AFRICA RENEWAL

Formerly 'Africa Recovery'

United Nations Department of Public Information Vol. 23 No. 2 July 2009

debt relief helps post-war rebuilding

foreign fighters head home

fishing for Africans

Panos / Sven Torfinn

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AFRICA RENEWAL

United Nations
Vol. 23 No. 2 July 2009

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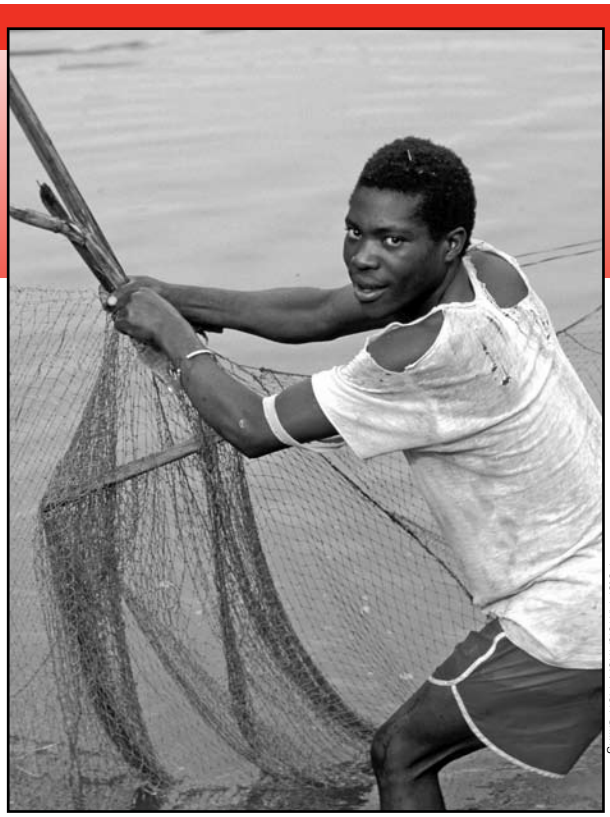

Peter Arnold Inc. / Ron Giling

The livelihoods of millions of Africans are threatened by the depletion of the continent's fish stocks, worsened by the illegal activities of foreign trawlers.

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Africa Renewal is printed on recycled paper.

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Debt relief for post-war rebuilding

Liberia scores big, but the Congo and Côte d'Ivoire are still waiting

By **Ernest Harsch**

In another major stride in Liberia's post-war rehabilitation, the country eliminated some $1.2 bn in foreign debt in April. President Ellen Johnson-Sirleaf hailed the development: "The successful resolution of this inherited debt, which had ballooned through interest and penalty charges during a period when my country was wracked by civil war, is an important step on our road to recovery."

Unlike previous measures, which reduced Liberia's debt to public lenders, this operation retired almost all obligations to private creditors. Because they had little expectation of actually being repaid, the commercial lenders agreed to discount the value of the outstanding loans by a staggering 97 per cent. Liberia was thus able to "buy back" the debt for just $38 mn. In reality, Liberia itself did not pay a cent, since all the money was contributed by the World Bank and donor governments.

As of June 2007, Liberia's debt stood at $4.9 bn, equivalent to seven times the country's annual national income. The new deal, on top of other write-offs, brings the total Liberia still owes down to $1.7 bn. Most of this remaining obligation will start to diminish further in 2010, when Liberia is expected to qualify for debt cancellation under the Heavily Indebted Poor Countries (HIPC) initiative of the World Bank and International Monetary Fund (IMF).

For Liberia — like other African countries emerging from war — debt relief can provide a vital financial boost, enabling a shift of scarce revenues from debt payments to reconstruction and combating poverty. Eliminating a high debt burden can also encourage domestic and foreign investors to finance new ventures.

Debtors in the queue

Many countries rebuilding from war have received some debt relief. In an analysis of 16 post-conflict African countries published in May 2009 by researchers of the African Development Bank, debt relief accounted for nearly a quarter of all financial assistance to those countries in 2003.

In late May, IMF Managing Director Dominique Strauss-Kahn visited Côte d'Ivoire, where discussions focused on the global economic crisis, progress towards democratic elections in November and the economic reforms needed for the country to qualify for HIPC relief on its total debt of $14 bn.

Mr. Strauss-Kahn also went to the Democratic Republic of the Congo (DRC). He cited differences that may delay major relief on the country's $10 bn debt. Specifically, the IMF head urged the DRC to adopt a "clear debt sustainability framework" and to modify aspects of its wide-ranging agreement with China. Under that deal, the Congolese authorities agreed to supply China with copper and cobalt in exchange for $9 bn to develop mining and build infrastructure (see page 16). The IMF and other creditors have expressed concern that if the Congolese government acts as a financial guarantor and the deal runs into trouble because of the slump in world mineral prices, the DRC may be saddled with massive new debt, wiping out any gains from relief on its current obligations.

Associated Press / George Osodi

Liberian President Ellen Johnson-Sirleaf: Debt relief now makes it easier to spend more money on children's education.

Slow and cumbersome

As the discussions between the IMF and Congolese government indicate, post-war debt relief is not without strings. Africa's creditors generally demonstrate little confidence in the performance of debtor governments, especially in states undermined by conflict. This has often resulted in prolonged negotiations and the stipulation of exacting policy conditions that governments must meet in order to obtain debt cancellation.

Not only has the HIPC process been "slow and cumbersome," noted a study by the Helsinki-based World Institute for Development Economics Research, an affiliate of the UN University, but it has been "largely disconnected from efforts by the African Union and the UN to achieve workable and lasting peace agreements."

Gradually, there has been growing international recognition that African governments struggling with reconstruction do not have unlimited time. To consolidate a stable peace, they must move rapidly to improve living conditions.

For Liberia's people, the end of their country's debilitating debt burden is finally in sight. But as President Johnson-Sirleaf noted in April, the real challenges still lie ahead. "We always say Liberia is not a poor country; it's just a country that's been poorly managed." By developing the country's minerals, forests, fisheries and agriculture, she said, Liberians can get back to work. "We know that we have primary responsibility for our development." ■

Africa begins to tap crisis funds

Fears that deeper global reforms will drag out

By **Roy Laishley**

African countries are beginning to get some of the additional aid and other financing they need to navigate the current economic downturn without lasting damage to vulnerable development programmes. But there is considerable doubt that such funding will be sufficient and timely enough — particularly if the anticipated upturn in world economic growth for 2010 fails to materialize.

The Group of 20 (G-20), a high-level consultative body of the world's major economies, proposed a set of measures to deal with the crisis at a 2 April meeting in London. But its proposals have met with a mixed response. While significant, the steps pledged by the G-20 "may not be enough to meet the challenges posed by this worldwide crisis," warns the UN's *World Economic Situation and Prospects, 2009*. Altogether, some $50 bn would be available to low-income countries. Yet how much of what the G-20 offered is new and how much of it Africa will receive and when remains unclear, said the Africa Progress Panel, an advocacy group, in a June report.

While it promised stimulus measures to help kick-start renewed growth, the G-20 meeting was short on details. It focused instead on measures to strengthen the resources of the International Monetary Fund (IMF) so that it could lend more to countries affected by the crisis. In addition, the G-20 pledged support for increased lending by regional banks like the African Development Bank (ADB), and more trade financing (see box, page 21).

Alamy Images / Eye Ubiquitous

Factory in Nigeria: Donor institutions have promised some financing to help stimulate economic activities in Africa and other poor regions.

Action on the IMF would treble its resources, allocate to all member countries additional Special Drawing Rights (SDRs, the Fund's monetary unit), provide greater and speedier concessional lending (with fewer conditions) and strengthen surveillance of the economic policies of all members (including the wealthiest). The G-20 leaders also expressed support for reform of the IMF and its sister institutions, "including a greater voice and representation" for developing countries.

'Rich countries can do more'

A retooled and replenished IMF with greater political oversight would represent "a great victory for Africa," then South African Finance Minister Trevor Manual said in mid-April.

Other African officials welcomed the G-20 measures, but urged further action. "The general impression is that the rich countries can do more to assist developing countries," Tanzanian Minister of Finance and Economic Affairs Mustafa Mkolo told journalists at an April meeting of the Fund and World Bank in Washington.

IMF Managing Director Dominique Strauss-Kahn has confirmed that Africa can expect a doubling in its concessional lending to some $6 bn over the next two–three years. The World Bank has established a $2 bn quick-dispersal facility for crisis-affected countries, while the ADB has created new emergency liquidity and trade finance facilities to help its members.

In late May, Kenya and Tanzania accessed the IMF's new Exogenous Shocks Facility (ESF), set up to help countries with sudden crises caused by external factors. According to the Fund, lending to Africa totalled $1.5 bn by the end of May, both from the ESF and from existing poverty-reduction support programmes.

'More breathing space'

The Fund says it is also easing the conditions it imposes on lenders and doing more to preserve social programmes through better targeting of spending and subsidies to ensure that the vulnerable directly benefit. Government budgetary targets have been eased in 80 per cent of African countries, Mr. Strauss-Kahn claimed, "giving them more breathing space to adjust to the crisis."

Implementation of the agreement for a new allocation of SDRs awaits formal approval by the IMF Board of Governors.

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Seeking the 'shoots' of economic recovery

Uncertainty over when African growth will revive

By **Roy Laishley**

Has the economic crisis reached bottom, with slow recovery under way? Or is the world facing continued recession and with it deepening poverty for many Africans? "No one can tell with any degree of certainty whether the worst for the global economy is over," Donald Kaberuka, president of the African Development Bank (ADB), responded at the opening of the Bank's annual meeting in Dakar, Senegal, in May. There is consensus among forecasters that global output will decline this year, but they disagree about the depth of the recession and when and how strongly growth will be renewed.

In June the World Bank predicted that the world economy would shrink by 2.9 per cent this year, by more than either its April forecast of a 1.3 per cent drop or projections by the International Monetary Fund (IMF). The ADB, in a paper for the May meeting, lowered its forecast for Africa's growth to 2.3 per cent from the 2.8 per cent it had predicted just three months earlier, amidst fears that "the worst may be yet to come."

'Wintry landscape'

That is exactly what worries the United Nations. In a May update to its *World Economic Situation and Prospects, 2009*, Africa's economic growth is forecast for less than 1 per cent this year. The UN is less hopeful than some others that the "green shoots" of economic recovery are emerging, Rob Vos, a senior official in the Department of Economic and Social Affairs that produced the report, told journalists. There are few signs of springtime "in this very wintry landscape," Mr. Vos said.

"For a large number of countries, there are no green shots of recovery," UN Secretary-General Ban Ki-moon said at the opening of a 24–26 June conference of the General Assembly on the impact of the global crisis on development. "There are only fallow seeds."

The weak integration of African countries into the world economy initially helped shield the continent from the direct impact of the turbulence in financial markets, UN Under-Secretary-General and Special Adviser on Africa Cheick Sidi Diarra pointed out at a special session on Africa and least developed countries (LDCs) during the General Assembly conference. But, Mr. Diarra added, "Most African countries have suffered significantly from the second-round effects arising from the decline in investment, tourism receipts, as well as falling export earnings." For Africa and the LDCs, "the crisis constitutes a development emergency."

Because of the crisis, an additional 12–16 million people will be thrown into poverty in Africa, the UN estimates. For the first time since 1994, per capita income will contract for the continent as a whole, the ADB adds.

Alamy Images / WorldFoto

Coffee pickers in Kenya: Across Africa, many workers are losing their jobs as economies slow down.

The major forecasters all agree that economic growth in Africa will again pick up next year. The ADB is predicting a 4.1 per cent upturn in 2010, and the UN report cites forecasts ranging from an optimistic 5.3 per cent to a pessimistic 1.7 per cent. The World Bank sees sub-Saharan Africa growing by 3.7 per cent in 2010, but warns that the risks are "heavily tilted to the downside."

Years of relatively strong growth and deep policy reforms are helping many African countries weather the present economic crisis better than previous downturns. But the resilience of African economies is limited.

Economic pain

The pain of the global crisis is being felt across Africa. South Africa, the continent's leading economy, went into recession in the first quarter, contracting by 6.4 per cent compared with the same period a year earlier. Over 180,000 people lost their jobs between December and March, pushing the unemployment rate to 23.5 per cent. Standard Bank predicts that up to 400,000 jobs could be lost in 2009.

Few countries have escaped the impact:

- In Egypt over 100,000 workers were laid off in the six months ending in March, and up to 500,000 could lose their jobs this year.
- In Kenya more than 10,000 workers were laid off in the first quarter.
- Some 12,000 miners have lost their jobs in Zambia.

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Setting foreign fighters on the road home

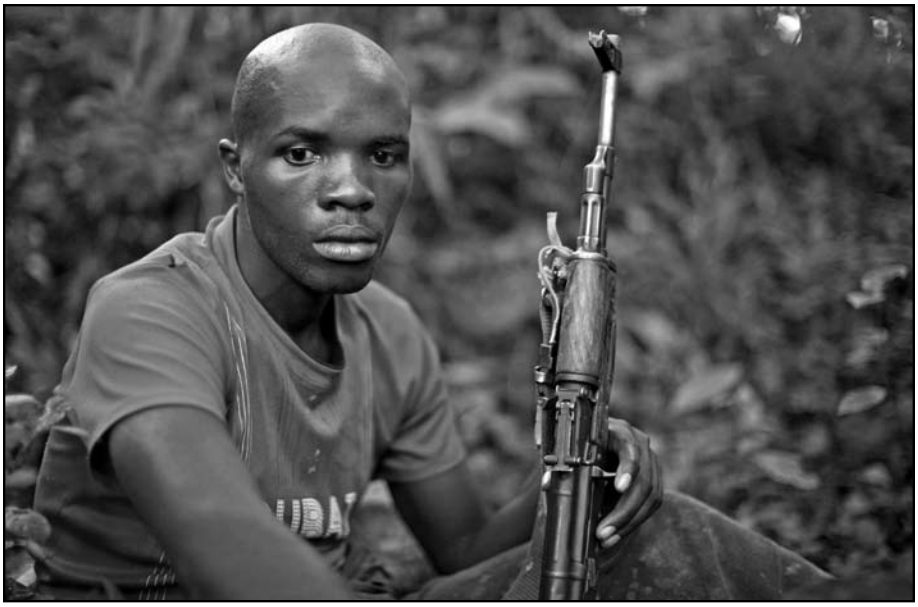
Repatriation of ex-combatants vital to securing regional peace

By ***Ernest Harsch***

Initially in late January, small clusters of haggard Rwandan rebels and refugees started to trickle out of the forests of the Congolese province of North Kivu. Within just a couple of weeks their numbers climbed into the hundreds. By June, more than 8,000 — including about 1,000 former combatants — had been repatriated back to neighbouring Rwanda by United Nations peacekeepers and refugee workers.

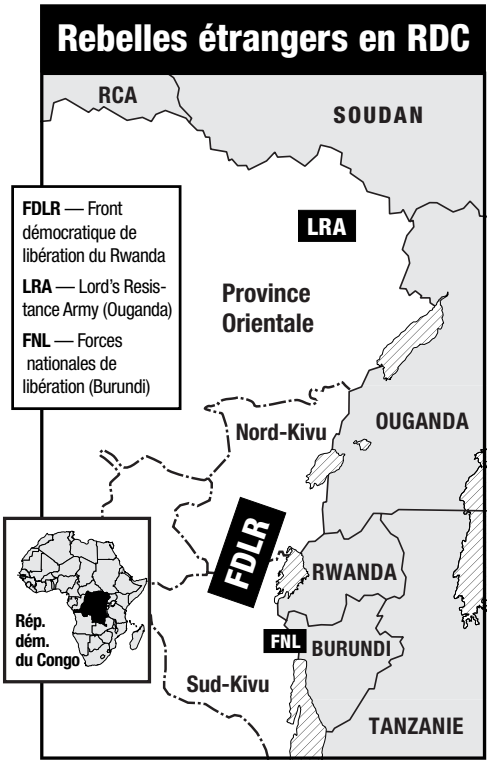
Antoine Uwumukiza, who fled to the Democratic Republic of the Congo (DRC) some 15 years ago in the aftermath of the 1994 Rwanda genocide, was one of those who joined the exodus back home. "The international community has set plans to help us surrender, so we decided to go back to Rwanda," he told a reporter for the *Washington Post*. "We've heard people say, 'In Rwanda, there is good government,' and we have decided to go see if it's propaganda."

Over the past decade, hundreds of thousands of other Rwandans had already gone back, discovering that the government's policy of national reconciliation is not just propaganda. Refugees and even soldiers from the Hutu ethnic group found they had a place alongside the genocide survivors, who are mainly Tutsi (see box, page 7).



Reuters / Finbarr O'Reilly

A fighter from the Rwandan FDLR rebel group in the eastern Congo: Pondering the prospects for a return back home?



ONU Afrique Renouveau

But several thousand combatants of the Hutu opposition group Front démocratique de libération du Rwanda (FDLR) still remained in the eastern Congolese provinces of North and South Kivu. Bands of fighters from the notorious Lord's Resistance Army (LRA) of Uganda were also active in the Congo's far northeast.

Both groups have terrorized Congolese villagers, killing thousands, kidnapping hundreds and engaging in widespread sexual brutalities. The insecurity has led local residents, especially women, to demand greater protection (see box, page 8). The rebel commanders have also used extreme tactics to prevent refugees — and their own fighters — from trying to return home.

That situation festered until the Congolese government invited several thousand troops from Uganda and Rwanda into the DRC in December 2008 and the first months of 2009 for joint operations against both sets of rebels. The military pressure momentarily dispersed the rebel leadership.

"At that point, we decided to make the most of the situation," explains Bruno Donat, then head of disarmament and demobilization for the UN Mission in the DRC (MONUC). He and his colleagues took "extraordinary measures" to convince FDLR combatants to hand in their arms and return to Rwanda voluntarily, he told *Africa Renewal*. By deploying additional mobile teams, opening a 24-hour call centre, dropping leaflets by helicopter and broadcasting from mobile radios, they were able to tell rank-and-file FDLR fighters how to safely reach UN repatriation assembly points.

'Significant threats'

While the circumstances in the Congo have been especially dramatic, they are not unique in Africa. Several thousand kilometres across the continent — and at the same time that the military operations were under way in the eastern DRC — Liberian combatants who fought in Côte d'Ivoire's

civil war were threatening to disrupt that country's peace process if they were not given larger demobilization payments.

The people of the Central African Republic (CAR), just north of the DRC, still remember the massacres and other atrocities carried out in 2002–03 by Congolese and Chadian fighters, brought into the country by rival political factions. Today armed groups from Chad and Sudan continue to pass through the CAR, posing further risks to a fragile national dialogue intended to resolve that country's conflict.

Foreign fighters and armed groups that operate across borders "are significant threats to regional security in all areas where they exist in significant numbers," notes the study "Combatants on Foreign Soil," prepared by the UN Office of the Special Adviser on Africa (OSAA).

Unlike combatants who are nationals of a country emerging from war, most foreign fighters cannot simply rejoin local communities after they have handed in their weapons and left their armies. Frequently there are no organized repatriation programmes. Where they do exist, as for Rwandans, fear, suspicion and poor relations between governments may mean such fighters are left behind, as persistent security threats.

Complicated entanglements

Foreign combatants are not new in Africa, notes the OSAA study, which was presented to an international conference on disarmament, demobilization and reintegration (DDR) in Africa, held in the Congolese capital, Kinshasa, in June 2007 (see *Africa Renewal*, October 2007).

African insurgent forces have long operated across poorly guarded national borders. Some have been viewed positively, especially in the early anti-colonial liberation struggles or the movement against the apartheid regime in South Africa.

While such insurgent groups often had clear political goals and disciplined fighting forces and sought some popular support from local communities, that has been rare in the many civil wars that have swept Africa over the past two decades. Not only have government and rebel forces both targeted civilian populations, but they have also tried to get support — including combatants — from abroad. The entanglement in these civil wars of fighters from neighbouring countries has added a further layer of complexity and violence.

West African 'regional warriors'

West Africa was one region where multiple armed groups operated repeatedly across national borders. In 1989 rebel forces entered Liberia from neighbouring Guinea and Côte d'Ivoire. Then from Liberia, Charles Taylor, initially as a warlord and later as president, backed the Revolutionary United Front (RUF) in its attacks against the government of Sierra Leone. At various times combatants from Liberia, Burkina Faso and other countries fought directly alongside the RUF. Later, two new rebel groups opposed to President Taylor launched a second civil war in Liberia, initially striking from Guinea and Côte d'Ivoire and eventually prompting Mr. Taylor's departure in 2003.

Following peace accords in Sierra Leone and Liberia, UN-organized DDR programmes succeeded in demobilizing tens of thousands of fighters from the various domestic factions (see *Africa Renewal*, October 2005). But there was little systematic effort to help foreign combatants return home. "The scourge of foreign ex-combatants remains a largely ignored tragedy," then UN Secretary-General Kofi Annan observed in a 2005 report on cross-border problems in West Africa.

This difficulty was compounded by shortcomings in fully reintegrating ex-

Former Rwanda exiles should 'feel at home'

Benoît Barabwiriza returned to Rwanda in January for a short visit with several other former combatants and some of their wives and children. It was the first time in a number of years that he had seen his homeland. "We have come here to assess how the country is doing," he explained to a journalist, "after which we will go back to our colleagues in Congo and tell them of our experiences. Then we will decide whether to come back for good."

Mr. Barabwiriza is a member of a splinter group from the Front démocratique de libération du Rwanda (FDLR), the Hutu rebel force that opposes the government of Rwanda. For several years the government has been seeking to convince such exiles — disenchanted rebels or civilian refugees — that they are welcome back. Such outreach efforts are part of a broader process of national reconciliation intended to reknit social ties torn apart by the 1994 genocide, in which some 800,000 Rwandans, mostly from the Tutsi ethnic group, were slaughtered.

In December 2001, the Rwanda Demobilization and Reintegration Commission (RDRC) decided to expand an ongoing military demobilization programme to also embrace the government's former enemies. These included ex-soldiers of the Forces armées rwandaise (FAR) — the army of the regime in power at the time of the genocide — and former combatants of the Rwandan rebel groups that later emerged in the Democratic Republic of the Congo (DRC). Over the next five years, some 13,000 ex-FAR soldiers were demobilized and given small financial settlements to help their social and economic reintegration. More than 6,700 former rebels from bases in the DRC were also demobilized and given reintegration assistance. That aid included cash, scholarships, vocational training, access to credit and other support for setting up small businesses and income-generating projects.

The number of Congo-based rebels who agreed to join Rwanda's reintegration process was less than half the RDRC's initial target. The rest remained in the DRC, kept there by the hard-line FDLR commanders or fearful of what awaited them back home. In an effort to erode such mistrust, the Rwandan government and the UN have mounted an information campaign to show the group's rank-and-file members — and Rwandan refugees more generally — that there is little to fear. This campaign has included radio interviews with returnees who describe progress in rebuilding their lives, as well as occasional "go and see" visits by combatants based in the DRC who afterwards inform other exiles of the conditions in Rwanda.

RDRC Chairman Jean Sayinzoga welcomed Mr. Barabwiriza and his fellow visitors, emphasizing that they could go wherever they wanted in Rwanda, including to visit former FDLR combatants who had previously been repatriated. "Feel free," he told them, "and feel at home."

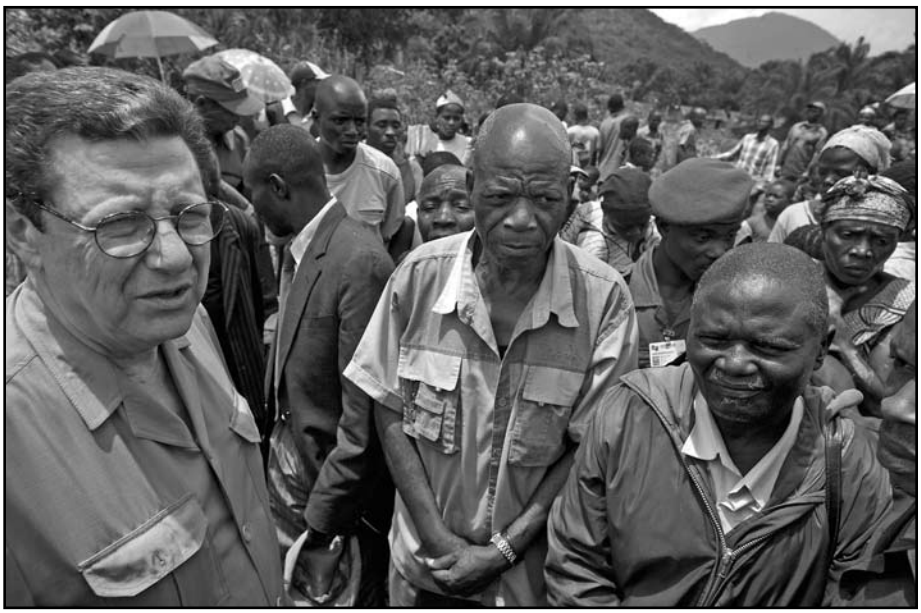
combatants back into civilian life. Many youths were left dissatisfied and marginalized, with no jobs, little education and few skills other than handling weapons. So when war erupted in Côte d'Ivoire in 2002 and both sides in that conflict sought new foot soldiers, there were thousands of ready recruits willing to cross the border. While they included a few from Sierra Leone, most came from Liberia: an estimated 2,000 or so fought with the pro-government forces and another 1,000 joined the rebels occupying Côte d'Ivoire's north and west.

The US-based Human Rights Watch, in a 2005 report on West Africa's "regional warriors," interviewed some 60 combatants from 15 groups. Most had fought in at least two conflicts in the region. "There are some of us who can't seem to live without a weapon — anywhere we hear about fighting we have to go," said a 24-year-old Liberian who had fought in Liberia, Sierra Leone, Guinea and Côte d'Ivoire.

For these fighters the main motivation appears to have been economic. Most of those recruited for successive wars lacked jobs and lived in desperate economic conditions. The recruiters and commanders promised they could loot. Some readily shifted allegiances from one group to another as the opportunities for pillage changed.

To reduce the likelihood of such an "insurgent diaspora," experts argue, regional organizations need to dissuade governments from recruiting or backing foreign fighters, while peacekeeping forces should better coordinate their own efforts. The UN Office for West Africa has promoted more exchanges among peacekeepers in the region to align their reintegration programmes. And, gaining from the experience of past shortcomings, the UN mission in Côte d'Ivoire now works closely with its counterpart in Liberia to facilitate the repatriation of foreign ex-combatants.

It is just as important, experts argue, to better reintegrate former fighters into their own societies. If they have jobs, social connections and other opportunities at home, they will be less open to recruitment for wars abroad (see *Africa Renewal*, April 2009). Human Rights Watch noted that most Liberian interviewees who were approached to fight in Côte d'Ivoire or Guinea refused to go, since they were enrolled for job training or education programmes in Liberia.



UN / Marie Frechon

Alan Doss, UN special representative for the DRC, visiting a camp for displaced people in the eastern Congo: Once foreign combatants have been repatriated and security is restored, the "real battle" for economic and social development can begin.

Great Lakes: overcoming enmity

In Africa's Great Lakes region, domestic political conflicts combined with serious disputes among neighbouring governments to create an especially volatile environment for cross-border military action. In the 1990s Burundi, Rwanda and Congo were all swept by national conflicts, while the insurgency led by the LRA continued to inflame northern Uganda and became entangled with the conflict in southern Sudan.

After predominantly Tutsi insurgents took power in Rwanda in 1994, many people who had taken part in the genocide, as well as soldiers of the defeated government and hundreds of thousands of Hutu refugees, fled to the eastern provinces of Zaire (as the DRC was then called). Supported by the Zairean dictatorship of Mobutu Sese Seko, the Hutu fighters struck back at the new Rwandan government. In 1996 Rwanda and Uganda retaliated by supporting dissident Congolese forces, which succeeded the following year in deposing Mobutu.

But then a new Congolese civil war erupted in 1998, eventually spawning numerous armed factions and drawing in troops from a half dozen neighbouring countries. Meanwhile, civil war raged in Burundi, and rebel groups took advantage of the chaos in the DRC to use its territory for staging attacks.

While fighting was under way, there were few options for reducing the involvement of foreign combatants. But as the wars came to an end, foreign government support declined and some groups either

Congolese women protest rebel brutalities

In somber silence, more than a thousand women marched through the town of Buta in the Congo's Orientale province for more than two hours on 2 April. The action, called to protest brutalities against civilians by rebels of the Ugandan Lord's Resistance Army (LRA), was organized by all the women's associations in the district. At its conclusion, the women staged a sit-in and presented a declaration to local officials and observers of the UN Mission in the DRC (MONUC). The protesters not only denounced the LRA, but also criticized the Congolese government for not acting quickly enough to restore security. They appealed for humanitarian aid for those displaced or victimized, and urged the UN to conduct an investigation.

returned home or lost strength.

The DRC peace agreement signed in 2002 provided for the withdrawal of foreign armies and the formation of a transitional coalition government of the main Congolese contenders. But some dissident groups remained active in the eastern DRC, at times with tacit support from neighbouring countries.

In 2006, area governments held an International Conference on the Great Lakes Region to try to ease the animosities. They pledged to stop supporting armed groups in neighbouring countries and allowing foreign insurgents to operate from their own territories. In that spirit, the Rwandan government decided in January 2009 to arrest Laurent Nkunda, head of a Congolese dissident faction that had previously enjoyed some support from Rwanda. "His intransigence had turned him into an obstacle to peace," Rwandan President Paul Kagame explained. Following General Nkunda's arrest, his group reached a peace agreement with the Congolese government.

Meanwhile, in Burundi, a peace accord in 2003 led the largest rebel group to demobilize and join the political process. But a hard-line group, the Forces nationales de libération (FNL), remained in opposition, operating mostly from within Burundi, but with a few hundred fighters in the DRC as well. Eventually, in April 2009, the FNL also agreed to disarm, merge some of its forces into the Burundian army and transform itself into a political party. From a Congolese perspective, another foreign group was on its way home.

Between persuasion and force

Although both Uganda and Rwanda have also sought to persuade their opponents to demobilize and repatriate, the response has been mixed. In response to an amnesty offer by the Ugandan government, some 15,000 LRA fighters, mainly in northern Uganda and southern Sudan, renounced violence and disarmed. Most of the remaining LRA forces today operate from the DRC's Orientale province (where two smaller and less active Ugandan rebel groups, the Allied Democratic Forces and the National Army for the Liberation of Uganda, are also based). Similarly, between December 2001 and December 2006, about 6,700 FDLR combatants and an equal number of dependents returned to Rwanda from bases in the DRC.

But some feared that if they gave themselves up they would face charges. Several top leaders of the LRA have in fact been indicted by the International Criminal Court for war crimes. It is also believed that between 200 and 300 commanders and long-time fighters of the FDLR took part in the Rwanda genocide. Those with greater responsibility could be prosecuted by the International Criminal Tribunal for Rwanda, based in Tanzania, while the rest may face charges in Rwandan courts.

Ironically, as the more moderate elements of both groups agreed to repatriate, their leaderships were left increasingly in the hands of such hard-liners. They actively sought to discourage repatriation by executing many of those caught trying to leave.

Acknowledging the particular challenges in the eastern DRC, the UN Security Council decided in December 2008 to authorize MONUC to help forcibly disarm foreign armed groups, so as to advance efforts to demobilize and repatriate their fighters. That decision came just as the Congolese government invited in troops from Uganda and Rwanda to go after the LRA and FDLR, respectively. By the time the Ugandan and Rwandan armies pulled out in late February, several hundred fighters of the two groups had been killed and scores of commanders captured.

By making it harder for the surviving rebel commanders to communicate with each other, those military operations also created a "temporary vacuum" that loosened the leaderships' overall control, explains the UN's Mr. Donat. "It allowed some mid-level FDLR leaders to have some leeway." With MONUC providing security and logistical support, those who favoured returning home finally saw a chance to make their move.

"I always wanted to come back" to Rwanda, said Joseph Karege, an FDLR soldier. But he feared execution as a deserter. Then, with the Rwandan and Congolese army operations in North Kivu, "War provided the room to manoeuvre," he explained, allowing him to successfully return to Rwanda in mid-February.

UN / Marie Frechon

A UN helicopter drops leaflets in an area of the Congo where FDLR fighters are active, with information on how to arrange their repatriation to Rwanda.

Though somewhat weakened and dispersed, both the FDLR and LRA continue to attack Congolese civilians, and many villagers have been displaced by the ongoing fighting. Mr. Donat, who has since moved from MONUC to the DDR

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Safeguarding Africa's fishing waters

Regional action needed to stop illegal trawlers off the coast

By ***Mary Kimani***

Every day hundreds of unlicensed fishing vessels enter African waters and trawl for shrimp, sardines, tuna, and mackerel. According to a study commissioned by the UK's aid agency, such trawlers are costing Africa some $1 bn every year. But illegal fishing "is not just an African problem," says Arona Soumare, the West Africa conservation director for the World Wildlife Fund (WWF). Many countries, even developed states with substantial marine security forces, struggle to keep unlicensed fishing vessels from their waters.

Peter Arnold Inc. / Wildlife

Foreign ships, such as this tuna trawler, haul huge quantities of fish out of African waters, but African countries need more capacity to ensure their catches stay within negotiated limits.

However, Mr. Soumare notes, in comparison to developed countries, "the social and economic impact of such losses on Africa are huge." The funds that African countries lose to illegal fishing are "a potential source of income" that they "can ill afford to be without."

In theory, Africa's fishing waters should be protected under international law. In 1982 the International Law of the Sea set a 200-mile zone off the shores of coastal states within which fishing and other natural resource exploitation cannot take place without a licence. But African countries' efforts to stop illegal fishing within those limits are hampered by a lack both of expertise and of the vast resources needed for policing such wide maritime areas. Only a few African countries, such as Namibia and South Africa, have the capacity to patrol their waters sufficiently to keep away illegal vessels, says Sloans Chimatiro, senior fisheries adviser at the secretariat of the New Partnership for Africa's Development (NEPAD), adopted by African leaders in 2001.

Licensed vessels are required by a variety of national and international agreements to adhere to certain fishing quotas and keep away from protected areas. Fleets are also prohibited from using long trawling fishing nets. Such nets catch everything within their reach, and the excess or unwanted types of fish are simply discarded, a process that contributes to depleting natural fish stocks. Nets with small meshes are also a problem, since they catch very young fish.

To ensure that fishing fleets adhere to all the rules, governments require patrol boats, aerial surveillance and monitoring systems, says Andre Standing, a senior researcher at the South African Institute of Security Studies. Governments also need to invest in training law enforcement staff, put in place proper investigation procedures, audit fish stocks and create sustainable fisheries programmes. "In most African countries," says Mr. Standing, "these are not in place and the necessary funding and expertise to create them is not readily available."

The solution, regional experts suggest, lies in improved coordination and cooperation among governments, especially in sharing information and equipment such as patrol boats. "No one single country can effectively guard its territorial waters without working together with others," asserts Mr. Chimatiro. Towards that end, NEPAD and its partners, including the UK's Department for International Development (DfID) and the non-profit group Stop Illegal Fishing, are working with African governments to improve collaboration and the sharing of information and resources.

Livelihoods threatened

The costs of illegal fishing in Africa are immense. A 2005 report commissioned by DfID found that illegal fishing of sardines and mackerel costs Angola about $49 mn annually, about 20 per cent of the country's total income from fish exports. In 2005 alone, war-torn and impoverished Somalia lost an estimated $94 mn of potential revenue through the illegal fishing of shrimp and tuna off its waters. Guinea, Liberia and Sierra Leone are losing some $140 mn a year, and Mozambique loses about $38 mn.

Such figures fail to show the long-term losses. These include damage to marine environments, because "trawls are not good for the ecosystems, they damage habitat" of the fish, says Mamadou Diallo, programme manager in WWF's West Africa office. Another cost, he says, is pollution, "because they are discharging [waste] at sea, where

they can do anything they want."

Since fishing contributes to African livelihoods, there is also a social impact. According to the WWF, fisheries "make a vital contribution to the food and nutritional security of over 200 million Africans and provide income for over 10 million, mostly small-scale fishers … and entrepreneurs." A 2005 study by the West Africa Sustainable Seafood Development Alliance, a network of fishing professionals, donors and others, found that some 5.6 mn jobs in West Africa were fisheries-related, while export revenues from fish products from the region stood at $711 mn. For Africa as a whole, fish and fish products contribute an average annual export value of $2.7 bn.

Despite the significant role of fisheries, African governments have invested few resources in protecting and managing them. Tim Bostock, a DfID fisheries programme coordinator, told *Africa Renewal* that fisheries have traditionally ranked "very low on people's political radar worldwide," contributing "to the problems we see today." However, he adds, the 2005 DfID study has to some extent helped raise the profile of fisheries. "Looking at finances and the money being lost has definitely helped garner the attention of politicians."

Peter Arnold Inc. / Ron Giling

Senegalese fishing boat: Regional coordination is essential to safeguard Africa's endangered fisheries.

Declining fish stocks

Considerable damage has already been done, however. Africa's fish stocks have been declining rapidly, both because of trawling and because of unregulated and excessive fishing by local fisherfolk and legal commercial fleets. "Many stocks have already collapsed and others will gradually follow," says Daniel Pauly, a fisheries biologist at Canada's University of British Columbia.

International agreements require governments to work together to protect highly migratory fish such as tuna. But implementation has proved challenging and such species are being depleted by excessive deep-sea fishing. In addition, coastal areas, including mangrove forests where non-migratory species spawn, are being lost to farming and pollution. "This is not a sudden thing," Mr. Pauly notes, "but a slow grinding down of one stock after another."

Regional coordination needed

Mr. Standing points out that effectively combating illegal and unregulated fishing requires that countries share expertise and information, so that fleets forced away from the waters of one country cannot simply move to a neighbouring area.

There are organizations that seek to provide coordination. The Sub-regional Fisheries Commission (SFRC), based in Dakar, Senegal, serves as a platform for cooperation on fisheries issues for Cape Verde, Gambia, Guinea, Guinea-Bissau, Mauritania, Senegal and Sierra Leone. The Committee for the Eastern Central Atlantic Fisheries (CECAF) is supposed to play a similar role. "But CECAF has no regulatory powers and the SFRC has a limited geographical scope," Mr. Soumare told *Africa Renewal*.

Similarly, there is a West African Sub-regional Fisheries Commission that has a "regional mandate to harmonize fisheries policies." But it is not yet fully operational, Mr. Soumare concedes. Adds Mr. Standing: "African inter-governmental organizations that have a mandate to combat illegal fishing appear to be chronically underfunded and inefficient."

Linking up coast guards

In response to the need for better coordination, the International Maritime Organization (IMO) in 2007 created a network through which 24 African states along the continent's western coast can link up with maritime security agencies, non-African navies, insurers, Interpol and various UN agencies working on fisheries and security.

According to IMO Maritime Security Chief Chris Trelawny, if African states "tightened the net" around illegal fishing, they could earn more from licenses and thus in turn pay for better surveillance of ports and seas. Mr. Bostock agrees. "If that wealth can be channelled to better policing and if you have presence with assets such as patrol boats in strategic areas where fish are trawled, then the surveillance can be quite effective. It doesn't cost that much relative to the fisheries' value."

DfID has been funding the development of a similar regional approach among countries of the Southern African Development Community (SADC). In July 2008, SADC's fisheries ministers endorsed a regional strategy to improve monitoring and surveillance. Since the agreement was signed, South Africa, Mozambique and Namibia have mounted joint patrols and stopped a significant number of ships.

"The number of foreign fleets arrested has indeed risen," says Mr. Chimatiro of the NEPAD Secretariat. However, he points out, "the scale of illegal fishing is just too huge and overwhelming for African countries to cope." Africa will not be able to address this problem, he says, without the support of fleet-owning countries and "flag states" — countries that register ships.

Sandy Davies, a fisheries consultant and

coordinator with the Stop Illegal Fishing campaign, agrees that flag states need to do more to ensure that ships they register obey international agreements, such as those prohibiting ships registered as cargo vessels from fishing. "Enforcement works quite well if the flag state is responsible," she told *Africa Renewal*. "But there are many countries out there that simply do nothing to enforce the law. Fleets know this and therefore fly the flags of non-compliant states."

Strengthening governance

Better equipment, information and co-operation may not, by themselves, be enough. Mr. Standing notes a clear link between poor governance and illegal fishing. "Countries where corruption and rent-seeking is endemic are particularly ineffective at combating criminal activities," he says. That is because politicians and public officials may be "complicit in crimes" and weak legal systems cannot "administer effective justice."

Ms. Davies agrees that better cooperation and resources will not be of much use "if you do not have the political will to put the common good ahead of personal gain." Even with the right infrastructure in place, governments can sign fishing agreements that skirt the law, the owners of fishing vessels can pay kickbacks and port officials can turn a blind eye to illegal operators. Governments, she asserts, have to say: "'We intend to follow through with the policies we have committed to,' and individuals in the system have to decide that they are going to enforce the laws."

Better contracts

Illegal fishing is not the only threat to African fish stocks. Even legal fishing, if not adequately controlled, poses a long-term threat. As early as 2002, the WWF warned that half of West Africa's stocks of deep-sea fish had already disappeared. But many cash-strapped governments continue to issue poorly monitored licenses in the hope of raising revenues.

Mr. Soumare argues that in order to use their fisheries more sustainably, African countries will need political will, good data from fish audits, "proper scientific advice and a mechanism of sharing data and information among themselves in a timely manner." Already, he notes, governments and environmental experts are working together more to get better fishing agreements.

Senegal's multiyear fishing licence with the European Union (EU), on which the WWF advised the Senegalese government, is an example of a better contract. That contract, Dr. Soumare explains, prohibits EU vessels from fishing in certain areas and allocates funds to support local small-scale fisheries. It specifies "rest" periods in which there can be no fishing, sets limits to the size of catches, stipulates larger net meshes to reduce catches of undersized fish and permits Senegalese and international observers on EU fishing vessels. However, Mr. Soumare admits, while the agreement is better than previous ones, it is not effectively enforced and fails to allow the fish populations in Senegal's waters to recover.

Enforcing legal contracts is not easy, Mr. Bostock observes. "We know that European, Chinese and other legal-distance fishing fleets probably overfish and underreport," he told *Africa Renewal*. "But we have tremendous difficulty in monitoring this."

Experts agree that one solution is to have independent observers on board fishing vessels. So far, observer programmes in Africa have had mixed results. "Quite a few never got off the ground, mostly because of a lack of political commitment," says Ms. Davies. But she cites an exception. In Namibia a programme for onboard observers benefited from long-term government commitment and support from Norway's aid agency. For over 15 years, Norway provided financing and experts to help develop the sector, train fisheries administrators and set up monitoring mechanisms. Such prolonged commitment by African governments and aid agencies is crucial, says Ms. Davies, because "the right skills, systems and capacities take a long time to develop."

Donor support appears to be growing. In 2006, donors pledged a total of $240 mn for monitoring and surveillance of fisheries across Africa. In 2008, DfID approved £6 mn for a five-year Partnership for Africa Fisheries programme, to be coordinated by the NEPAD Secretariat. The programme aims to bring governments, civil society groups and private fishing companies together to find ways to better manage fisheries and prevent illegal fishing. While such projects provide a promising start, much more will be needed to help safeguard the livelihoods that depend on Africa's coastal waters. ■

Peter Arnold Inc. / Ron Giling

Checking a fishing net in Uganda: The livelihoods of millions of Africans are threatened by the depletion of the continent's fish stocks.

Mobilizing money at the grass roots

Self-help groups in Kenya boost domestic savings and investment

By **Mary Kimani**

Across the continent, Africans are saving and investing more of their own money. Such improvements are especially important, as Africa's prospects for external funding look ever more uncertain at a time of global financial turmoil.

According to the UN Economic Commission for Africa (ECA), headquartered in Addis Ababa, Ethiopia, the region's domestic savings rate rose from just 19 per cent of gross domestic product (GDP) in 1998–2001 to 26 per cent in 2007. Similarly, Africa's domestic investment rate increased from 19.7 per cent to 22.1 per cent over the same period, according to the ECA's *Survey of Economic and Social Conditions in Africa*, released in March 2008.

Kenya has been among the African countries showing such improvements, although political instability and economic mismanagement have kept its savings and investment rates below the African average. Despite the shortcomings, one of the strengths of Kenya's performance has been the growth in recent years of savings groups, which have helped many ordinary Kenyans channel their savings into productive investments.

Currently, local investment clubs hold a total of about 35 bn Kenyan shillings, equivalent to US$469 mn, reports Patrick Kariuki, chairman of the Kenya Association of Investment Groups (KAIG). That is just a small portion of the KSh642 bn in total bank deposits in Kenya in 2007, but still more than twice all the foreign grants the country received that year.

Kenyans call such groups *chamas*, loosely translated as "committees." They began as a means of survival during the economically troubled 1980s and 1990s. Relatives, neighbours or work colleagues would pool some of their resources under a *chama* and use the money as a fund for borrowing and lending among members in times of difficulty. As the country's economic health improved, members would use the same funds to start small businesses.

Alamy Images / Tina Manley/Africa

Members of a Kenyan women's dairy cooperative receiving payments: Investment and savings clubs help such small enterprises expand their operations.

Over time, clubs started formalizing their relationships, with some registering as companies and investing in stocks and real estate. Today, according to Mr. Kariuki, one in every three adult Kenyans is a member of an investment club. "We believe that these clubs have a lot of potential. If the capital they have is properly harnessed, it would help our country immensely," he told *Africa Renewal*.

"But beyond that," he added, "there is the human capital. These groups have a vibrant mix of people from various backgrounds. A lot can be harnessed from that."

Stock market hurdles

For many clubs, buying shares on the Nairobi Stock Exchange (NSE) has been a popular investment route. But the potential for using the exchange has not yet been adequately explored, says Tabitha Mwathi, a KAIG executive officer. One problem, she explains, is that the NSE regulations treat the clubs as if they are individual retail investors, thus denying them the incentives and support given to institutional investors. "Yet the kind of money they pool together and invest should put them on the same platform as institutional investors," Ms. Mwathi argues.

Another problem is maintaining investor confidence, adds Palmer Thambu, who runs a financial planning and analysis company. The NSE is relatively young, and "regulation and infrastructure are still being put in place." He cites the examples of two brokers who recently "turned rogue and misused client funds," as well as five others who were found not to meet acceptable standards of conduct. Such problems, he told *Africa Renewal*, give domestic investors reason to hesitate. But they can be resolved through better regulation.

Savings and credit co-ops

Group savings are not a new trend in Kenya. More formal domestic savings organizations have existed since the late 1970s. Over the years many farmers, teachers, doctors and other professionals have formed savings and credit organizations (SACCOs), along with other types of cooperatives. Today, SACCOs and cooperatives are estimated to hold a total KSh130 bn ($1.7 bn) in savings.

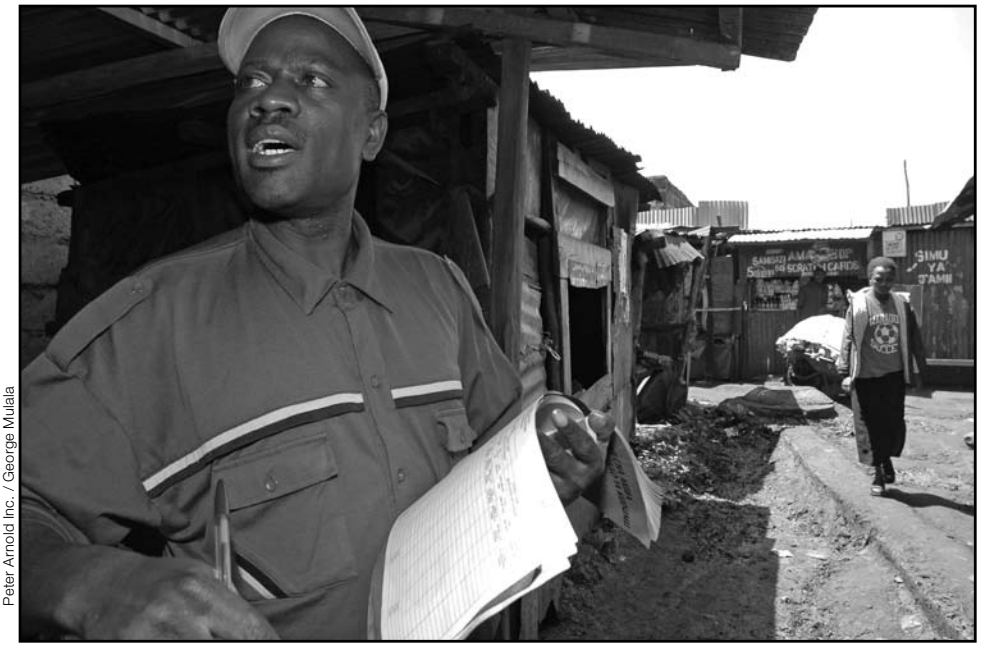
Unlike investment clubs, which anyone can join, most SACCOs and cooperatives have restricted memberships, usually among people in a certain profession. The Mwalimu Cooperative, for example, caters to public school teachers. And while investment clubs are geared towards saving for investment, SACCOs and cooperatives, like pension funds, are legally restricted from pursuing business activities that could risk members' funds.

The main obstacle to the viability of SACCOs and cooperatives as investment tools, says James Mwangi, the chief executive officer of Equity Bank Kenya, has been poor management. "The governance structure of cooperatives has been a big problem and more of a liability than a help," he told *Africa Renewal*. "We have seen a lot of abuse of office and people losing their money." The problem became so great that "it almost killed the saving culture," Mr. Mwangi explained, prompting many people to hang on to their savings in cash.

Some have proposed that the rules governing the involvement of SACCOs and cooperatives in business activities be relaxed to allow them to invest their accumulated wealth in domestic projects, such as refurbishing the country's ailing infrastructure. But for that to happen, Mr. Mwangi argued, better regulation would be required to end corruption and mismanagement and build faith in such institutions as investment tools.

Inspiring models

Some of the investment clubs show that good management is possible. Ten years ago, a group of 26 businesspeople pooled their funds and formed Trans Century as an equity fund to invest locally. Today, it is Kenya's most successful investment group, with some KSh8 bn ($107 mn) invested in local and regional companies, including in firms planning to revamp the Kenya-Uganda railway line. It is a source of inspiration to other clubs. According to Mr. Kariuki, 80 per cent of the members of existing investment clubs want their groups to be the next Trans Century.



Peter Arnold Inc. / George Mulala

A worker for a Kenyan savings group goes through the Kibera slums of Nairobi to collect savings deposits from small-scale traders.

One such aspiring club is Alliance Capital Partners (ACP). Its members wanted to invest in real estate, and realized they could achieve more by working together than individually. Through ACP, they raised as much of their own capital as they could and then used that money to attract further bank financing. They have built a 49-room hotel and two residential apartment buildings with 17 tenants each, and are currently developing a third building with 80 apartments.

"What a club does is that it helps you pool resources," Antony Mwaniki, a member of ACP, told *Africa Renewal*. "This opens up bigger investments to all the members. Suddenly a transaction which would be out of reach to an individual becomes possible to everyone in the group."

Mr. Kariuki notes that the success of such initiatives has been mixed. "Clubs typically have a 50 per cent success rate. Quite a number are doing well and have formed companies. Some are even planning to list on the NSE." But most, he adds, have less than KSh1 mn in capital. Poor governance structures are a major reason many investment clubs fail, he explains.

Mr. Mwaniki agrees, observing that until a club becomes formally registered as a company, its activities are unregulated. "Before that, some people in the group may be serious about investment and others may see it only as a hobby. Those differences can create problems. You need rules. People need to know that it is in their best interest to put in structures that mitigate the risks of investing."

Helping clubs overcome such problems was the motivation for establishing the KAIG, explains Mr. Kariuki. "We wanted to help clubs with information, like how to set up properly and the type of rules and policies that would help them achieve their goals. We also regularly host events where people come to speak to them about investment opportunities."

Low 'financial literacy'

Mr. Thambu created his company to help investment clubs figure out how to create an investment portfolio, maintain proper accounts, set goals and keep their investments growing. He is currently supporting 12 groups. One problem he seeks to tackle is the generally low level of financial literacy in Kenya. "The ordinary person's understanding of markets is discouraging." Moreover, people's expectations about their returns "are far higher than the market can deliver."

Mr. Mwaniki explains that most people

Snatching up shares in Burkina Faso

Local investors eager to profit from mobile phone boom

When the management of Burkina Faso's premier telecommunications company decided in December to offer shares for sale to the general public, the timing did not appear especially favourable. The global financial crisis, which was already slowing down the growth of the domestic economy, led a number of local analysts to wonder whether enough people would be willing to put their limited funds into such a new form of investment. But by the time the sale was over at the end of January, the doubts had been swept away as domestic investors sought to buy more shares than were actually available. "We were the first to be surprised by the number of shareholders, by their eagerness," admitted Alexis Lourgo, head of the financial services company that managed the sale.

The public share offering — the first ever in Burkina — was the second step in the privatization of the Office national des télécommunications (Onatel), the national phone company, after 51 per cent was sold to Maroc Télécom of Morocco in December 2006. In an effort to widen the company's capital base, an additional 20 per cent of the shares (680,000) were slated for public sale, at a discounted rate of CFA42,000 per share for Burkinabè nationals and CFA45,000 for others. Worried that the sale might be under-subscribed, the authorities made an arrangement in advance with the World Bank's International Finance Corporation, which had previously agreed to take a 3 per cent stake in Onatel, to increase its future holding to 5 per cent if the public shares were not all sold.

But in the end, the total demand for shares reached 957,820, nearly 41 per cent more than the number available. To manage the situation, a cap was placed on the number of shares that could be sold to an individual or institution and preference was given to Burkinabè citizens. Ultimately, the shares went to 4,122 subscribers, of whom 3,243 were nationals. The sale brought into the national treasury CFA29.1 bn (US$61.7 mn).

"Popular shareholding has begun," commented Mr. Lourgo. "It is now up to the government to keep our compatriots interested when there are privatizations by allocating a portion of the shares to nationals, so that they can participate in the economic and social development effort."

Then in late April, Onatel became the first company based in Burkina to be listed on the Francophone West African regional stock exchange in Abidjan, Côte d'Ivoire. The listing made it possible for those who had previously acquired shares to sell them, and for those who had missed out in the initial offering to pick some up. On the first day of trading, some 1,200 Onatel shares changed hands, selling at CFA47,900 each, notably above their initial price.

The strong response to the sale of Onatel shares suggests that the lack of a tradition of public shareholding may not be an insurmountable obstacle to this means of mobilizing domestic investments. But other companies may not find it so easy. As elsewhere in Africa, telecommunications is an especially dynamic sector in Burkina. Mobile phone subscriptions jumped by nearly 63 per cent in 2008, from nearly 1.9 mn the year before to more than 3 mn (far beyond the number of landline subscribers, of which there were 145,301). Onatel's mobile phone subsidiary accounts for 34 per cent of that market share, coming in second after Zain of Kuwait, which has half of all subscribers. ■

Mobilizing money

from page 14

are still new to investment tools such as stock markets. "We are yet to mature," he says. "We have not yet learned about delayed gratification. People run to anything new. There is need for a lot more education. People need to understand the risks, and get a longer-term view. Also, the government needs to set up a proper institutional framework."

Several initiatives are under way to promote awareness of how stock markets work. One teaches university students how to invest using a virtual stock exchange. That is a good idea, says Mr. Thambu, since the members of investment clubs are often young professionals. "But we still do not have something structured for the public," he complains.

Mr. Mwaniki thinks it is only a matter of time before it becomes normal for Kenyans to save and invest. He also believes that such local investment will inevitably attract foreign partners. The biggest potential source will probably be similar clubs already active in the Kenyan diaspora, particularly in the UK. "What is currently lacking is a good clearinghouse and the right information to enable them to invest back home," he argues.

In 2007, the World Bank estimated that Kenya received about $1.3 bn in remittances. About half probably was used to meet family-related expenses, with the rest going into various investments, particularly in real estate. But the financial turbulence in the UK, US and other countries will likely lead to a decline in such remittances for the near future.

Another problem, Mr. Mwaniki adds, is "political risk." Last year, his ACP group pitched an investment proposal to a UK backer, who was contemplating investing up to $1 mn. "But that interest dried up immediately when the post-election violence broke out at the beginning of the year." Africa's governments, he says, "need to realize that political crises, even for short periods, drastically affect the way we can package our investment opportunities for the scrutiny of international markets." ■

Emerging economies hold promise for Africa

But governments must play smart to get the best deals

By **Roy Laishley**

In April South Africa's largest clothing and textile manufacturer, Seardel, announced plans to close its Frame Textiles division. The company blamed competition from cheap imports — three-quarters of which come from China — as one of the reasons. The shutdown will add some 1,400 workers to the country's growing ranks of unemployed, unless government-led efforts for a rescue plan are successful.

The following month Zambian President Rupiah Banda announced that China's Non-Ferrous Metal Mining Company (NFC) had been awarded a contract to reopen the closed Luanshya Copper Mines, reinstating some 1,700 miners.

The two events highlight the pluses and minuses of Africa's mushrooming economic ties with "emerging economies" like China. In the last three years Africa's trade with China has doubled, reaching $106.7 bn in 2008. And while China dominates in terms of sheer numbers, trade and investment with other emerging markets, such as Brazil, India and Malaysia, has also been rising sharply in recent years.

African manufacturing has often felt the adverse impact of such trade, and there are fears over the "deindustrialization" of the textile industry, for example. But consumers have clearly benefited from the low-priced and easily available goods, ranging from sandals to trucks, which have flooded African shops and markets. Meanwhile, rising exports to emerging economies of oil, iron ore, cocoa and other commodities have boosted Africa's earnings, and companies from Brazil, China, India and Russia are building more roads, hydropower plants and refineries across the continent.

Reuters / Antony Njuguna

Chinese-financed road construction project in Kenya: China, India, Brazil and other emerging market countries are especially active in developing Africa's infrastructure.

Africa's remarkable record of economic growth in recent years has to an important degree been underwritten by the explosive growth of countries like China, Martyn Davies, director of the Centre for Chinese Studies at South Africa's Stellenbosch University, told *Africa Renewal*. With new markets in which to sell their goods and alternative sources of financing, African countries have been able to lower their dependence on traditional partners in Europe and the US (see *Africa Renewal*, October 2008).

But now the deepest world economic downturn since the Great Depression 80 years ago has dented Africa's burgeoning economic links with its new markets. Export orders have plummeted and many Chinese- and Indian-owned businesses have shut down or have been forced to lay off workers.

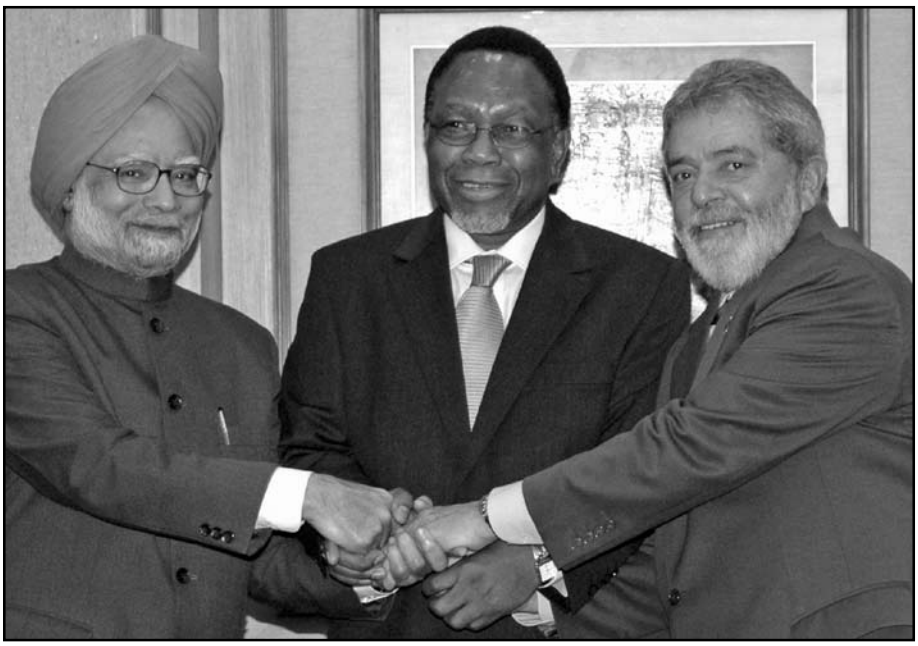
Yet analysts are optimistic that the economic opportunities presented by emerging economies remain, albeit in less spectacular forms. And in a tougher and even more competitive economic environment, African governments and companies must play smart if they are to reap the full benefits.

"Whilst some emerging economies have a strategy for Africa, Africa does not have a strategy towards the emerging economies," says a recent report, *Africa's Cooperation with New and Emerging Development Partners: Options for Africa's Development*, prepared for the UN's Office of the Special Adviser on Africa (OSAA). Having a strategic approach is vital, the paper says, because Africa is much less important to its new trading partners than they are to Africa.

Grounds for optimism

International Monetary Fund (IMF) projections for world growth reinforce the grounds for optimism. While many of Africa's traditional trading partners are in a recession, many of its new markets, particularly China and India, show relatively healthy growth prospects (see table, page 17).

The developed countries' Organization for Economic Cooperation and Development (OECD), in its report *Taking Stock of the Credit Crunch*, argues that how well African and other poor countries withstand the present crisis depends more



Reuters

Solidarity across the South: Indian Prime Minister Manmohan Singh, then South African President Kgalema Motlanthe and Brazilian President Luiz Inácio Lula da Silva, meeting in New Delhi in October 2008.

on the rest of the developing world than on prospects in Northern countries. If, as looks possible, growth continues in countries like China and India, "one long-term consequence of the current crisis may be an accelerated reconfiguration of the global economy in favour of the developing world."

About one-third of Africa's total trade is already with markets in emerging or other developing country, marking a shift away from the previously overwhelming reliance on its traditional trading partners. Although the European Union (EU) as a whole continues to dominate Africa's trade, that dominance is receding, especially in imports: the EU now accounts for only a little over a third of the continent's inward trade.

China alone is Africa's second-largest single trading partner. So its economic activities can have a big impact. China's recent decision to initiate a large-scale package of domestic stimulus measures has already begun to bear fruit, Zhang Yansheng, an analyst at China's National Development and Reform Commission, told the national news agency, Xinhua, in May. According to the Ministry of Commerce, imports of oil and iron ore — two key African exports — rose in April.

Though the economic signals from China and other major emerging markets remain mixed, commodity markets have reflected the anticipation of increased demand with modest gains in the prices of oil, copper and other metals in April and May.

Political commitment

Such signs of economic buoyancy are being reinforced by renewed political commitment. Indian officials have reconfirmed the promises they originally made at an India-Africa Summit in April 2008. These include plans to provide $500 mn in grants over the next five to six years and to double lines of credit to $5.4 bn, towards a target of doubling India-Africa trade to $70 bn during this period. India also agreed to reduce tariffs on a wide range of imports from Africa, mainly agricultural products.

Chinese officials too have recently reconfirmed commitments made at the 2006 China-Africa Summit in Beijing to double aid to Africa and reduce barriers to its imports. In February, President Hu Jintao visited Mali, Mauritius, Senegal and Tanzania with a series of aid and loan packages. Lower-level officials have continued to deliver the message since then, with visits to Cape Verde, Eritrea, Ghana and Kenya. In November 2009 Egypt will host the fourth China-Africa Summit.

Mr. Davies is convinced that China will continue to strike more investment deals with African countries. The China Development Bank and China Import-Export Bank are actively considering a large number of commitments, he says, predicting a spate of Chinese investment in smaller mining operations to take advantage of current cheap prices. Pointing to the flight of Western private finance in recent months, he contrasts the "five-minutes-to-five-years time horizons" of Western investment banks with the 20-year strategic vision of Chinese investing institutions.

In March, in Johannesburg, the $5 bn China-Africa Development Fund (CADFund) opened its first office in Africa. At a time when much Western capital is fleeing the continent, the CADFund, established in 2007 by the state-owned China Development Bank as an equity investment fund for Africa, has already spent some $400 mn of its initial $1 bn capital and is reported to be adding a fur-

Growth prospects for Africa's trading partners

Annual % change of real gross domestic product

	2008	*2009*	*2010*
Advanced economies	**0.9**	**-3.8**	**0.0**
of which:			
Euro area	0.9	-4.2	-0.4
US	1.1	-2.8	0.0
Japan	-0.6	-6.2	0.5
Emerging economies			
Brazil	5.1	-1.3	2.2
China	9.0	6.5	7.5
India	7.3	4.5	5.6
Malaysia	4.6	-3.5	1.3
Russia	5.6	-1.3	2.2
South Korea	2.2	-4.0	1.5

Note: 2008 figures are estimates, those for 2009 and 2010, projections.

Source: UN Africa Renewal from data in IMF, World Economic Outlook, *April 2009*

ther $2 bn to help promote more Chinese investment in Africa.

The UN Conference on Trade and Development (UNCTAD) believes the investment flows from countries in the South will be maintained because of the good deals now available, while the OECD in its recent report on the global credit crunch likewise sees "some early signs that South-South investments may come out of the crisis strengthened over the long term."

Focus on infrastructure

The impact of emerging economies is particularly noticeable in infrastructure. At Kilamba Kiaxi, on the outskirts of Luanda, Angola, Chinese companies are building a new township designed to accommodate some 200,000 people, complete with schools, business sites, access roads, sewage plants and other needed infrastructure. UNCTAD estimates that Southern-owned companies account for 40 per cent of all infrastructural commitments made in Africa between 1996 and 2006. According to the donor-led, World Bank-managed Public-Private Infrastructure Advisory Facility (PPIAF), China's planned investment in hydroelectric schemes could increase Africa's generating capacity by 30 per cent.

India has committed some $500 mn in infrastructure investments over the last five years, much of it in Nigeria, involving an oil refinery, power plant and railway, though project implementation still awaits the result of a feasibility study. Brazilian and Chinese construction companies have a long history in Angola, Mozambique, Tanzania and Zambia. In transport, India's Tata has a well-established presence in Nigeria and South Africa, exporting assembled vehicles from there to other African countries. Russia has had a similarly long involvement in Angola and Guinea, and recently has been increasing its presence in Nigeria and South Africa.

Both partners and rivals

The rapidly growing telecommunications sector shows how complex some investment patterns have become. According to UNCTAD, Southern companies account for nearly 60 per cent of commitments in recent years. These include African-owned companies like South Africa's MTN and Egypt's Orascom, which dominate the markets in many countries. In an ever-changing sector, they are facing strong competition from other Southern-based companies, such as Kuwait's Zain and China's ZTE, as well as developed-country rivals like the UK's Vodafone.

The complexity of Africa's ties with emerging markets was highlighted by the announcement in May that South Africa's MTN was in talks with Indian telecommunications giant Bharti about a share-exchange deal that would help to give both companies greater global clout. In 2007 China's Industrial and Commercial Bank paid $5.5 bn for a 20 per cent stake in South Africa's Standard Bank, which has affiliates in 17 African countries, as well as in Brazil and Russia. In the fight for global markets, African and emerging-market companies can be both partners and rivals.

Raw materials

Despite such developments, the rapid growth in trade with emerging economies in recent years has not led to a significant change in the structural pattern of Africa's trade. Raw materials, particularly oil and minerals, still dominate, as they did 10 years ago. As a result, just a few major producers dominate the continent's trade with the new markets. Algeria, Angola, Nigeria and South Africa between them accounted for 82 per cent of Brazil's imports from Africa in 2007 and 53 per cent of China's, according to the OSAA report. Just 10 countries accounted for 79 per cent of the continent's entire trade with China last year, the Centre for Chinese Studies reports (see table, page 19).

China's trade with Africa has been dominated by its desire to secure long-term supplies of strategic inputs, particularly oil and minerals, to fuel its economic development. The Chinese authorities want to increase the share of oil imports sourced from Africa to 40 per cent, from the current 30 per cent. They are seeking to do this mainly through "natural-resources-for-infrastructure" arrangements. In these, African governments agree to long-term supply contracts in exchange for loans to finance the construction (usually by Chinese companies) of related or other infrastructure.

In Angola, China has secured oil supplies in exchange for some $5 bn in loans and other investments to develop everything from houses and farms to ports and railways. China now takes 30 per cent of

Alamy Images / dbimages

Store in Bamako, Mali: Cheap Asian imports are welcomed by African consumers, but can undercut domestic manufacturers.

Angola's oil exports.

Guinea and Gabon have struck similar deals to supply iron ore and Sudan to provide oil. China now takes 60 per cent of Sudan's output. The Democratic Republic of the Congo (DRC) has negotiated a $9 bn deal to exchange copper and cobalt for the development of a new mine, plus a wide range of infrastructural development.

Controversy and uncertainty

Recently a number of such arrangements have run into obstacles. The DRC deal has been criticized by the IMF on the grounds that it may deepen the country's already near-intolerable debt burden (see page 3). In Gabon the $3 bn Belinga iron ore project has sparked protests by local environmental groups.

In Nigeria a number of projects involving Chinese, Russian, Indian and South Korean financing and companies have been delayed, either as a result of the government's review of major infrastructure and oil deals or because of the global economic downturn. One of the Chinese projects affected is the $1.6 bn Mambilla hydroelectric dam, to be built in return for operating rights in four oil blocks. That hydro scheme and another in Guinea that is also in question account for 60 per cent of the planned expansion in African power generation to be undertaken by Chinese companies.

These problems come against a background of criticism of the trade and investment practices of some emerging market countries. The announcement of the contract for the Luanshya mine in Zambia obtained by China's NFC brought protests by the main opposition party, which pointed to a history of labour problems at another copper mine run by the NFC, where a number of miners were killed in an explosion in 2006.

A 2005 study of construction companies in Tanzania by the International Labour Organization pointed to concerns over employment conditions in Chinese companies. Indian, Malaysian and South Korean companies have been criticized in Zambia, Lesotho and Namibia for the sudden closure of factories when earnings on exports failed to live up to expectations.

In addition, a number of non-governmental organizations and others have called on China and other emerging-market investors to refrain from major financial dealings in countries with authoritarian governments or widespread human rights abuses.

Reinforcing dependency?

A number of observers, often from the West, have argued that the long-term raw-materials-for-infrastructure deals in particular threaten to reinforce Africa's dependency on commodities. Such arrangements are also said to have a poor long-term return, since they do little to generate local jobs or bring in new technologies.

China in turn has accused its Western critics of hypocrisy. But at the same time, it is taking steps to change some of its most criticized practices. The managers of the Kilamba Kiaxi project in Angola are making extensive efforts to hire and train local labour. The DRC deal includes commitments concerning local employment and training, as well as using local suppliers for inputs. The Chinese government has recently issued "good corporate citizen" guidelines to govern the operations of its companies overseas.

According to Kwesi Kwaa Prah, an academic from Ghana, China's approach to Africa has been mainly positive. But to help overcome the differences that are bound to emerge in such complex relationships, both China and Africa need to pay more attention to "people-to-people relations."

The OSAA report urges emerging country governments to recognize that their long-term access to Africa's natural resources depends on developing non-exploitative, "win-win" outcomes. "Every effort should be made to avoid Africa entering a new realm and era of debt dependency," argues the report.

China's top ten African trading partners, 2008

1. Angola
2. South Africa
3. Sudan
4. Nigeria
5. Egypt
6. Republic of Congo
7. Libya
8. Algeria
9. Morocco
10. Equatorial Guinea

Note: The top five countries account for 61 per cent of Africa's trade with China, and the top ten for 79 per cent.

Source: Centre for Chinese Studies, Stellenbosch University, South Africa.

New money and flexibility

Mr. Davies of South Africa believes that such arrangements can be mutually beneficial. The very lack of detail that has led critics to challenge the transparency of some of China's deals provides the kind of flexibility such long-term arrangements need to adjust to changing circumstances, he argues. He points to the recent renegotiation of Angola's oil-for-infrastructure arrangements with China, as well as ongoing discussions on the DRC deal.

China is not the only source of new money. Brazil's oil giant, Petrobras, has projected that it will invest more than $2 bn in Angola and Nigeria over the next five years, while its steel-producing compatriot, Vale, is putting a reported $1.3 bn into developing coal deposits in Mozambique, where Coal India also has acquired mining rights. India's Tata is planning a major expansion in South Africa and a number of other countries. Meanwhile, Russia's Gasprom is looking to invest in natural gas in Nigeria and to acquire oil concessions in Algeria and Libya. Malaysia's Petronas is a significant presence in the oil sector in Egypt and Sudan.

Farm schemes

Outside mining, Malaysia's Sime Darby has recently struck a deal worth $800 mn to revive the Guthrie plantation in Liberia to develop rubber and palm oil. Singapore's Wilmar International has taken a stake in a palm oil venture in Côte d'Ivoire.

More controversial has been the interest shown by some emerging economies — as well as by Western companies — in securing needed food supplies by acquiring large tracts of African land to grow maize, wheat and other food crops. Sudan and Egypt have seen significant amounts

of such investment from Saudi Arabia and the United Arab Emirates, among others. China has largely refrained from investing in food, but has shown interest in commercial crops. It has already launched a major scheme in Zambia to purchase cotton from farmers and is reportedly negotiating a similar scheme for jatropha, a plant whose oil can be used for biofuel production.

But in Africa foreign leasing of large tracts of land can be a very sensitive topic. In Madagascar, opposition to a deal for the acquisition of 1.3 mn hectares to grow maize and palm oil by South Korea's Daewoo featured as one of numerous complaints by protesters against former President Marc Ravalomanana, who was ousted in March.

Such controversies aside, the agricultural technologies developed in many emerging countries can be valuable elements in their trade and investment deals with Africa, Professor Raphael Kaplinsky, one of the principal authors of the OSAA report, told *Africa Renewal*.

Ghana has just approved a $40 mn deal with a company in Brazil to help develop the sheanut sector, including by constructing a processing plant and providing relevant technology. Benin, Burkina Faso, Chad and Mali have a similar deal with Brazil to help improve their cotton sector. Brazil's development of ethanol and other renewable energy technology also presents a potential area for expanding economic links. In addition, Prof. Kaplinsky points to the development in China and India of cheap drugs to combat tropical diseases, which can also benefit Africa.

The Africa Progress Panel, an advocacy group, also sees such synergies. The development experiences of emerging markets in areas such as food security, health, education and cash-transfer programmes puts them in a unique position to support the achievement of the Millennium Development Goals, adopted by world leaders in 2000, the group's 2009 *Annual Report* argues.

To maximize their leverage, African governments must better analyze emerging-market trends and develop a strategic focus, argues the UN Office of the Special Adviser on Africa.

Maximizing Africa's opportunities

Africa's growing relations with emerging economies offer both opportunities and risks.

In a May editorial, Namibia's *New Era* newspaper observed that China and India "have developed new paradigms of engagement and have raised the competitive equation with the West in Africa." Africa must not hesitate to seek favourable terms for such economic deals, *New Era* argues. But, it asked, "Do we know how to get what we want?"

The growth in economic ties with China and other emerging economies has prompted renewed competitive interest from Western companies in Africa's natural riches, which can provide African governments with greater leverage. As the OSAA report points out, the DRC's potential deal with China was also a catalyst for improvements in a number of existing mining deals with Western companies.

At the same time, emerging economies can also compete with Africa, as underlined by China's recent $10 bn deal with Brazil for oil. The flooding of European and US markets with Chinese and Indian clothing following the removal of market barriers against them led to a 25 per cent fall in African clothing exports, the OSAA report points out.

While Africa's aid, trade and investment relations with emerging markets can reflect a "win-win" situation, they can also have "win-lose" outcomes, the OSAA report warns. To maximize their leverage, it recommends, African governments must better analyze emerging-market trends and develop a strategic focus. In particular, it urges African governments to work together to develop a regional approach and thus ensure the best possible deals.

The fact that African negotiators must deal with a wide range of entities only reinforces the importance of such an approach, says Prof. Kaplinsky, who notes that there are four types of players in China alone: central state enterprises, provincial enterprises, private companies and small-scale entrepreneurs, each with differing interests.

Prof. Kaplinsky also stresses the need to avoid "wars of incentives" in which purchasers of African commodities play African countries off against each other. In its major trade and investment deals China has focused on bilateral arrangements, and has not so far been a significant factor in the $8 bn infrastructure plan of the New Partnership for Africa's Development (NEPAD) adopted by African leaders in 2001.

The OSAA report stresses that African countries, through regional groupings such as the Southern African Development Community and the Economic Community of West African States, could present a common front to potential investors and buyers and thereby maximize the potential of emerging markets to meet the continent's strategic goals. At the same time, the African Development Bank and the UN can help provide African countries with market intelligence and other assistance. ■

Foreign fighters

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section of the UN's peacekeeping department in New York, hopes the problem will diminish over time. He finds it particularly encouraging that many thousands of Rwandan refugees have also chosen to return home. By repatriating refugees, he observes, "you are also diminishing the pool of civilians from which the armed groups can recruit."

MONUC peacekeepers and Congolese troops are now maintaining military pressure on the FDLR and LRA. Those foreign fighters who remain in the Congo "must disarm and return home," said Alan Doss, the UN special representative for the DRC, during a visit to North Kivu in late April. "MONUC is ready to help them return safely."

During an earlier visit, Mr. Doss praised a group of FDLR combatants who had turned themselves in for repatriation. By giving up their arms, he said, they "have chosen a better future." And when security is restored in the area, he added, it would become possible for the Congo and UN to begin "the real battle, the economic and social development of the population." ■

Crisis funds

from page 4

But once the allocation is made it will automatically boost Africa's foreign exchange reserves by some $16 bn, helping to steady the nerves of central bankers and investors.

The ADB's shareholders at the May annual meeting agreed to begin discussions on a possible expansion of the bank's capital. The bank is scheduled to increase lending annually by 14 per cent. At the meeting the ADB, the World Bank, the Development Bank of Southern Africa and a number of bilateral lenders announced a coordinated strategy to make some $15 bn available for key sectors like infrastructure.

The ADB is also mobilizing more trade finance, as is the World Bank's private-sector affiliate, the International Finance Corporation. The drying up of trade financing has had a major impact on Africa, says Mr. Kaberuka. As the G-20 meeting was under way, the World Bank announced the launch of a coordinated initiative between multilateral and bilateral lenders to make an initial commitment of $5 bn available.

Reuters / Stephen Jaffe

IMF Managing Director Dominique Strauss-Kahn visiting Tanzania: The Fund is promising to impose less exacting conditions on its lending to African countries in crisis.

Aid uncertain

Despite the new initiatives, aid prospects continue to be mixed. Aid to Africa in 2008 rose by some 10 per cent. But this was after declines in the previous two years. As the African Union and the UN Economic Commission for Africa point out in their *Economic Report on Africa 2009*, aid levels are well down on the $72 bn a year considered necessary to meet the Millennium Development Goals set by world leaders in 2000.

The new administration in the US has said it will double aid over the next five years. The UK has pledged to maintain commitments, and Denmark has pledged $3 bn for youth employment and private sector investment. However, the Development Assistance Committee (DAC) of the industrialized countries' Organization for Economic Cooperation and Development acknowledged in late May that some members have already decreased their aid and that others are unlikely to meet their commitments.

Even if aid budgets are not cut, the World Bank says that some $5 bn could be lost this year as a result of exchange rate losses among DAC members alone. In its latest *Global Development Finance* report, the Bank warns that the additional aid that Africa has received has not been sufficient to close the widening financing gap, which is expected to reach $30–40 bn this year.

Longer-term needs

But short-term cash also carries dangers, the ADB warns in a paper at its annual meeting. The promise of scaled-up resources is a "mixed blessing," with many countries forced to borrow. This, it fears, could lead to renewed debt, possibly undermining recent advances in lowering the continent's debt burden. The bank also warns of a risk that resources may shift towards crisis responses to the detriment of long-term development programmes.

To ensure that Africa's development needs are kept in focus, leaders have been urging a strengthened voice — and voting power — in the international financial institutions and other forums. Measures to date still do not sufficiently take into consideration developing countries' concerns, Nigerian Foreign Minister Ojo Maduekwe complained after attending a meeting of the finance ministers of the Group of Eight in Italy in June.

Some tentative steps are being taken, such as sub-Saharan Africa's acquiring a

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G-20 promises

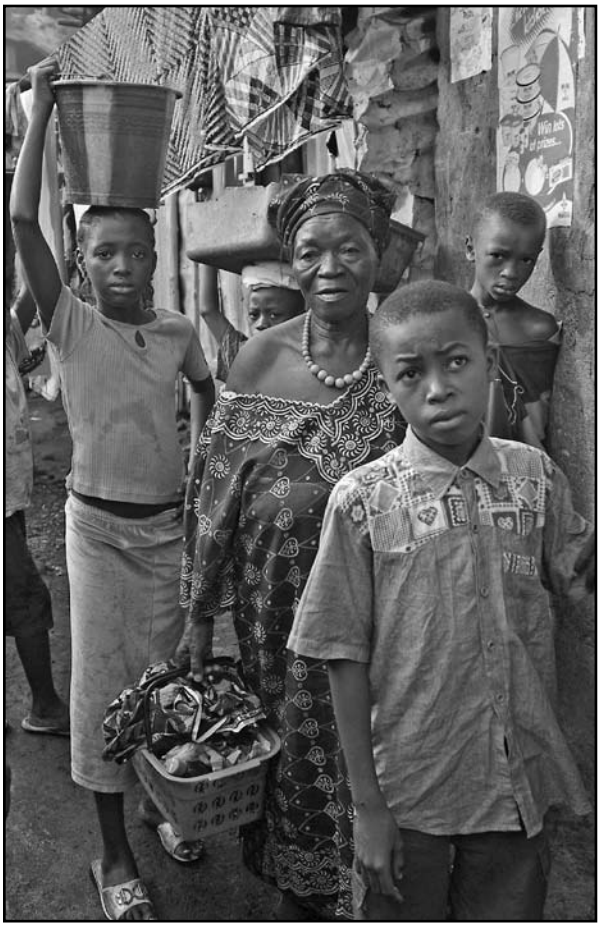
At their April meeting, the G-20 members agreed to make available $1,100 bn to help support renewed economic growth. Areas of agreement included:

- Trebling the resources of the IMF to $750 bn
- A new $250 bn allocation of the IMF's currency, the Special Drawing Right
- Increased lending by the multilateral development banks of at least $100 bn
- A $250 bn increase in trade finance
- Doubling the IMF's concessional lending capacity
- Strengthening the IMF's monitoring and surveillance role
- New flexible lending by the IMF and World Bank
- Reform of the international financial institutions to give better representation for emerging and developing economies

Economic recovery?

from page 5

- In Tanzania some 20,000 horticultural workers face redundancy as demand for vegetables and cut flowers in Europe and the US plummets.
- In Nigeria government revenues are 30 per cent below expectations, largely because of lower oil prices and falling production.



Reuters / Katrina Manson

A poor neighbourhood in Freetown, Sierra Leone: The UN warns that an additional 12–16 million people will be thrown into poverty in Africa because of the economic crisis.

The ADB forecasts that African export earnings will plunge this year by $250 mn. A similar collapse is forecast for foreign investment. Tourist numbers are down just about everywhere, and countries from Senegal to Kenya are reporting lower receipts from citizens working abroad.

With aid levels also vulnerable, more and more governments are facing a cash crisis. From a surplus in national government accounts last year amounting to 2.8 per cent of total output, Africa now faces a deficit equivalent to some 5.8 per cent, according to the ADB. That could mean cancelled development projects and lower social spending.

Most countries are also facing tough export competition. These range from Mauritius — with its relatively sophisticated manufactured exports hit hard by growing competition from China and others even before the downturn — to Burkina Faso, still heavily dependent on cotton and gold.

Uneven impact

Nevertheless, the impact of the global economic crisis is hitting unevenly. According to Mr. Kaberuka, 14 African countries still grew by more than 5 per cent in the first quarter of 2009, and another 13 above the rate of population increase.

Significantly, it is in Africa's low-income and fragile states, with their lower exposure to the global economy, that growth rates and income are forecast to hold up best, albeit at low levels. The exceptions are countries like Lesotho, Madagascar and Swaziland, which are heavily dependent on trade or migrant labour remittances.

Africa's major oil and mineral economies are forecast to see the sharpest downturns. The UN forecasts growth in sub-Saharan Africa this year of only 0.9 per cent. But if Nigeria and South Africa are excluded, the region is projected to grow by a slightly healthier 1.5 per cent.

While countries like Algeria, Angola and Botswana are facing significant per capita declines this year, they also have a comfortable financial cushion to help see them through. But many will be cautious about drawing too heavily on their foreign reserves in order to preserve their credit ratings. They will prefer, like Botswana, to access ADB or other multilateral funds.

Signs of recovery?

Despite the gloomy numbers, some analysts see signs of an upturn. The sharp depreciation of many African currencies, which raised import costs, has eased for many. Fund managers working on Africa report that portfolio investors are beginning to look again at prospects on the continent. Both the Nigerian and South African stock exchanges registered higher volumes and prices in April and May, although they remain well down on levels a year earlier.

Commodity prices, usually a bellwether for recovery in most African countries, have shown signs of reviving. Oil and mineral prices have begun to rise. Cocoa and tea prices have been sharply up, but largely because of production problems in Côte d'Ivoire, Ghana and Kenya, which promise little relief for those exporters. Overall, recovery is still modest, and caution remains the watchword. ■

Crisis funds

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third seat on the executive board of the World Bank. But the pace and extent of change remains unclear.

Some critics have urged new or at least more democratic institutions, more regulation and different policy prescriptions. The European Network on Debt and Development (Eurodad), a coalition of 55 non-governmental organizations, argues that the IMF is still promoting stringent fiscal and monetary policies in poor countries to meet the financial gaps caused by the crisis.

A 24–26 June UN General Assembly conference on the impact of the crisis on development heard numerous calls for major reforms in the international financial system. "The crisis exposed the need for a greater voice for developing countries in how the international financial system is operated and regulated," said Gambian Vice-President Isatou Njie-Saidy. "For a crisis that we did not trigger, but for which we bear the greatest burden," she added, "it is absolutely logical that decisions about us be taken with our full participation." ■

AFRICA AGENDA

22–23 July 2009, Gaborone (Botswana) — EPA Negotiations Coordination Meeting. Contact Batanai Chikwene, fax +251 115 510 467, e-mail <batanaich@gmail.com> and Inye Nathan Briggs, e-mail <inyebriggs@yahoo.co.uk>, website <www.africa-union.org>

27–31 July 2009, Tunis (Tunisia) — Africa Regional Preparatory Meeting to the 9th Session of the Conference of the Parties to the UN Convention to Combat Desertification. Tel +49-228-815-2800, fax + 49-228-815-2898, e-mail <secretariat@unccd.int>, website <www.unccd.int>

2–5 August 2009, Kampala (Uganda) — 5th Annual International Conference on Computing and ICT Research. An international forum for researchers and practitioners. Tel +256-41-540628, fax +256-41-540620, mob +256-71-540628, e-mail <srec@cit.mak.ac.ug>, website <http://cit.ac.ug/iccir/home/>

16–22 August 2009, Stockholm (Sweden) — 2009 World Water Week. Organized by the Stockholm International Water Institute. Fax +46 8 522 139 61, e-mail <secretariat.www@siwi.org>, website <www.worldwaterweek.org> or <www.siwi.org>

23–28 August 2009, Nairobi (Kenya) — 2nd World Congress of Agroforestry. Co-hosted by the UN Environment Programme and the World Agroforestry Centre. E-mail <wca2009@cgiar.org>, website <www.worldagroforestry.org/wca2009/>

31 August–3 September 2009, Kumasi (Ghana) — 3rd Global Summit on HIV/AIDS, Traditional Medicine and Indigenous Knowledge. Organized by Africa First, in association with the Ghana Ministry of Health, World Health Organization, UNAIDS Ghana Office and others. E-mail <info@africa-first.com>, website <www.africa-first.com/index.asp>

17–18 September 2009, London (UK) — The 2009 Emerging Markets Summit. Contact Krupa Patel, tel +44 20 7576 8118, e-mail <weurope_customerservice@economist.com>, website <www.emergingmarketssummit.com>

22 September 2009, UN Headquarters, New York (USA) — UN High-Level Event on Climate Change. Website <www.un.org/en/events/>

24–25 September 2009, Pittsburgh (US) — Group of 20 Summit of World Leaders. To take stock of the progress made since the Washington and London G-20 summits and discuss further actions to address the global economic and financial crisis. Website <www.g20.org>

29 September–1 October 2009, Washington, DC (USA) — 7th Biennial US-Africa Business Summit. Leaders from the public and private sectors in the US and Africa are to discuss the latest investment and trade opportunities in Africa. Contact Adina Ellis, tel +1 202 835 1117, fax +1 202 263.3522, e-mail <summit@africacncl.org>, website <www.africacncl.org/>

7– 9 October 2009, Johannesburg (South Africa) — 300 Africa City Mayors Conference. Tel +27 10 213 4104 or +27 87 985 0004, cell +27 76 058 4044, fax +27 86 500 3516, e-mail <michaeln@mncapital.co.za>, <mndinisa@300mayors.com>, website <www.300Mayors.com>

20–25 October 2009, Arusha (Tanzania) — Overcoming the Crisis of Tuberculosis and AIDS. In conjunction with the Grand Challenges in Global Health Conference, as part of the Keystone Symposia Global Health Series, and supported by the Bill and Melinda Gates Foundation. Contact Yvonne Psaila, tel +1 970-262-2676, fax +1 970-262-1546, e-mail <yvonnep@keystonesymposia.org>, website <www.keystonesymposia.org/9T2>

WHAT HAS TAKEN PLACE

25 June 2009, UN Headquarters, New York (US) — Recovering from Global Crisis: Towards an Action Plan for Africa and the Least Developed Countries. Organized by the UN University in collaboration with the UN's Office of the Special Adviser on Africa (OSAA) and the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS). Tel +1 212-963-6387, fax + 1 212-371-9454, e-mail <media@ony.unu.edu>, website <www.ony.unu.edu/contact/>

13–17 July 2009, Addis Ababa (Ethiopia) — 1st Africa–South America Joint Conference of Ministers in Charge of Energy. Website <www.africa-union.org>

AFRICA BOOKS

Uncharted Territory: Land, Conflict and Humanitarian Action by Sara Pantuliano (Stylus Publishing, Virginia, USA, 2009; 256 pp; pb $31.95)

L'Afrique au secours de l'Afrique by Sanou Mbaye (L'Atelier, Ivry-sur-Seine, France, 2009; 159 pp; pb €14.90)

Dealing with Uncertainty in Contemporary African Lives, eds. Liv Haram and Bawa Yamba (Stylus Publishing, Virginia, USA, 2009; 300 pp; pb $22.95)

L'administration face au développement by Dagobert Avom Abega (L'Harmattan, Paris, France, 2008; 294 pp; €27)

L'enfant africain et ses univers by Ferdinand Ezembe (Karthala, Paris, France, 2009; 368 pp; €26)

The Roots of African Conflicts: The Causes and Costs, eds. Alfred Nhema and Paul Tiyambe Zeleza (Ohio University Press, Ohio, USA, 2008; 288 pp; pb $24.95)

The Dynamics of Post-Conflict Reconstruction and Peace Building in West Africa: Between Change and Stability by Olawale Ismail (Stylus Publishing, Virginia, USA, 2009; 50 pp; pb $12.95)

The Resolution of African Conflicts, eds. Alfred Nhema and Paul Tiyambe Zeleza (Ohio University Press, Ohio, USA, 2008; 224 pp; pb $24.95)

Where Is Uhuru? Reflections on the Struggle for Democracy in Africa by Issa G. Shivji (Fahamu Books, Oxford, UK, 2009; 260 pp; pb £16.95)

Making Good Local Governance Grow by Patrick Robinson and Sara Wehrli (Stylus Publishing, Virginia, USA, 2009; 96 pp; hb $29.95)

No-Party Democracy? Ugandan Politics in Comparative Perspective by Giovanni Carbone (Lynne Rienner Publishers, Boulder, CO, USA, 2008; 259 pp; hb $58.50)

Prosperity Without Growth: Economics for a Finite Planet by Tim Jackson (Stylus Publishing, Virginia, USA, 2009; 160 pp; hb $22.50)

L'Afrique humiliée by Aminata Traoré (Librairie Arthème Fayard, Paris, France, 2008; 294 pp; €18)

The Business of Sustainable Development in Africa: Human Rights, Partnerships, Alternative Business Models, eds. Ralph Hamann, Stu Woolman and Courtenay Sprague (UN University Press, Tokyo, Japan, 2009; 359 pp; pb $37)

The Economy of Ghana: Analytical Perspectives on Stability, Growth and Poverty, eds. Ernest Aryeetey and Ravi Kanbur (James Currey, Abingdon, UK, 2008; 432 pp; hb £50)

Les Etats-nations face à l'intégration régionale en Afrique de l'Ouest: Le cas du Burkina Faso, ed. Seydou Oumar Kane (Karthala, Paris, France, 2008; 228 pp; €24)

Africa's Greatest Entrepreneurs by Moky Makura (Penguin Books Group, Johannesburg, South Africa, 2009; 300 pp; $25.95, R220)

Les Elections générales de 2007 au Kenya, ed. Jérôme Lafargue (Karthala, Paris, France, 2008; 264 pp; €23)

Ending Aid Dependence by Yash Tandon (Fahamu Books, Oxford, UK, 2008; 164 pp; pb £9.95)

Johannesburg: The Elusive Metropolis, eds. Sarah Nuttall and Achille Mbembe (Duke University Press, Durham, NC, USA, 2008; 392 pp; pb $27.95)

Governing Africa's Forests in a Globalized World, eds. Laura A. German, Alain Karsenty and Anne-Marie Tiani (Earth Scan Publishers, London, UK, 2009; 400 pp; hb $104)

How Africa Works: Occupational Change, Identity and Morality, ed. Deborah Bryceson (Stylus Publishing, Virginia, USA, 2009; 304 pp; pb $39.95)

Of Irony and Empire: Islam, the West and the Transcultural Invention of Africa by Laura Rice (State University of New York, NY, USA, 2008; 240 pp; pb £11.99)

Religions et Colonisation: Afrique-Asie-Océanie-Amériques XVIe-XXe siècle, eds. Dominique Borne and Benoit Falaize (L'Atelier, Ivry-sur-Seine, France, 2009; 335 pp; pb €28)

AFRICA WATCH

AFRICAN UNION

Summit urges farm investment

The ongoing food crisis in Africa was a major theme at the 13th African Union summit, when heads of state met in Sirte, Libya, on 1–3 July. Addressing the assembled leaders, United Nations Deputy Secretary-General Asha-Rose Migiro noted that the international community could well afford the extra $6–7 bn in aid needed annually to expand African agriculture. That amount, she said, is "eminently feasible," especially when compared to the hundreds of billions mobilized by the industrialized countries to counter the global economic downturn. Agriculture spending is also a good way to fight poverty, she noted, since every dollar invested in African farming can potentially create two or three times more benefits to the poor than other investments are able to generate. "A stronger agricultural sector is a prerequisite for a brighter future for Africa and its people."

UN / Cia Pak

UN Deputy Secretary-General Asha-Rose Migiro

Ms. Rhoda Peace Tumusiime, the African Union's agriculture commissioner, called on member governments to process more farm products at home to generate jobs and incomes and develop integrated agricultural markets. African countries, she said, can also lessen their dependence on imported food by converting the $33 bn they spend annually to import food into rural investments instead. "We have land, water and other resources. Thus, we need to invest in agriculture for economic growth and food security."

The meeting came on the heels of a report by the UN that the number of hungry people worldwide may exceed 1 billion by the end of the year, the most ever. A combination of climate change, the current financial meltdown and under-investment in farm productivity has pushed the cost of many basic foods beyond the means of the poor. In Africa an estimated 265 million people are now chronically malnourished, an increase of 12 per cent since the year before. ■

REGIONAL INTEGRATION

Africa must pull together, says UNCTAD

The global economic crisis makes it even more imperative for African countries to promote greater trade and investment with each other, argues the UN Conference on Trade and Development (UNCTAD). Better regional integration has long been a goal of African leaders, notes UNCTAD's report *Economic Development in Africa 2009*, released in late June, but the difficulties now confronting the continent add greater urgency to efforts to forge more links among African economies themselves.

Currently, only 9 per cent of African countries' external trade is with other African states and just 13 per cent of inflows of foreign direct investment come from Africa, the lowest shares of regional trade and investment in the world. But there is enormous potential to increase such intra-African relations, says the report, which is sub-titled "Strengthening Regional Economic Integration for Africa's Development."

One of the greatest hindrances to improved trade among African countries is the poor state of the continent's roads, railways, telecommunications and other physical infrastructure. An investment of $32 bn to improve the road network linking African countries could generate $250 bn in trade over a period of 15 years, UNCTAD estimates.

Besides generating more income, greater trade among African countries can have other development benefits, the report argues. Unlike Africa's trade with Europe, Asia and other parts of the world, which is dominated by raw materials, trade within Africa is primarily in manufactured goods. Increasing intra-African trade can therefore help develop Africa's manufacturing and promote greater diversification of its economies. Better transport and telecommunications and improved banking and insurance services across African borders can also strengthen investment among African countries. Africa, concludes the report, "needs to exploit opportunities within the continent which could help it achieve higher economic growth rates and development objectives." ■

APPOINTMENTS

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Ms. **Helen Clark** of New Zealand has been unanimously approved by the UN General Assembly as the new administrator of the UN Development Programme (UNDP) for a term of four years, following her nomination by the UN Secretary-General. Ms. Clark served her country as prime minister from 1999 to 2008 and held other high profile positions, including as minister of health and of housing. At UNDP, she replaces Mr. Kemal Dervis of Turkey.

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Ms. **Sahle-Work Zewde** of Ethiopia has been appointed by the UN Secretary-General as his special representative and head of the UN Peace Building Support Office in the Central African Republic (BONUCA). Ms. Zewde has had a long career in conflict resolution and mediation, including on the Central African Republic, and has been Ethiopia's representative to the African Union Peace and Security Council, among other ambassadorial positions. Ms. Zewde, replaces François Lonseny Fall in the BONUCA post.

Ms. **Marta Santos Pais** of Portugal has been appointed by the UN Secretary-General as his first special representative on violence against children. In addition to advisory positions on human rights and legal issues in Portugal, she was the UN rapporteur on the rights of the child in 1991–97. She joined the UN Children's Fund (UNICEF) in 1997, and since 2001 served as director of UNICEF's Innocenti Research Centre in Italy.