its foreign exchange earnings from production of tobacco, produced both on large commercial estates as well as by smallholders who grow it as a cash crop alongside the staple maize. Over the past three years, the auction prices for tobacco in Malawi have plummeted from three dollars a kilogramme to just 55 cents a kilo this year. The falling price, according to Mkwezalamba, is linked to the fast-gaining momentum of the World Health Organization's anti-tobacco efforts.

Malawi - already experiencing a foreign exchange shortage - is keen to find alternative exports. The shortage of hard currency has led to the rationing of forex for the private sector, been blamed for shortages of fuel in the country, and come up as an issue in the delayed implementation of an electricity interconnection scheme that would bring in badly-needed power from Mozambique.

"As a country, we are planning to diversify to other economic activities such as mining," said Mkwezalamba.

"But do we have the right capacity and technological know-how?"

He said donors and developed nations have to help countries like Malawi with increased support for skills

development and technology if decent work is to be created.

The Istanbul conference will be considering a plan of action for LDCs with priorities including access to technology, the promotion of agriculture to strengthen food security, good governance, and adapting to climate change and securing a fair deal at the U.N. climate conference.

In the ILO report, co-authors Dick Durevall and Richard Mussa agree that agriculture is a vital starting point for Malawi, because of the large numbers whose livelihoods are presently dependent on farms, but a shift from subsistence to market-oriented farming is needed. Plans for job-rich growth will also have to recognise the low levels of education of the 400,000 people who enter the new labour market each year.

Their broad recommendations - for thoughtful investment in post-primary school education, diversification of production, and the design and implementation of subsidies that will support entrepreneurs in rural areas with electricity, roads, and water - could apply to any of the 33 least developed countries in Africa.

Carrying any of them out will likely require internal and external support. More than one participant at the civil society forum in Istanbul, held under the title "Towards a World Without LDCs", said it was important for the world's least developed countries to stand up for one another and assist each other in solving their development challenges.

"In today's world, one society affects another and the practices of one country affect other countries," said Dr Ihsan Karaman, chair of the NGO Doctors Worldwide, which is lobbying to build up public support for equitable and sustainable development.

He said LDCs cannot be left to solve their problems alone. "Their problems are the problems of the world," said Karaman.

#### **FIVE) - CONTINUED GROWTH OF BRICS INVESTMENTS AND TRADE IN NORTH AFRICA**

North African economies are currently benefiting from double-digit trade and investment growth from BRICS countries finds [a new report by the African Development Bank](#) (AfDB). The relationship between the emerging economies and North Africa mirrors that with the rest of Africa on many fronts, but differs in several aspects. As is the case in sub-Saharan Africa, the BRICS, and especially China, are drawn by their growing need for natural resources and emerging consumer markets to North Africa. But North African consumers have comparatively higher income levels and a more developed infrastructure allows for easier transportation of goods. Exports have evolved from basic commodities to manufacturing and services as wage levels in some North African countries are lower than in China, the AfDB points out in its report. The paper also suggests potential trajectories of future economic and political relations between the BRICS and North Africa.

#### **SIX) – EU TO REVAMP TRADE BENEFITS FOR EMERGING COUNTRIES**

The European Union executive is set to prune back the number of countries to whom it gives preferential trade treatment, according to a draft law seen by Reuters on Monday. More than 60 countries including economic powerhouses such as Brazil, Argentina and Russia but also much poorer countries such as Ghana, Kenya and Zimbabwe will lose low-tariff access to EU markets, according to the document. The proposal is a first step in the EU's attempts to revamp tariffs designed to help poor countries while protecting its own industrial interests and formalise ties with trading partners. This reform is expected to take until late 2013. Due to be unveiled Tuesday by EU trade chief Karel De Gucht, the reform plan for the so-called Generalised System of Preferences has already drawn criticism -- from Europe's protectionist camp for extending tariff cuts but also from foreign producers and EU importers. "If adopted, this will cost Saudi, Malaysian, Argentine, Brazilian and Russian exporters millions, as it will their customers in the EU," said Nikolay Mizulin, trade lawyer at international law firm Hogan Lovells. Countries, including many poorer ones, which have already agreed trade agreements with the EU will be excluded from duty breaks. So too will states "classified by the World Bank as a high-income or an upper-middle income country during three consecutive years," according to the draft. For about 85 countries that do qualify -- including India and Pakistan -- lower duties will be extended. **EXTENDING TRADE BOONS** The plan raises the limit for how much a country can export to the EU while still receiving low tariffs -- from 15 % of EU market share under the scheme to 17.5 percent. For textiles -- a sensitive sector given EU production - the ceiling will rise from 12.5 to 14.5 percent. This benefits India in particular. The plan foresees an emergency brake triggered by

sudden import surges, but it is unclear if this will appease EU industry. Last week, senior EU officials called on De Gucht to lower the threshold of imports that would trigger the brake -- a demand that has been only partially met in the proposal seen by Reuters. Most controversially, De Gucht is set to announce wider access to a scheme that grants further tariff cuts to vulnerable countries in exchange for a commitment to international social and environmental laws. Under the proposal, imports from Pakistan and Ukraine would both qualify for extensive tariff cuts, raising concerns among EU textile and ethanol producers who compete directly with producers in both countries. If approved, tariff cuts will cost the EU about 2.97 billion euros in lost customs revenue, according to the draft. (Reuters)

#### **SEVEN) – AFRICAN COUNTRIES SET UP 'CONSTITUTIONAL JUSTICE SPACE'**

Un "espace africain de justice constitutionnelle" a été créé au terme d'une réunion à Alger à laquelle ont participé des présidents et représentants de cours et de conseils constitutionnels d'Afrique, signataires d'une "Déclaration d'Alger", selon un communiqué publié lundi à Alger. Les participants à cette réunion de deux jours, achevée dimanche dans la capitale algérienne, ont ainsi créé une organisation de justice constitutionnelle dénommée "Conférence des juridictions constitutionnelles africaines", selon le texte cité par l'agence APS. L'initiative avait été prise par l'Algérie pendant le 15e sommet de l'Union africaine à Kampala, en juillet 2010. Basée à Alger, cette organisation est constituée d'un bureau exécutif élu par les participants. Dirigée par le président du conseil constitutionnel de la République du Bénin, elle a pour secrétaire général et secrétaire général adjoint respectivement ceux du Sénégal et de l'Algérie. Le président de la commission de l'Union Africaine, Jean Ping, présent pendant les travaux, avait jugé cette démarche "nécessaire pour combler un vide" dans la gestion des conflits. Parmi les personnalités présentes à l'ouverture samedi sous la direction du président du Conseil constitutionnel algérien Boualem Bessaih, se trouvaient le chef de la diplomatie algérienne Mourad Medelci, le ministre algérien délégué chargé des Affaires maghrébines et africaines Abdelkader Messahel et le président de la Commission européenne pour la démocratie par le droit (Commission de Venise) relevant du Conseil de l'Europe, Gianni Bucciquio. (AFP)

#### **EIGHT) – CHINA, RUSSIA URGE CEASEFIRE IN LIBYA**

La Russie et la Chine ont déclaré vendredi unir leurs efforts pour obtenir un "cessez-le-feu" en Libye, répétant leur opposition de principe à toute ingérence et a fortiori à une intervention terrestre. "Nous avons convenu de coordonner nos efforts pour permettre la stabilisation de la situation et empêcher des développements incontrôlables" en Libye, a déclaré le ministre russe des Affaires étrangères Sergueï Lavrov, à l'issue d'entretiens avec son homologue chinois Yang Jiechi. Moscou et Pékin partagent l'opinion selon laquelle "chaque peuple doit déterminer lui même son destin, sans ingérence", a-t-il souligné au cours d'une conférence de presse commune. "Notre conviction est que la tâche la plus importante est d'obtenir un cessez-le-feu immédiat", a déclaré de son côté le ministre chinois, soulignant que son pays "se prononce toujours contre le recours à la force dans les relations internationales". Sergueï Lavrov a par ailleurs critiqué l'intention, selon lui, du groupe de contact formé sur la Libye à l'initiative des Occidentaux, et auquel ne participent ni Moscou ni Pékin, d'étendre sa compétence à d'autres crises de la région. "Cette structure, qui s'est auto-proclamée, tente de plus en plus de s'attribuer le rôle principal dans la détermination de la politique de la communauté internationale à l'égard de la Libye, et pas seulement de la Libye", a déclaré M. Lavrov. "Des voix s'y élèvent déjà pour que cette même structure décide de ce qu'il faut faire à l'égard d'autres pays de la région", a-t-il ajouté. "Je veux souligner encore une fois que le Conseil de sécurité de l'ONU, qui adopte des résolutions, est seul à pouvoir assurer le contrôle de leur application et à pouvoir déterminer la ligne à suivre sur telle ou telle question", a ajouté M. Lavrov. "Le Conseil de sécurité n'a délégué ces prérogatives ni au groupe de contact ni à personne d'autre", a-t-il dit. Le Groupe de contact, mis en place à Londres fin mars, comprend des pays occidentaux comme les Etats-Unis, la Grande-Bretagne et la France, des pays arabes, notamment le Qatar, la Jordanie et le Maroc, et des organisations internationales, dont l'ONU, la Ligue arabe et l'Otan. La Russie et la Chine, tous deux membres permanents du Conseil de sécurité de l'ONU, s'étaient abstenues le 17 mars d'exercer leur droit de veto lors du vote de la résolution 1973 qui a autorisé l'intervention d'une coalition internationale en Libye contre le régime du colonel Mouammar Kadhafi. Les deux pays se sont cependant montrés très critiques depuis lors des conditions d'application de cette résolution par les Occidentaux. (AFP)

## NINE) – NATO, FRANCE DENY FAILING TO SAVE LIBYA MIGRANTS

NATO on Monday denied a report that alliance units failed to help a drifting boat carrying African migrants from Libya, leading to the deaths of 62 people from thirst and hunger. France also denied that its aircraft carrier Charles de Gaulle was involved in the incident reported in the Guardian. The British newspaper said the boat carrying 72 people, including several women, children and political refugees, ran into trouble after leaving Tripoli for the Italian island of Lampedusa 180 miles (290 km) to the northwest on March 25. It said that despite the alarm being raised with the Italian coastguard and the boat making contact with a military helicopter and a NATO warship, no rescue effort was attempted. All but 10 of those who had been on board died after their vessel was left to drift in open waters for 16 days, it said. NATO spokeswoman Carmen Romero said only one aircraft carrier was under NATO command during the period, the Italian ship Garibaldi, and that was operating 100 nautical miles (185.2 km) out to sea. "Therefore any claims that a NATO aircraft carrier spotted then ignored the vessel in distress are wrong," she said. Romero said that on the night of March 26-27, several NATO units were involved in rescuing more than 500 people from two vessels carrying migrants in incidents in an area about 50 nautical miles (92.60 km) north-northeast of Tripoli. "The NATO units involved saw and heard no trace of any other vessels in the area where safety of life at sea was threatened." NATO vessels are fully aware of their responsibilities with regard to international maritime law on safety of lives at sea." The Guardian quoted survivors and other people who were in contact with passengers on the vessel. **FRENCH DENIAL** The paper said it had concluded after extensive inquiries that the "NATO warship" it referred to was likely to have been the Charles de Gaulle, which was operating in the Mediterranean. The French ship has been taking part in the international operation off Libya, but not under NATO command. Thierry Burkhard, spokesman for the chief of staff of the French armed forces, denied the French navy had failed to help. "The Charles de Gaulle was never at any moment in contact with this type of boat, nor (was) any other French vessel, due to its position," he said. The Guardian said the migrant vessel ran into trouble and began losing fuel 18 hours out of from Tripoli. It used a satellite phone to call Father Moses Zerai, an Eritrean priest in Rome who runs a refugee rights organisation, Habeshia, who contacted the Italian coastguard. The paper said the boat's location was narrowed down to about 60 miles (97 km) off Tripoli, and the coastguard assured Zerai the alarm had been raised. Zerai was not immediately available to comment on Monday. A spokesman for the Italian coastguard said the location of the ship was pinpointed with the help of satellite telephone providers and heading towards Maltese waters. An alarm was sent from its Rome headquarters to all ships, civilian and military, in the area. "If we had been in the area, we certainly would have intervened," said Lt. Massimo Maccheroni. He said that under maritime law, the coastguard cannot operate in other country's waters without permission. The newspaper said a military helicopter marked with the word "army" soon appeared above the boat. The pilots, who were wearing military uniforms, lowered bottles of water and packets of biscuits and gestured to passengers that they should hold their position until a rescue boat came to help. The helicopter flew off, but no rescue boat arrived. The Guardian said that on March 29 or 30, the boat drifted near to "a NATO aircraft carrier", and according to survivors, two jets took off from the ship and flew low over the boat while migrants stood on deck holding the two babies aloft. However, the newspaper said, "from that point on, no help was forthcoming" and one by one the migrants began dying of thirst and starvation. (Reuters)

## TEN) – SHIP WITH 600 MIGRANTS SINKS OFF LIBYA

An overcrowded ship carrying up to 600 people trying to flee Libya sank just outside the port of Tripoli, the U.N. refugee agency said Monday, citing witness accounts. Aid officials were still trying to confirm the fate of those people after the vessel broke apart Friday in the Mediterranean Sea off the coast of Libya, UNHCR spokeswoman Laura Boldrini said. Witnesses who left the Libyan capital on another boat shortly afterward reported seeing remnants of the sunken ship and the bodies of some passengers floating in the sea, she told The Associated Press. Other witnesses saw passengers swimming to shore but it was unclear how many survived, according to the International Organization for Migration. Its staff on the tiny Italian island of Lampedusa interviewed a Somali woman who said she lost her four-month-old baby in the sinking. The woman swam to shore and managed to board another boat heading to Italy, the IOM said in a statement Monday. A Libyan government spokesman in Tripoli had no comment Monday evening when asked for information about the sunken refugee ship. At least three other boats that left Libya in late March have disappeared, with hundreds feared dead, Boldrini said. The number of people fleeing North Africa has soared since mid-January, after Tunisia overthrew its longtime dictator and set off a series of uprisings in Egypt and Libya. Some 25,000 people, mostly Tunisians, have flooded Lampedusa, which is right off the North African

coast. Since fighting began in Libya in mid-February, the IOM estimates that another 10,000 people have reached Lampedusa or the neighboring island of Linosa from Libya - including almost 2,000 who arrived on five boats last weekend. Many of those fleeing Libya are foreign workers from sub-Saharan Africa, who in the first weeks of the war were mistaken for mercenaries funded by Libyan leader Moammar Gadhafi and attacked by Libyan rebels. The witnesses told aid workers that some would-be passengers in Tripoli became scared Friday and changed their minds about boarding the second boat but were forced onto the ship by Libyan soldiers. (AP)

#### **ELEVEN) – EU-LIBERIA DEAL SEEKS TO SAVE WEST AFRICA'S FORESTS**

Liberia signed a deal with the European Union on Monday promising to crack down on illegal logging on its territory, home to more than half of West Africa's rainforests, a group linked to the accord said. Ghana, Cameroon and the Democratic Republic of Congo signed similar deals last year ahead of an EU ban on imports of illegally harvested timber that takes effect in 2012. The new deal tightened restrictions on logging, said the [European Forest Institute](#), an EU-wide group that helps draft accords on illegal logging. It also set out ways for Liberia to show its timber was legal, allowing it to continue trading with EU states, the groups added. "The VPA (Voluntary Partnership Agreement) defines what constitutes legal timber ... and sets up an assurance system to verify compliance and ensure that timber for export can be traced back to the source," said the group in a statement. Almost 45 % of Liberia -- about 4.3 million hectares -- is still covered by tropical forest, the group added. The United Nations imposed sanctions on Liberian timber amid allegations former President Charles Taylor was using the industry to fund wars in the region. The ban was lifted in 2006 but logging has been slow to pick up. "European consumers are increasingly sensitive to what they consume, and they want to avoid any ... complicity in spurring illegal timber harvests and contributing to tropical forest destruction," said EU Development Commissioner Andris Piebalgs, in a statement. Some other African countries are seeking to gain carbon credits for protecting forest, under the U.N. scheme to reduce emissions from deforestation or degradation (REDD). Gabon, in central Africa, banned raw exports last year and set up a climate council seeking a plan to gain carbon credits from its 80 % remaining forest cover, using REDD. The European Forest Institute said between 20 and 40 % of wood production globally remained from illegal sources. (Reuters)

#### **TWELVE) – SUDAN'S NORTH, SOUTH TO WITHDRAW ABYEI FORCES**

The United Nations says Sudan's north and south have agreed to withdraw all "unauthorized forces" from a contested border hotspot, where fears are rising that a new conflict could ignite as Southern Sudan prepares to become the world's newest country. The northern and southern governments agreed to deploy a joint north-south force in Abyei and withdraw the forces that are stoking tensions in the area, the U.N. in a Sunday statement. The deal is the latest effort to quell tensions in Abyei, a fertile and oil-producing border region to which both north and south Sudan stake claim. The north and south have signed several U.N.-brokered deals on the status of Abyei this year, but none of them have been fully implemented and the status of the territory remains unresolved. The International Crisis Group warned Sunday that "Abyei is on the brink of dangerous new conflict." "Failure to halt the downward trend toward violence in Abyei could unravel the tenuous peace that has been strong enough to get through the Southern Sudan referendum," the Brussels-based think tank said in a statement. (AP)

#### **THIRTEEN) – AFRICA: DEVELOPMENT AGENCIES SUPPORT HARMFUL OIL PALM PRODUCTION**

Increasing industrial production of oil palm in sub-Saharan African countries, carried out by foreign corporations, is destroying the livelihoods of thousands of Africans and the biodiversity of ecosystems. Despite this, industrialised countries' governments and development agencies continue to promote such production.

African countries most affected are Nigeria, the Democratic Republic of Congo and Ghana. But palm oil fields and industrial facilities are located in at least the half of sub-Saharan African countries.

In the vast majority of cases, the industrial production of oil palm is in the hands of foreign corporations, such as the French Bolloré group, the Brazilian petroleum group Petrobras, the Italian company ENI and

the Singapore-based Wilmar International. Most of the exploiters are European Union-based companies. The industrial system of oil palm production in Africa "is based on monoculture plantations where the land only produces palm fruits for industry," according to Ricardo Carrere, an expert in forest management at the World Rainforest Movement (WRM).

The WRM, with a secretariat in Montevideo, Uruguay, is an international organisation promoting local people's land rights.

"In most if not all cases, land is taken away from local communities with little or no compensation, and bio-diverse ecosystems, mostly forests, are destroyed and substituted by large areas of palm monocultures," says Carrere, author of "Oil palm in Africa: Past, present and future scenarios", a report that the WRM published in 2010.

Carrere told that all the foreign oil palm facilities in Africa are characterised by appalling working conditions. "During the colonial times, slavery and forced labour were the daily toll of Africans in such plantations. In the modern system, the conditions are near-slavery with low-paid labour."

As an example, Carrere mentions the oil palm plantations and industrial facilities managed by the Bolloré group in Cameroon. "The living and working conditions there are abysmal," he comments. "The living quarters are insalubrious; there is no regular access to water or electricity; and the temporary employees earn extremely low wages."

According to Carrere and other researchers, hundreds of subcontracted workers toil in these plantations and facilities for six days a week, sometimes from six o'clock in the morning until six o'clock at night, with no social security coverage and earning around two dollars per day.

In his survey, Carrere compared modern, foreign-led industrial palm oil production with the traditional process. "The modern system is even worse than the old one. The new one is characterised by extensive drainage of the land and widespread use of agrochemicals, both impacting on local water resources." The recent expansion of the industrial plantations of palm oil has been mostly led by growing demand in industrialised countries for so called agro-fuels, falsely seen as an ecological alternative to fossil fuels. But the local ecological impact of the palm oil production in sub-Saharan African countries is disastrous, according to numerous surveys. The case of the Bugala Island plantations in Lake Victoria in Uganda serves as another illustration.

According to a study by the Kalangala District Forum of nongovernmental organisations, the palm oil plantations there have increased pressure on central forest reserves, substantially contributed to the depletion of forest products, deforestation, soil erosion and the draining of wetlands.

Furthermore, these plantations have had negative socio-economic effects for the communities living on the islands. These consequences include the violation of land rights of indigenous people, the loss of land as a safety net and reduced access for local communities to resources.

The forum also underlines that the plantations have contributed to the sudden rise of the price of land and destroyed the community-based local economy.

Carrere raises alarm about the "crucial role" of national, regional and multilateral institutions in the promotion and development of foreign investments in the industrialisation of palm oil production in sub-Saharan Africa.

It is important to stress that such support has ignored all the accumulated evidence regarding the negative social and environmental impacts of large-scale plantations elsewhere in the developing world, Carrere says.

He stresses that these international efforts have "also ignored the social benefits of traditional sustainable practices in the production of palm oil. As a result, most support has been aimed at the development of the industrial model and practically none has been provided to the traditional system."

Among the international financial and multilateral institutions allegedly involved in the promotion of the industrialisation of palm oil in Africa, Carrere mentions the African Development Bank, the African Investment Bank, the European Union through the European Development Fund, the European Investment Bank and the EU Partnership Dialogue Facility.

Other foreign state agencies alleged to be exacerbating the expansion of palm oil in Africa are the U.S. development agency USAid and the U.S. department of agriculture, Britain's department for international development (Dfid), Finland's FinnFund and Germany's agency for technical cooperation, among others. United Nations agencies are also implicated, such as the Food and Agricultural Organisation and the International Fund for Agricultural Development that have intervened in favour of the industrial production of palm oil in Africa.

The foreign oil palm plantations and facilities in Africa have generated legal conflicts in companies' countries of origin. In France, for instance, the Bolloré group in 2010 brought legal challenges against two press reports on its activities in Cameroon.

The court in Paris ruled that the first report could not be considered defamatory. In the second case, no ruling was handed down, apparently because the Bolloré group decided to withdraw the charges two weeks before the trial was scheduled to take place.

#### **FOURTEEN) - DEVELOPMENT: INVESTMENT, NOT CHARITY FOR LDCS**

Least Developed Countries do not need charity; they want more and smarter investments. This is the point of departure for the Fourth U.N. Conference for the world's poor countries (LDC-IV) begins in Istanbul, Turkey.

Up to 8,000 delegates, including the leaders of the world's 48 least developed countries (LDCs), international aid agencies and development partners are discussing solutions to abject poverty.

Up to 900 million people are citizens of LDCs, half of them living on less than two dollars a day. Over the last decade, 60 percent of the world's refugees originated from the LDCs, according to the United Nations. At the opening of the conference, U.N. Secretary General Ban Ki-Moon pleaded with wealthy countries and the development agencies to change their outlook on LDCs. He said it is a moral obligation to relieve the world's most vulnerable people of the burdens of poverty, hunger and needless disease.

"Investing in LDCs can provide the stimulus that will help to propel and sustain global economic recovery and stability. This is sound business," said Ban.

#### ***Agriculture a priority***

Investment in agriculture has been singled out as one of the key elements to help LDCs' address food security and adequate nutrition.

Across the world's poorest countries, the agriculture sector has been neglected for many years, according to a report titled "A World without LDCs", launched by the civil society forum in Istanbul on May 8.

"Lack of investment in strengthening the sector has been exacerbated by insecure land tenure, lack of access to finance and poor transport and other infrastructure," stated the report.

The report argues that many developed countries have heavily subsidised their farmers and dumped food in the South through international supply chains in the form of food aid. "As a result, many LDCs have become net food importers and have been unable to benefit from the recent rise in prices of food commodities," the report said.

Rising food prices have pushed 44 million more people into poverty in the ten months since June 2010, according to the World Bank.

The director general of the World Trade Organization (WTO), Pascal Lamy, is in agreement with the civil society concerns that the reduction and elimination of subsidies in the developed world are key to building agricultural production in the LDCs. Lamy is also concerned that LDCs are being shortchanged in the world economy - these 48 countries together account for only one percent of world trade. "In other words, the contribution of international trade to the development of the LDCs remains inadequate," Lamy told the conference. He said the world should provide LDCs with better market access.

Lamy concurred with the UN secretary general on LDCs holding investment potential. He said there remains significant untapped potential in the poor countries. "There are a number of vital issues specifically concerning the rules governing LDC trade that require urgent decisions. I sincerely hope that this conference will help to make this come about," said Lamy.

World Bank Managing Director Ngozi Okonjo-Iweala suggested a focal point for the conference deliberations. "We need to focus on building the comparative advantage of countries and attracting foreign direct investment to support manufacturing, scaling up what we know works, and designing safety net programs to protect the poor and vulnerable," she said.

#### ***Vision for change***

Meanwhile the LDCs themselves are setting ambitious targets for the next decade: the aim is to graduate half of the present least developed countries from this status in the next decade, according to the current chair of the Global Coordination Bureau of LDCs, the Prime Minister of Nepal, Jhala Nath Khanal.

The number of the LDCs has grown from 25 in 1971 to 48 at present; only three countries - Botswana, Cape Verde and Maldives - have managed to graduate since the category of LDCs was created in 1971. Khanal said the vision for LDCs is to create inclusive and sustained economic growth, eradicate poverty and build strong and resilient society.

"This will be possible only with a strong productive capacity and economic infrastructure to fuel a rapid and

inclusive growth in LDCs, said Khanal.

LDCs are demanding additional resources to invest in productive sectors, the development of the private sector and increased official development assistance from the Rich World. They also want the removal of tariff and non-tariff barriers, and meaningful market access for all LDC products, trade capacity enhancement, support for the transfer of technology to LDCs, and supportive measures to promote investment through aid for investment.

"The international community and global architecture should be responsive to the constraints of and opportunities for LDCs," said the Nepali prime minister. "The voice and representation of LDCs should be ensured in all international forums for their effective mainstreaming into the global governance processes."

Fernando Matos Rosa

Brussels

