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Details of the News

1 China-African Relations:

- **CADF signs extraction deal for uranium**

China National Nuclear Corporation (CNNC) announced Tuesday that it has signed a contract with the China-Africa Development Fund (CADF) on uranium exploration in Africa.

China Uranium Corporation, a subsidiary of CNNC, will set up a joint venture company with CADF in Beijing to carry out the uranium investment and exploration, according to the statement.

“Chinese is basically capable of exporting nuclear technologies,” said Zhou Xiujie, analyst with the China Investment Consulting.

“China will start nuclear power cooperation with Belarus, Vietnam, Argentina and South Africa and has plans to sell nuclear reactors to Pakistan.”

Due to international and domestic concerns about air quality and global warming, China has been looking to nuclear as an alternative to coal fired power.

At present, the country has 11 nuclear power reactors with 9.08 million megawatts of nuclear capacity. China has kicked off the most aggressive nuclear power expansion program in the world, which is expected to output 75 million megawatts by 2020.

“For a long time, China and Africa countries have had good ties, politically and economically, which lays good foundations for future of nuclear cooperation for CNNC,” Zhou said.

The State-owned CNNC is the largest nuclear enterprise in China by capacity. CNNC is a nationwide industrial conglomerate integrating science, technology, industry, and international trade.

- **China, Nigeria pledge to boost ties**

Chinese vice Premier Li Keqiang met with Nigerian Minister of Foreign Affairs Odién Ajumogobia in Beijing Tuesday, with the two sides pledging to boost bilateral ties.

China and Nigeria have a long history of friendly relations, Li told Ajumogobia, who is paying his second visit to China since 2008.

China and the western African country established formal diplomatic relations in 1971. “Particularly since the two countries forged a strategic partnership in 2005, the two countries have deepened political trust, worked closely in various fields, and supported each other in international affairs,” Li said.

As developing countries, China and Nigeria are committed to economic and social development, and “the two countries should expand mutually-beneficial cooperation and boost bilateral ties,” Li said.

Ajumogobia echoed Li’s sentiment, saying his country hopes to consolidate and further develop the friendly ties and his visit here aims to ensure the sound growth of bilateral ties.

On broader China-Africa ties, Li said relations with Africa constitute an important part of China’s diplomatic initiatives.

“China will make joint efforts with Nigeria and other African countries to take the China-Africa strategic partnership to a new high,” Li said.

Later Tuesday, Chinese Foreign Minister Yang Jiechi held hour-long talks with Ajumogobia during which they discussed regional and international issues of common concern.

2 Pan-African issues:

- **AU defends Kenya, Chad on Omar Al-Bashir’s visit.**

The African Union (AU) Sunday defended Kenya and Chad on the presence of controversial Sudanese President, Omar Al-Bashir, in those countries and for not cooperating with the International Criminal Court (ICC) in getting him arrested, PANA reported from here.

In a statement issued by AU Head office in Addis Ababa, the pan-African body said AU Commission had “noted with grave concern” statements attributed to some members of the UN Security Council as well as the decisions of the ICC made on 27 August.

On that date, the ICC Pre-Trial Chamber informed the UN Security Council and the Assembly of States Parties to the Rome Statute about Omar Al-Bashir's presence in Chad and Kenya.

The AU which decided, in its recent Kampala Summit not to cooperate with the ICC, on the issue of arresting Al-Bashir, said the AU "shall oppose any attempt to coerce African countries to undermine the common African position.”

The African Union Commission recalls that both Chad and Kenya, being neighbours of Sudan, have an abiding interest in ensuring peace and stability in Sudan and in promoting peace, justice and reconciliation which can only be achieved through continuous engagement with the elected government of Sudan.

“Countries do this as a matter of survival as they bear the brunt of instability or insecurity in neighbouring states,” the AU statement added.

- **Kibaki warns against isolating El Bashir government**

Kenyan President Mwai Kibaki, facing strong criticism for hosting Sudanese President Omer El Bashir last week, on Tuesday urged the international community to sympathize with the delicate political situation in the Sudan and stop isolating its leadership.

Speaking during a Summit of the Common Market for Eastern and Southern Africa (COMESA) in Swaziland, the Kenyan President said the Sudanese leadership was

making progress towards the implementation of the Comprehensive Peace Agreement (CPA) and needed support.

It is my wish that the international community would appreciate the delicate situation of Sudan and act proactively, President Kibaki said during the COMESA Heads of State Summit taking place in Swaziland.

He said so far, the country was making good progress in the implementation of the CPA, whose result was the holding of the Presidential elections in the Sudan in April this year.

But the Kenyan leader expressed disappointment with the slow progress in the demarcation of the North-South border, one of the key steps before the holding of a referendum on Southern Sudan.

President Kibaki, who spoke as Kenyan parliamentarians demanded a clear statement on why the government invited President El Bashir to attend the ceremony to usher in a new Kenyan constitution, said the world should encourage the Sudanese leaders to push ahead with the referendum and other reforms.

We should not isolate the people of Sudan. Let us encourage them to play their rightful role in the community of nations, President Kibaki said.

Meanwhile, the Sudanese government has announced President El Bashir, First Vice President Salva Kiir and Second Vice President Osman Taha, have agreed to start the border demarcation.

A statement issued by the Sudanese embassy in Nairobi said the decision to push through with the border demarcation was reached after a meeting was held in Khartoum after President El Bashir returned home from the controversial 27 August Kenyan visit.

- **Ransoms boost al Qaeda in Africa - U.S. official**

Paying ransom for hostages held by al Qaeda in Africa just encourages more kidnappings and hands the militant network a global propaganda boost, a U.S. military official said on Tuesday.

The same goes for the practice of releasing jailed militants to win freedom for hostages held by al Qaeda in the Islamic Maghreb (AQIM), added the official in a briefing about U.S. military support for governments in Africa's Sahel region.

The official said the tactics also stirred disputes between regional countries, potentially damaging fledgling cooperation on counter-terrorism, because some governments opposed paying ransoms while others appeared to tolerate the practice.

"The countries are at each other's throats over payments. It hurts us regionally," the official said, adding that kidnapping also deterred tourism, an important revenue source.

"It ends up that these countries will not cooperate on various issues because a country has decided to pay... (Al Qaeda) makes hay with this. They get a lot of bang for their buck."

AQIM, and groups linked to the Islamists, have carried out a wave of kidnappings over the last year, pulling in millions of dollars in ransom payments, analysts say.

The group has also secured the release of some of its captured fighters in exchange for Western hostages, angering nations such as Algeria and Mauritania, which have called for a more hardline approach in dealing with it.

The official, who declined to be identified due to the sensitivity of the topic, added ransoms "undermine what we're trying to do, not only with AQIM but also worldwide."

"Al Qaeda propaganda is very good at capitalising on it."

'WELL ENTRENCHED'

The United States and European nations have been trying to improve the capacity of the Saharan states to work together to combat the al Qaeda threat, which analysts said could pose a risk for long-term resource investment.

The U.S. effort is run from its Africa command known as Africom, which seeks to lift the capacity of countries to face everything from disasters to terrorism and make the continent more stable.

The official said AQIM was believed to number at most about 300 fighters, and they were "pretty well entrenched" in northern Mali, a region criss-crossed by centuries-old smuggling networks that the central government found hard to control.

Asked if the group received help from corrupt Mali officials in the poor, remote north, an allegation made by at least one former insurgent, the U.S. official said without elaborating that there were signs of a degree of collusion.

But local officials "are driven not by greed as much as by just getting by in northern Mali. It's a tough place to live" and they had little ideological affinity with al Qaeda.

- **Diverse water sources key to food security**

Increasingly erratic rainfall patterns related to climate change pose a major threat to food security and economic growth, water experts said on Monday, arguing for greater investment in water storage.

In a report by the International Water Management Institute (IWMI), experts said Africa and Asia were likely to be hardest hit by unpredictable rainfall, and urged policymakers and farmers to try to find ways of diversifying sources of water.

The IWMI research estimates that up to 499 million people in Africa and India could benefit from improved agricultural water management.

"Just as modern consumers diversify their financial holdings to reduce risk, smallholder farmers need a wide array of 'water accounts' to provide a buffer against climate change impacts," Matthew McCartney, a hydrologist at IWMI, said in a statement.

"That way, if one water source goes dry, they'll have others to fall back on."

The U.N. panel of climate experts has projected more extreme weather such as droughts, floods and heat waves this century, caused by global warming.

The report said that, despite a great expansion in irrigation in recent decades in Asia, around 66 percent of agriculture there is still dependent on rainfall. In sub-Saharan Africa, the proportion is even greater at 94 percent, it said. These are the regions where water storage infrastructure is least developed.

The report cautioned against over-reliance on single solutions such as big dams, and said an integrated approach combining large- and small-scale storage was a better strategy.

It suggested the use of water from natural wetlands, water stored in the soil, groundwater and water collected in ponds, tanks and reservoirs.

"For millions of people dependent on rain-fed agriculture, reliable access to water can make all the difference between chronic hunger and steady progress toward food security," McCartney added.

"Even small amounts of stored water, by enabling crops and livestock to survive dry periods, can produce large gains in agricultural productivity and in the wellbeing of rural people."

The IWMI is funded by the Consultative Group on International Agricultural Research (CGIAR), a partnership of governments, donors and international organizations.

It noted that, in response to increased demand for food and power supplies, many developing country governments with fast-growing economies have recently invested in large dams.

The benefits of these projects in terms of storing water for crop irrigation were clear, it said, "but so are the adverse social and environmental impacts".

As examples of the value of small-scale storage options, the study cited field studies that have proven the effectiveness of using small planting basins to "harvest" water.

In Zimbabwe, such basins have been shown to boost maize yields, whether rainfall is abundant or scarce. In Niger, they have led to three- or four-fold increases in millet yields.

- **IFC sub Saharan Africa 2010 investments up a third**

The World Bank's investment arm on Tuesday said its investments in sub Saharan Africa rose by a third to \$2.4 billion in its 2010 fiscal year and forecast further growth this year.

The International Finance Corporation (IFC) noted a "palpable improvement" in the investment climate on the continent rich in natural resources and increasingly eyed by investors, but dogged by corruption and red-tape.

Jean Philippe Prosper, IFC director for Eastern and Southern Africa, said the body's investments in the region during the 2011 fiscal year, from July 1, 2010 - June 30, 2011, would be higher than 2010, but the increase might be more subdued.

"We expect to maintain a strong level of activity this fiscal year. We have a very strong pipeline and have already committed more than \$400 million for the first two months of this fiscal year," Prosper told reporters.

"You can only grow exponentially for so long," he said.

Of the \$2.4 billion in new investment commitments in 2010, \$400 million went to helping micro, small and medium-sized enterprises.

IFC said it also provided a \$25 million loan to the Aga Khan Fund for Economic Development for lending to Air Burkina, Air Mali and Air Uganda to help develop Africa's regional aviation networks.

As well as private sector investment, the IFC also helps governments design and implement reforms to improve their investment climate.

"Growth in African countries reforming (their business environments) is about a third higher than in those countries not reforming," said David Bridgman, regional manager of the group's investment climate division.

- **Biofuel demand driving Africa "land grab"**

Biofuel demand is driving a new "land grab" in Africa, with at least 5 million hectares (19,300 sq miles) acquired by foreign firms to grow crops in 11 countries, a study by an environmental group said on Monday.

The contracts by European and Asian companies for land to grow sugar cane, jatropha and palm oil to be turned into fuel will involve clearing forests and vegetation, taking

land that could be used for food and creating conflicts with local communities, Friends of the Earth said in the study.

Proponents of biofuels argue they are renewable and can help fight climate change because the growing plants ingest as much carbon dioxide from the air as the fuels made from them emit when burned.

Critics say there is a risk of the crops infringing on land that could be used for growing food and that destruction of rainforests to make way for palm oil and sugar outweighs any carbon benefits gained from the use of such fuels.

"The expansion of biofuels ... is transforming forests and natural vegetation into fuel crops, taking away food-growing farmland from communities, and creating conflicts with local people over land ownership," Mariann Bassey, a Friends of the Earth Nigeria activist, said in a statement.

The report said Kenya and Angola each had received proposals for the use of 500,000 hectares for biofuels and there was a similar plan to use 400,000 hectares in Benin for palm oil.

Rice farmers had been forced off their land for a sugar cane project in Tanzania, it added. "The competition for land and the competition for staple food crops such as cassava and sweet sorghum for agrofuels is likely to push up food and land prices," the study said.

Other studies have suggested biofuel expansion would not be harmful and could even be beneficial for African agriculture.

Last month, researchers from Britain's Imperial College, carbon trader CAMCO, and the Forum for Agricultural Research in Africa (FARA) said biofuels would boost investment in land and infrastructure.

They said this could have a positive effect on food production, and if properly managed would not mean destroying natural forests.

- **ECOWAS Warns Grant Recipients against Embezzlement**

The Economic Community of West African States (ECOWAS) Commission has cautioned the recipients of the 1.2m Euros regional development grants against diverting the funds into purposes other than that which they are intended for.

Commissioner for Human Development and Gender, Dr. Adrienne Diop, gave this charge at the contract signing ceremony between the Commission, the European Union and 17 Non State Actors (NSA's) in Abuja yesterday where she added that funds should strictly be targeted at projects that are aimed at regional integration.

She reminded the recipients that they received the grants after thorough vetting process by the Commission and because of the recognition of their role as significant players in the development of the sub-region.

“We have a common and shared responsibility to enhance the development of the region and the populations which you represent are expectant. The response to the implementation of your chosen projects will be indicative of your commitments to our shared goals.”

Deputy Head of the EU Delegation to Nigeria, Mr. Kazimierz Romanski , on his part, said the NSA’s should work to overcome the various limitations that they face in the process of enhancing regional integration.

Some of the limitations, he noted, include the lack of proper communication between the NSA’s and policy makers in their countries, and a lack of harmonization between the various NSA’s.

“The NSA’s often lack the capacity to engage in a constructive manner with the government of their respective countries.” Romanski added that the EU considers the participation of NSA’s as strategic to regional development, hence its commitment to them through the ECOWAS Commission.

Some of the recipients of the grant include the National Association of Nigerian Traders, National Organisation of Togo Traders and Better Future Foundation of Liberia.

Nigeria:

1. Political News:

- **Key political risks to watch in Nigeria**

Nigeria is due to hold elections in four months but uncertainty remains over whether President Goodluck Jonathan will stand, who his challengers might be and whether electoral reforms can be enacted in time.

Jonathan has declined to say whether he will seek the ruling People's Democratic Party (PDP) nomination for the polls, but the primaries are expected in the coming weeks and recent policy announcements suggest he would like to make a bid.

His candidacy would face opposition from some factions within the ruling party because of an unwritten agreement that power rotates between the Muslim north and Christian south every two terms. Under the deal, the next term should go to a northerner but Jonathan is a southerner.

Whether he runs could have implications for security in the restive Niger Delta and parts of the north, as well as for the passage of key pieces of legislation including reforms to the mainstay energy industry.

Following are some of the factors to watch:

ELECTION TIMETABLE

Parliament has passed an amendment to the constitution bringing elections forward to January from April, with the aim of allowing electoral disputes to be settled before the new presidential term starts in May.

But there is debate over whether Jonathan must also approve the changes before they can take effect.

The Independent National Electoral Commission (INEC) has said it is assuming the amendment holds and is aiming for January polls, but has yet to announce a full timetable.

Jonathan has signed a new electoral act which foresees staggered parliamentary, presidential and state governorship polls over a period of days or weeks.

The act also says INEC must publish the date of the election not less than 90 days in advance, meaning it will have to give notice in September if the polls are to be held in January.

Local newspaper reports have suggested the PDP primaries could start in mid-September and be completed a month later.

The accelerated timetable leaves INEC little time for a badly needed overhaul of voter lists, vital if Nigeria is to avoid a repeat of chaotic 2007 elections.

One advantage over 2007 is that many more of the state governors are incumbents seeking second terms, which means the regional votes are likely to be less contentious.

But if INEC fails at least to overhaul voter lists, there is a likelihood of legal challenges overshadowing the beginning of the new presidential term.

What to watch:

-- The election timetable, which will put pressure on the PDP to organise primaries, or could be pushed back.

-- Warnings from opposition parties that the vote will not be credible, signalling a likelihood of court challenges.

RULING PARTY PRIMARIES

The PDP has won all three presidential races since the end of military rule just over a decade ago, turning Nigeria into a virtual one-party state and meaning the winner of the primaries is almost certain to go on to win the polls.

But uncertainty over who the PDP nominee should be means this time the race remains wide open.

The PDP has recognised Jonathan's right to contest in 2011 on what would have been a joint ticket with late president Umaru Yar'Adua, but has stopped short of giving him outright backing, saying other candidates are free to challenge him.

Former military leader Ibrahim Babangida and former vice president Atiku Abubakar, both northerners, have said they will seek the ruling party ticket.

Should Jonathan decide not to run, his supporters in the Niger Delta could launch protests. On the other hand, should the PDP decide to back him, this could stoke resentment among northern youths who have already held small-scale protests.

What to watch:

-- Jonathan's decision. He is only likely to declare he will run if he is certain he can win the ruling party nomination. A declaration would suggest he has won that confidence.

-- The emergence of a strong northern candidate who would be a challenger to Jonathan and the preferred nominee for PDP members wishing to maintain the rotation principle.

POLICY AND SPENDING

Recent policy announcements from the presidency have been campaign pledges in all but name, most notably the unveiling of a multi-billion dollar privatisation plan to try to end the country's chronic power shortages.

Should Jonathan win re-election, the reform drive -- including overhauling the oil industry and continued commitment to banking reforms -- is unlikely to change, continuity in policy that would be welcomed by many investors.

Wide-ranging legislation to overhaul the mainstay oil and gas industry is before parliament, while the oil minister has also said the OPEC member plans an oil licensing round this year, but time is running out as the polls approach.

Both the licensing round and the power sector privatisation mean major contracts are due to be awarded. Critics point out that such juicy deals have in the past been the oil which greases Nigeria's political patronage system, and fear that political interests will be in play as contracts are awarded.

Government spending is also on the rise.

Some \$4.7 billion in revenues and windfall oil savings were distributed to federal, state and local government in budgetary allocations for July, one of the biggest ever monthly disbursements.

The payout, a large portion of it to state governors who will have a say in Jonathan's political fate at the polls, left the country's excess crude account -- in which windfall oil savings are meant to be kept -- with just \$460 million, down from \$20 billion at the start of this presidential term.

What to watch:

-- Further fiscal indiscipline. Monthly disbursements and spending are likely to remain high as election campaigning gets under way, further damaging Nigeria's fiscal position.

- **Nigerian leader's supporters mobilize as polls near.**

Nigerian President Goodluck Jonathan may not yet have declared whether he will run in elections due in January, but a growing number of his supporters are actively campaigning on his behalf.

Jonathan received members of a newly-formed coalition of more than 30 minor parties late on Thursday, grouped under the banner the Grand Coalition of Political Parties (GCPP), who told him they were ready to work to support his campaign.

"The president assured them that if he decides to seek re-election, they and their parties will be invited to play an important role in his national campaign," the presidency said in a statement on Friday.

Nigeria's electoral commission has not yet announced a full timetable for the parliamentary, presidential and state governorship polls but they are expected to be spread across a number of weeks in January.

Jonathan's office said last month he had not yet committed to whether or not he would run, but the latest policy announcements from his administration -- including the multi-billion dollar privatisation of the country's dilapidated power sector -- mean most Nigerians expect him to contest.

A bid by Jonathan would be controversial because of an agreement in the ruling People's Democratic Party (PDP) that power should rotate between the Muslim north and Christian south every two terms, meaning a northerner should be the next leader.

Jonathan is a Christian southerner from the Niger Delta oil heartland. His opponents have criticised him for failing to make his position clear with less than five months to go until the polls are due.

SUPPORT FOR JONATHAN

Niger Delta Minister Godsdai Orubebe said Jonathan would unveil a "package for the transformation of this country" within the next two weeks, in what Nigerian newspapers took to mean he would declare his candidacy.

"If you go to Facebook, the man Jonathan is the most popular president in the world. The young and the old are clamouring for him," Orubebe, who is from the same southern Ijaw ethnic group as Jonathan, said in a statement.

Jonathan launched a page on Facebook in late June and has close to 190,000 followers.

Posters have appeared around the capital Abuja and the commercial hub Lagos vowing support for Jonathan. Mobile phone users have been bombarded with text messages from a volunteer group urging them to become "door to door" campaigners.

Former military leader Ibrahim Babangida, known by his initials IBB, has announced he will also seek the PDP nomination, a quarter of a century after first coming to power in a bloodless coup.

Former vice president Atiku Abubakar, who ran unsuccessfully for president as the opposition Action Congress candidate in the last polls in 2007, has also declared he will seek the ruling party ticket. Both men are from the Muslim north.

- **Row in N'West PDP over Moves to Back Jonathan**

A sense of unease is now pervading the North-west zone of the Peoples Democratic Party (PDP) following pressure by some party leaders in the zone to endorse President Goodluck Jonathan's yet-to-be declared presidential ambition.

The move for the endorsement is however generating controversy, especially among some governor's in the zone who have publicly spoken against Jonathan's ambition.

The North-west zone, comprising seven states, is considered one of the most critical for any aspirant seeking the party's ticket for next year's election.

A blank endorsement from the zone for any aspirant will likely tilt the balance in the race. The states in the zone are Kaduna, Katsina, Kano, Sokoto, Kebbi, Zamfara and Jigawa. Vice-President Namadi Sambo hails from the zone.

Information available to THISDAY yesterday indicated that some supporters of the president from the zone are pushing the zonal office to convene a meeting later this month where the issue of endorsement will be high on the table.

The key figures in the push are Deputy Governor of Sokoto State Mukhtar Shagari, former Kano State Governor Rabi'u Musa Kwankwaso, two special advisers in the

presidency attached to Sambo's office, Hussaini Jallo and Senator Isiaiah Balat, as well as Colonel Bala Mande (rtd).

THISDAY learnt that moves have already begun to mobilise the governors who are said to be the biggest stumbling blocks to the idea.

Balat told the newspaper in an interview yesterday that it was the best move because a sitting president should not be made to suffer before getting his party's ticket.

"We want the zone to endorse the president no doubt. A sitting president deserves to be given the ticket because that is the norm and the tradition. By getting our endorsement, it will strengthen his bid as well as boost the profile of the party in this zone," he said.

He added that they want to adopt the "South-west model" in endorsing Jonathan because it would boost his chances, and would prove that he has national acceptability above other aspirants in the party.

"We feel by adopting the South-west model which adopted Jonathan last week, we can easily mobilise other zones to the president's bid. This will make things easier as we approach party primaries," he said.

When contacted yesterday, the zonal chairman of the party in the region, Dr. Danladi Sankara, declined to speak on the matter. He said as soon as any decision was made on that regard, information would be made available to the press.

He acknowledged that the zone was very important in the scheme of things as far as the PDP was concerned, and promised that whatever decision taken "will be in the best interest of the party and members of the zone".

Asked if the zonal executive planned to meet over the matter, Sankara said they had been holding a series of meetings on all issues that would affect the party, and such meetings would continue any time the need arose.

Some of the governors openly opposed to Jonathan's ambition are from the zone, notably Alhaji Sule Lamido (Jigawa) and Aliyu Shinkafi (Zamfara).

A move by a pro-Jonathan group to hold a rally in Katsina at the weekend was stopped by the police, allegedly on the orders of state governor Ibrahim Shema, although he has since denied having a hand in it. The late former President Umaru Musa Yar'Adua was from Katsina State.

- **Nigeria, a Strategic Priority Country**

United States has described Nigeria as one of the "strategic priority countries" it has been holding high-level dialogue with in the last one year.

Making this known in an open letter released by the Department of State yesterday, the Under Secretary of State for Democracy and Global Affairs, Mario Otero, said the other strategic priority countries include Brazil, India, Indonesia, Norway and Pakistan.

Otero noted that she had represented US in 15 countries in the last 12 months and held high-level meetings in Nigeria, Switzerland, Brazil, Egypt, Israel, the West Bank, Jordan, Indonesia, Norway and Pakistan as part of dialogues with strategic priority countries.

Noting that she is working closely with the regional bureaus of the State Department to help lead policy dialogues with these strategic priority countries, Otero said, "Our policy objectives have sought to advance the administration's active science and health diplomacy agendas, further progress toward meeting the climate and clean energy challenge, save the lives of refugees and the most vulnerable groups of people, and promote democratic principles and processes."

Otero in her reference to her latest visit to Nigeria said: "I have just returned from my second trip to Nigeria, where we are assisting the country in the design and implementation of much-needed electoral reform that could lead to credible, transparent and fair elections in 2011."

Otero had led a team of US officials to Abuja late August, the second in four months, for a meeting with officials of the Independent National Electoral Commission (INEC) as part of US efforts to assist Nigeria in its preparations for credible elections next year.

2. Economy:

- **Nigeria's Economy 'Could Collapse in 3 Months' (Police, PHCN rated as most corrupt)**

The Statistician-General, Dr. Vincent Akinyosoye, has warned that should there be a natural disaster that affects Nigeria's oil and agricultural production for between three and six months or an outbreak of war in which it suffers an embargo on its oil exports and agricultural production for that length of time, the nation's economy could collapse.

He therefore emphasized the need for the country to step up its efforts to grow the non-oil sector, especially manufacturing.

He added however that importation of food was declining and that business surveys in the country had been started while the process of getting data on states' gross domestic product were ongoing.

Speaking at a one-day technical workshop on Statistics for Economic, Financial and Business Editors organised by the National Bureau of Statistics (NBS) in Abuja, yesterday, Akinyosoye restated that the Nigeria Police was the most corrupt institution in the country, followed by PHCN and water boards.

“If people refuse our oil, we will crash in three months,” he said. “This can happen in the case of war or if we are quarrelling with some people and there is no export... the date varies depending on what CBN says our foreign exchange can maintain; maybe it’s a period of three months; maybe it’s for six months. Let’s say six months. If it happens, the country will have serious economic problem because most of the resources we share on a monthly basis come from the export of oil.”

The Statistician-General, who announced that Nigeria now had a functional bureau of statistics, which rose from the ashes of the defunct Federal Office of Statistics, identified crime, corruption and the state of insecurity as the greatest factors retarding the private sector, explaining that these must be thoroughly tackled to put the country on a firmer ground.

He pointed out that Lagos remained the largest employer of labour while Sokoto State was the largest consumer of sugar. Emphasising the importance of statistics for economic planning and development, he said the 82-year-old office of statistics, which became moribund through neglect during the military era, was resuscitated by the Obasanjo regime in 2004.

Since then, he said the bureau had recorded phenomenal growth, with state-of-the-art facilities that enable it to provide vital statistics to important ministries, departments and agencies of government for more efficient functioning.

He added that the federal government was increasingly mindful of the need for the bureau’s services, which, he said, were being patronised by all manner of organisations.

He listed the areas of reform as infrastructure and equipment, human resources management and development, as well as improved data production methodology, data management, dissemination and access.

Akinyosoye said because of the reforms, anyone could now visit any of its offices from 9am to 7pm every working day to obtain relevant information while information could also be accessed worldwide from its website.

According to him, the agency was linked with MDAs and 17 states of the federation and the remaining states would be covered by 2014. He disclosed that NBS was collaborating with INEC towards improving the conduct of the forthcoming general election

He stated that as a serious country, Nigeria could have a statistical profile of the worth of every politician while taking up public office and what they have been able to achieve by the time they are leaving office to help guide the electorate in taking informed decisions.

Giving a breakdown of some important statistics, he said Bayelsa had the highest unemployment rate of 38.37 per cent as at March 2009 with Plateau State having the least of 7.1; the largest group of unemployed were SSS with 37.2 per cent, followed by

primary school leavers with 20.4 per cent and first degree (B.A/B.Sc./B.Ed./HND) with 19.1 per cent

Telecommunications made the highest contribution to GDP in the first quarter of this year at over 33 per cent followed by building and construction, and hotel and restaurants with electricity contributing the least at less than three per cent.

Oyo State had the highest rate of failures in the 2008 WAEC examination in Mathematics with 55 while Edo State had one; Yobe had the highest failure of 83 in English with Edo having just three.

Crime and insecurity was the highest disincentive to doing business in Nigeria, followed by corruption, inflation, political instability as well as changes in laws and regulations. Others are unclear laws, complicated business registration and tax regulations.

The statistics also showed that weekly house expenditure on sugar was highest in Sokoto, then Jigawa, Yobe, Nasarawa, Kano and Bayelsa with Edo coming last; Zamfara took the trophy among states using firewood, followed by Jigawa, Sokoto, Kebbi, Benue, Taraba, Katsina, Gombe, Kogi, Bauchi, Borno, Kaduna and Imo with Lagos being the least user.

Households in Zamfara, Benue and Ebonyi States use kerosene the most while Lagos has the least number of users; Niger, Benue, Plateau and Kwara residents use bush as toilet the most with Zamfara being the least.

- **Nigeria's SEC aims for new stock exchange management by 2011**

Nigeria's stock exchange will have new management by the beginning of next year at the latest and listing the bourse will be among their priorities, the Securities and Exchange Commission (SEC) said on Friday.

The SEC removed the head of the stock exchange a month ago and suspended its chairman and members of its governing council in a bid to restore investor confidence amid a raft of governance concerns.

"The process of bringing these people (replacements) in is extremely competitive. We are looking both inside and outside the exchange," SEC Director General Arunma Oteh told a conference in London.

"The principal officers are to come on board at the latest at the beginning of next year and put in a timeline for demutualization," she said.

Demutualization would turn the exchange into a listed company, making it more globally competitive and giving it a larger incentive to bring in profitable new products and providing scope for international investment.

"We see opportunities for exchange traded funds, Islamic funds, other ethical funds, real estate investment trusts," Oteh said.

"When (the exchange) becomes demutualised, it will provide opportunities for exchanges to consider investing in our market."

Oteh also said she hoped telecoms firms or oil companies operating in Nigeria, such as ExxonMobil, would consider listing their local units in the country.

Oteh, who took over in January, has pledged tighter regulation and surveillance as part of an overhaul of Nigeria's capital markets.

The SEC appointed a former top Deloitte accountant as interim manager of the stock exchange and appointed accountancy firm KPMG to audit the books earlier this month after removing director general Ndi Okereke-Onyuike.

Nigeria has been trying to restore investor confidence since last year's \$4 billion bailout of nine banks, whose reckless lending -- much of it to stock market speculators -- was deemed by central bank auditors to have left them so weakly capitalised that they posed a systemic risk.

The SEC said in August it was taking 260 individuals and entities including banks and other capital markets operators to a special tribunal over alleged price fixing, fraud and insider trading committed between 2006 and 2008. Oteh said the SEC would be recommending that the licences of some brokers be revoked.

- **Nigerian naira appreciates on increased dollar sales**

The Nigerian naira NGN=D1 firmed to 151.30 to the U.S. dollar on Wednesday from 151.60 at Tuesday's close after the central bank met all demand at its foreign exchange auction, traders said.

The central bank sold all the \$394.80 million demanded at 149.06 naira to the dollar. The regulator had sold \$400 million at 149.29 at its previous auction on Monday, short of the \$548 million demanded.

"The central bank has shown its willingness to defend the naira with the supply of \$400 million at Monday and Wednesday's auctions, which has calmed the market," one dealer said.

Traders said Mobil Oil sold about \$31 million to some lenders on Tuesday, while the local unit of Royal Dutch Shell (RDS) sold an unspecified amount of dollars on Wednesday, boosting dollar supply and helping support the naira.

"We expect the naira to trade around this same level until the next forex auction on Monday because the central bank has taken out the backlog of demand, while more energy firms should be selling dollars in the days ahead," another dealer said.

3. Energy:

- **Shell says close to finishing new Nigeria pipeline**

Royal Dutch Shell (RDS) said on Monday its Nigerian SPDC joint venture was close to completing a new \$1.1 billion pipeline to the Bonny export terminal which will have a capacity of 600,000 barrels per day (bpd).

"The new 97-kilometre Nembe Creek Trunkline will have a capacity to transport 600,000 barrels per day from 14 flowstations in the Niger Delta to the Bonny export terminal in Rivers State," the company said in a statement.

The Anglo-Dutch firm said the pipeline was part of an ongoing programme to keep its facilities well-maintained in the Niger Delta, one of the world's largest wetlands where decades of oil extraction have left land and water polluted.

Shell's operations in the delta are subject to frequent attack by oil thieves and saboteurs. The company says 98 percent of the oil spilled from its on-shore operations last year was due to vandalism and theft.

"It is important to understand that projects such as these will have only a limited impact on oil spills until the widespread oil theft, sabotage and vandalism activities are stopped," said Mutiu Sunmonu, Managing Director of the Shell Petroleum Development Company of Nigeria (SPDC).

Financiers bid to handle Nigeria power privatization.

Nigeria plans to privatize 18 power distribution and generation firms by the end of May and has received bids from six financial consultants interested in handling the process, the privatization agency said on Tuesday.

President Goodluck Jonathan last week formally launched a multi-billion dollar privatization programme aimed at ending chronic power shortages in Africa's most populous nation.

As part of the process, the state-run Power Holding Company of Nigeria (PHCN) has been unbundled into 18 successor companies, including 11 distribution firms, which will be taken into private hands.

"The privatisation of the 18 successor companies ... is expected to be concluded by May 2011," Bolanle Onagoruwa, director general of the Bureau of Public Enterprises (BPE), said in a statement.

The BPE said the African Finance Corporation, CPCS Transcorp, Goldman Sachs (GS.) with Nigeria's Stanbic IBTC (IBTC.LG), IPA Energy, Lazard (LAZ.) with Nigeria's UBA (UBA.LG: Quote) and Standard Chartered (STAN.L: Quote) were the six groups to have submitted bids to handle the privatisation.

As well as the distribution companies, PHCN also consists of hydro power generating plants, which will be concessioned, and thermal generating plants which will be privatised by the sale of a minimum of 51 percent equity to core investors.

The transmission network is to remain in public hands but be managed by the private sector. Manitoba Hydro, owned by the Canadian province of Manitoba, India's Power Grid Corp (PGRD.BO: Quote) and Ireland's Electricity Supply Board (ESB) are the three final bidders for that management contract.

Solving the problems at PHCN -- known to many Nigerians as "Please Have Candle Nearby" is key to attracting independent power producers to Nigeria.

PHCN is not regarded as a creditworthy buyer of power partly because it fails to collect its own bills efficiently from consumers and partly because it sells power at government-subsidized rather than market rates.

4. Environment:

- **Nigeria Risks Demographic Catastrophe, Says Report**

Nigeria's 'booming' young population may become a major source of worry in the next three decades unless there are urgent steps to develop a comprehensive action plan for its next generation of youths, a report has warned.

The Next Generation Report, produced by a team of researchers from the British Council and the Harvard School of Public Health released to the public yesterday in Abuja, cautioned that although the country stands on the doorstep of the greatest transformation in its history, occasioned by its growing number of young workers, it nevertheless faces serious predicament and possible conflicts if it fails to harness such demographic dividend.

The report aims to draw public attention to the danger of a 'booming' youth population and joblessness and expects government and stakeholders would act quickly to address the trend and escape a future turmoil.

Project Manager, British Council, Nigeria, Ijeoma Arguba , said in an interview with THISDAY that the project delves into the country's demographic future and shows it as one of the few countries which has young population in plentiful amount.

“We have over 40 per cent of Nigerians that are under the age of 15 which shows you that in the next 20, 30 years as we go right into the century; we are going to have supply of young people who if they were educated, healthy; if they are prosperous, if they are employed, they would make Nigeria a truly prosperous nation.

But if we have this large number of people not doing well, frustrated, not happy, then we may find ourselves in serious trouble because then they have the size and the force to do harm really to our future,” she said.

The findings, among other things, recommended that investment in people must be substantially boosted while government set targets for increased spending on education and health and using oil proceed to fund both infrastructure and recurrent variables.

She added that Nigeria needs over 25 million jobs to take care of the boom.

“Young Nigerians are increasingly frustrated by their lack of opportunities, and there are signs of new movements emerging to campaign for change. The next generation can make a huge contribution to Nigeria’s future but if its potentials are not harnessed, it will become an increasingly disruptive force,” the report said.

- **FG: Nigeria at Risk of Climate Change Disasters**

The Minister of Environment, Mr. John Odey, has expressed fears over possible threats of climate induced disasters to the country if nothing is done to check the trend, saying Nigerians have unfriendly attitude towards climatic issues.

According to Odey, who said that the nation was prone to dangerous effects of climate change, said steps are being taken by the Federal Government to address the situation and avert possible disasters.

The minister spoke in Minna on yesterday at the commencement of the visit of the Task Force members of the West African Science Service Centre on Climate Change and Adaptive Land Use (WASCAL) to the climate Change Centre of the Federal University of Technology (FUT) Minna.

He added that part of the efforts of the government to tackle the effects of climate change was the plan to make the FUT Minna climate change centre a ‘centre of excellence’.

The minister, who was represented by a Director in the Ministry, Mrs. Olabisi Jaji, said that government had been designing a resilient land use system and restore eco system as another means of tackling the effects of climate change.

Odey, therefore, appealed to the German government which was providing the technical know how to the country and the West African sub region on the issue to speed up its activities.

The leader of the German team, Dr Henk Van Liempts in an address said that the German government would establish two climate change centres in Africa with one located in West Africa and the other in South Africa.

Liempts emphasized the need for Nigeria to seek new approaches to solving the problems of climate change and energy adding that the German government would also assist the country in the area of renewable energy sources.

The Vice Chancellor of the University, Professor Mohammed Audu assured the team that the institution had the capacity to run post graduate programme within WASCAL framework.

5. Immigration/Refugee/Idps:

- **E'Guinea Faults Reports on Alleged Nigerian Coupists**

Equatorial Guinea has debunked allegations by the United Nations Working Group on the Use of Mercenaries that two of the seven Nigerians arrested in connection with last year's attack on the West African country presidential palace, died in detention.

Addressing UN correspondents in New York, the country's Ambassador to the UN, Anatolio Ndong Mba, also said it is not true that the Nigerian government had been denied access to the seven Nigerians being held in connection with the attack.

The UN Working Group on the use of mercenaries had accused Equatorial Guinea of "severe shortcomings" in respect of human rights standards and also said it received information that the Nigerian Embassy in Malabo had not been granted access to the detained Nigerians, nor officially informed of their arrests, charges against them, status of proceedings and death of two of them.

The envoy, who said he was not aware that two Nigerians died in detention, also said: "It is misleading to say that the government of Nigeria is not being allowed to visit the prisoners while there are good relations between the government of Equatorial Guinea and Nigeria."

He recalled that when the attack on the presidential palace happened, Nigeria's Foreign Affairs minister at that time, Mr. Ojo Maduekwe, visited Malabo to condemn the attack and express solidarity with the government of Equatorial Guinea.

Noting that as his country's envoy to UN, he had not received any complaint from his counterpart against the government of Equatorial Guinea. Mba said his country is open to negotiation with the Nigerian government whenever it wants to visit its nationals in detention.

Armed men, in speed boats, suspected to be members of the Movement for the Emancipation of the Niger Delta (MEND), had attacked the Presidential Palace in Malabo in February 2009. The attack was however successfully repelled by government forces.

6. Health:

7. Human rights/Gender/social issues:

- **Police deaths raise fears of resurgent Nigerian sect**

Four policemen have been shot dead over the past month in the northern Nigerian town of Maiduguri, raising fears that a radical Islamic sect behind an uprising which killed hundreds a year ago is making a return.

Two officers were killed last week by attackers who trailed them from a police station, shot them and stole their rifles, police commissioner Ibrahim Abdu said over the weekend. Two similar incidents happened weeks earlier.

The usually quiet town of Maiduguri, the dusty capital of northeastern Borno state, was rocked a year ago by rioting by the Boko Haram militant sect which wants sharia (Islamic law) imposed more widely in Africa's most populous nation.

Nearly 800 people were killed, many of them shot by the security forces, in gunbattles which raged for days as the police and army fought to put down the uprising by sect members armed with home-made guns, machetes and knives.

Abdu declined to comment on whether Boko Haram were thought to be behind the latest killings, saying he did not want to jeopardise the investigation, but other police and local officials said sect members were the prime suspects.

"There's no doubt that there is a resurgence of Boko Haram in Maiduguri. I'm sure they are the ones killing members of the police," local community leader Alhaji Bukar Kolo told Reuters.

He said a medicine store owner who refused to treat Boko Haram members with gunshot wounds during the fighting last year had also been called out of his home and shot in the street by assailants who rode off on motorbikes.

Followers of Boko Haram -- which means "Western education is sinful" in the Hausa language spoken across northern Nigeria -- pray in separate mosques and wear long beards and the women wear headscarves.

Loosely modeled on the Taliban movement in Afghanistan, its views are not espoused by the majority of Nigeria's Muslim population, the largest in sub-Saharan Africa. Muslims and Christians alike were killed in last year's unrest.

Symbols of government authority, including police stations and schools, were among the buildings attacked at the beginning of last year's uprising, whose scale appeared to take the security forces by surprise.

The military eventually used tanks and bulldozers to destroy the compound belonging to sect leader and radical preacher Mohammed Yusuf who was shot while in police detention during the violence.

- **Gang murder shows fragility of Nigerian oil amnesty**

The killing of a powerful former Nigerian gang leader in the restive Niger Delta has laid bare the fragility of an amnesty programme for ex-militant fighters in Africa's biggest oil and gas industry.

Soboma George, a one-time militant leader who accepted a government amnesty last year, was gunned down in the oil hub of Port Harcourt last Tuesday in what police said appeared to have been a clash between rival gangs. [ID:nLDE67O23I]

But the circumstances of his death are only slowly emerging, and as yet are still not fully clear.

Some witness accounts say he was walking to his car with his girlfriend after playing football and that his death was a cold-blooded act of murder, leading to speculation it was his connection to the amnesty programme that cost him his life.

"I urge the government to speedily address this problem so that other boys should not start attacking their leaders and killing other innocent people," Ateke Tom, a fellow ex-militant leader who accepted amnesty last year, told Reuters.

The amnesty established by late President Umaru Yar'Adua was the most comprehensive effort yet to end years of unrest in the Niger Delta, violence which has prevented the OPEC member from pumping much above two-thirds of its oil production capacity.

At the height of the unrest, pipeline bombings, attacks on oil flow stations and the kidnap of oil workers forced foreign firms to evacuate staff and hampered their operations, costing Nigeria an estimated \$1 billion a month in lost revenues.

Thousands of former gunmen handed over weapons last year in return for clemency and the promise of stipends and retraining. The process has brought more than a year without any significant attack against the oil industry.

But there have been frequent protests by junior militant gang members -- often referred to as "boys" -- over delays to the payment of stipends and a lack of jobs. Some have started turning hostile against the leaders who convinced them to lay down their weapons, security sources say.

"Since the government purportedly granted them amnesty, it is the responsibility of government to protect them and I don't think that was done in this case," said Mujahid Dokubo-Asari, a top former rebel leader who agreed to an earlier 2004 amnesty.

"INSECURE AND ANGRY"

"Soboma's killing is a setback for the amnesty programme because he was a major stakeholder. He always encouraged his boys to participate in the post-amnesty programme," said Akinaka Richard, head of a local civil society group and member of the government's amnesty implementation committee.

"Now the boys are feeling very insecure and angry ... They are grumbling that, if not for the amnesty, would our boss have been killed just like that," he said.

Hours before his death, George had signed a list approving another batch of 50 of his boys to go to a re-training camp set up for former militants, Richard said.

Last year's amnesty programme met with a great deal of optimism but security experts warned that it could only be sustained if junior fighters -- many of them hardened by a life of guns and locally-brewed gin in camps deep in the mangrove creeks -- could be found jobs.

President Goodluck Jonathan, the first Nigerian leader from the Niger Delta, who took over after Yar'Adua's death this year, has said he is determined to secure peace in the region.

Several militant factions in the Niger Delta -- including George's -- were originally set up with the support of local politicians to help rig elections. With federal, state and local polls due next January, some fear history will repeat itself.

The Movement for the Emancipation of the Niger Delta (MEND), the main militant group responsible for years of attacks on oil infrastructure, blamed the government for George's death.

"The amnesty as currently being practiced is a scam, and as more individuals begin to realize it and gradually back away, they become targets for assassination," a MEND spokesman said in an e-mail to Reuters. "We have every reason to believe that the government of Nigeria is behind the hit."

8. Geo-Strategic issues:

- **Nigeria embarks on vast free trade zone with China**

Nigeria is building a multi-billion dollar free trade zone with Chinese investors on the edge of its commercial capital Lagos to try to develop a local manufacturing base and help reduce its import dependence.

The \$5 billion first phase of the Lekki Free Zone, a 3,000 hectare site on the eastern fringe of the city, is 60 percent held by Chinese investors and 40 percent by the Lagos state government, the deputy head of the project told Reuters.

The consortium will provide basic infrastructure including roads, power plants and water plants before manufacturing firms are invited to set up business, Lekki Free Zone Development Co (LFZDC) deputy managing director Adeyemo Thompson said.

"We have a number of Chinese companies which are coming in the manufacturing area," Thompson said in an interview.

"They are coming to produce furniture, electronics, pharmaceuticals and heavy machinery. We are having a fair in November that is when we kick off operations."

The Chinese shareholders in the project include China Railway Construction Corp., the China-Africa Development Fund Ltd and the China Civil Engineering Construction Corporation Ltd.

A total of 16,500 hectares of land bordered by the Atlantic Ocean and the Lagos and Lekki lagoons has been earmarked for the whole free zone, which will include a deepwater sea port and a new international airport in close proximity.

The aim of the free zone is to make it easier for foreign investors, particularly manufacturers, to build a foothold in sub-Saharan Africa's most populous nation and second-biggest economy while still owning 100 percent of their firms.

It is modelled on free zones around China which have helped the Asian giant to develop its manufacturing base and economy over the past three decades.

"We have a one-stop shop ... No investor has to deal with any government agency directly. We license the enterprises. You can register your enterprise within a week, get permits and everything you need to run your business," Thompson said.

"The free zone allows you to attract foreign direct investment into the country and investors are given some incentives ... It helps boost production, manufacturing, create employment and is a basis for sustainable infrastructure."

The manufacturing and agricultural sectors have been neglected since the 1970s oil boom, when Nigeria began making easy money from crude oil sales. Oil accounts for more than 80 percent of revenues and more than 60 percent of exports.

SHINING EXAMPLE OR WHITE ELEPHANT?

Nigeria imports everything from toothpicks to cement, with a growing proportion of the goods coming from China. The Lekki Free Zone will enable Chinese and other manufacturers to test their products on Africa's largest potential consumer market.

"There is a huge market in waiting," Lagos State Governor Babatunde Fashola said at an opening ceremony this month.

"When you look at how much our people spend importing goods from abroad, how much they pay in excess baggage at major airports, bringing this here is like bringing home prosperity."

The vast majority of Nigeria's 140 million people live on less than \$2 a day but economists say a growing middle class means a consumer market is developing that could help its economy surpass South Africa's in the coming years.

The West African head of private equity firm Actis estimated earlier this year that some 10 million people had moved from low income towards the middle income bracket in Nigeria in the past five years alone.

Thompson said China was encouraging manufacturers whose Western export markets had suffered in the global downturn to explore frontier destinations such as those in Africa.

The administrative complex housing Thompson's office, customs and company registration officials, and a few warehouses are so far the only buildings to have been completed.

The architect's models show glistening glass and steel warehouses around a central lagoon, and the ultimate aim is to build a mini-city which will house more than 180,000 people.

Sceptics point to the lacklustre interest in some other free zones around Nigeria, particularly the \$300 million Tinapa resort in the southeastern state of Cross Rivers, envisaged as a tourist resort and duty-free shopping paradise.

Its launch two years ago was marred by armed customs officers trying to impound products bought by its customers.

But Lekki's investors say the two are incomparable.

The new zone is adjacent to Nigeria's most populous city, Chinese investors own a majority stake, no commercial loans are involved, and manufacturing -- not tourism -- is at its heart.

"The choice of China as partner is because in recent times they have had experience of transforming an unrated nation into a world class nation," Thompson said.

Other West African States

Cape Verde:

Chad:

Gambia:

- **Gambian journalists undergo training on FGM**

A three-day, capacity-building training on Female Genital Mutilation (FGM) for 30 media practitioners across the Gambia got underway here.

Organized by The Gambia Committee on Traditional Practices affecting The Health of Women and Children ((Gamcotrap), with the support of United Nations Population Fund (UNFPA) joint programme to accelerate the stoppage of FGM, the training is meant to build the capacity of the participants for effective and progressive reporting on the harmful traditional practices and domestic violence.

Speaking at the opening ceremony, Dr. Isatou Touray, executive director of Gamcotrap, lauded the crucial role of the media in the efforts to eradicate FGM.

Asserting that the media was paramount in the sensitization and education of the people on the negative implications of FGM and other harmful traditional practices, Touray described the training as a move in the right direction geared towards equipping the media practitioners with the necessary knowledge.

She thanked UNFPA for the collaboration in trying to save the lives of women and children and described their mission as part of national development.

UNFPA representative, Fatou Kinteh, said harmful traditional practices were forms of violence committed against women in certain communities and societies, adding that in some societies, they were considered part of the accepted cultural practices.

This, Kinteh noted, include FGM, early and forced marriages, as well as the various taboos that prevent women from controlling their own fertility.

According to her, these practices can lead to death, disability, physical and psychological harm for millions of women annually, adding that harmful traditional practices lead to serious complication on the health of women and children.

Kinteh emphasized that the practice of FGM also violated, among other international human rights laws, the rights of the child to the "enjoyment of the highest attainable standard of health," quoting article 24, paragraphs 1 and 3 of the Convention on the Rights of the Child to back her statement.

On domestic violence, Kinteh lamented those women who form 50 per cent of the world was vulnerable, noting "if these do not stop, sustainable socio-economic development cannot be achieved."

Sidia Jatta, chairperson of the Board of Directors of Gamcotrap, tasked the participants to go and educate the masses, emphasizing the important role the media could play in terms of keeping people aware.

Guinea- Bissau:

Mali:

Mauritania :

Niger:

- **Niger avoids "worst" in food crisis, gov't says**

Niger will avoid the "worst" in its most severe food crisis since 2005 with aid reaching millions left hungry by last year's failed harvest, the government said.

The crisis had risked becoming catastrophic without quick distribution of food to the nearly 8 million in needs, according to the United Nations.

"I can say that with the support of partners and with the help of Nigeriens, we have been able to avoid the worst case," said Prime Minister Mahamadou Danda over state television on Saturday night.

He said shortages of animal fodder, however, have had an "extreme" impact on livestock populations.

Failed rains last year slashed agricultural and pastoral production across a broad swath of the Sahel region, leaving some 10 million people at risk leading up to the 2010 harvest in October, the United Nations said.

The World Food Program is still waiting for donor assistance to fund aid work through the coming months.

The food crisis was considered more severe than the last emergency in 2005 -- which killed thousands -- but the U.N. said Niger was better prepared to face it in part due to better government cooperation.

In 2005, President Mamadou Tandja played down the significance of the crisis until media reporting on the scale of the hunger made his position untenable.

The military junta that ousted Tandja in a coup in February was quick to reverse this position and has gone as far as speaking of famine, a term most aid workers have not used.

Danda said health centers set up around the country have treated nearly 100,000 malnourished children and that United Nations aid bodies have also helped hundreds of thousands of children, pregnant women and nursing mothers. The U.N.'s World Food Program was expected to have aided 5.5 million people in August alone.

Droughts are recurrent in the Sahel and experts say they could become more frequent due to climate change, leading to further humanitarian crises if long-term agricultural policies are not improved. In the United Nations' 2009 human development index, Niger ranked last out of 182 countries covered.

Sénégal:

- **Senegal refinery takes loans for feedstock supply**

Senegal's sole oil refinery, Societe Africaine de Raffinage (SAR), said on Thursday it had secured 194 billion CFA (\$378.5 million) in loans to cover the cost of a year's worth of feedstock.

The plant produces 1.2 million tonnes of fuel per year (23,500 barrels per day), accounting for two-thirds of Senegal's 1.8 million tonnes of demand for refined products.

"With this amount we have secured a full year of supply for our company," SAR manager Carmelo Sagna told Reuters.

He said UBA Bank (UBA) had provided SAR with a 153 billion CFA loan, and Ecobank (ETI.LG: Quote) with a 41 billion CFA loan.

Saudi Binladin Group has a 34 percent stake in SAR, while French oil company Total (TOTF.) has 20 percent. The remaining stake is controlled by the Senegalese state, which has said it does not expect a long-term role in the business.

Sagna said the refinery hoped to eventually expand its capacity. "We hope in the future to increase our output capacity from 1.2 million to 3 or even 4 million tonnes," he said.

Business and Politics in the Muslim World

West African News Monitoring

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By John-Paul

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POLITICS

GHANA

Key political risks to watch in Ghana

Ghana will join the club of oil-producing nations this year, offering it the chance to transform the fortunes of its aid-dependent economy.

Yet other countries have seen how the blessing of oil can turn into a curse, crowding out other sectors of the economy while triggering public spending sprees, official corruption and even fuelling insecurity.

Here are some of the risk factors:

THE OIL WINDFALL

A string of discoveries in the Jubilee offshore oilfield from 2007 mean Ghana is confident of total reserves there of around 1.6 billion barrels with potentially more in adjacent sites. First oil is seen due in December 2010, with initial output put at 120,000 barrels per day (bpd) and rising to 250,000 bpd by 2013 -- squeezing Ghana into the list of the world's top 50 producers.

Aside from the state-owned Ghanaian National Petroleum Corporation (GNPC), major players in Jubilee include UK-listed operator Tullow Oil Plc, U.S.-producer Anadarko Petroleum and privately held U.S. energy firm Kosmos.

In August, Kosmos cancelled the sale of its 30.875 percent stake in the West Cape Three Points block and 18 percent share in the Deepwater Tano to ExxonMobil (XOM.N: Quote), a deal Ghana said was in breach of Kosmos' commitments. Despite state oil firm GNPC reaffirming its interest in the stake, Kosmos subsequently said its policy now was to remain in Ghana.

What to watch:

-- Signs of a delay in the first oil. Ghanaian officials say preparations are on track for late 2010, but some analysts fear this is ambitious just three years after the first discoveries and say a 2011 start could be more realistic.

-- More ownership wrangles. GNPC has declared that it is interested in any opportunity to increase its holding in the Jubilee field. There has been persistent speculation it will team with a Chinese or other international partner to fund such a deal. Nothing has materialised so far, but Ghana feels that the country should enjoy a full share of the oil benefit.

-- More oil finds. Tullow announced on July 26 its Owo-1 exploration well had discovered a new oil field closer to Jubilee and that it was assessing its size.

THE ECONOMY

Oil is an unpredictable, potentially game-changing new factor for the economy. President John Atta Mills' government hopes the new revenue stream can help lift Ghana out of the low-income bracket of countries such as Afghanistan and Haiti into the middle-income ranks of Iran or Egypt -- a goal the International Monetary Fund says it could attain in a decade.

Economic growth next year is forecast to be among the highest in the world at close to 15 percent, while analysts see the Ghanaian cedi GHS= building on its 2009 gains.

The cedi appreciation has helped bring inflation down from 20 percent in early 2009 to 9.52 percent in June. But the downward trend appears to be bottoming out and analysts are split on whether further rate cuts are possible after a total 500 basis points of cuts from last November have brought the prime policy rate down to 13.5 percent.

Firm commodities prices are expected to provide an extra cushion to the economy and Ghana is determined the oil rush will not damage its gold and cocoa sectors. The latter could even supplant Ivory Coast's ailing crop as world's biggest in around 2012. However smuggling of cocoa into Ivory Coast, where higher prices can be achieved, has hit official volumes.

What to watch:

-- The next meeting of the Bank of Ghana's rate-setting committee from Sept. 20. Some analysts predict a further cut of 100 basis points is possible, while others judge that the easing cycle is over for now.

-- Inflation taking off again. Price growth has now fallen into single digits. But then it is forecast to take off again on a combination of rising utility tariffs, public sector wage hikes and increased state spending.

-- A re-basing of economic statistics originally due around mid-2010 but now seen by year-end. A move to include parts of the informal economy in output data and rebalance weightings to reflect new business sectors, it will mean a statistical upgrade of the size of the economy by anything up to 50 percent.

PUBLIC FINANCES

Mills' government unsettled markets in August by announcing that debt arrears inherited from the former government meant the end-2008 public deficit stood at 24.2 percent of gross domestic product, almost double the previous estimate. Emergency measures brought the deficit back down below 10 percent by the end of 2009, and the government is banking on oil revenues helping it fall to 3-5 percent by 2012.

For 2010 the government wants to prime growth with spending in the energy sector, farming and infrastructure. But the IMF recommendation after its March visit to the country was clear: "Fiscal management remains Ghana's main challenge."

What to watch:

-- Higher public borrowing. The new spending plans have led to concerns the deficit could start ticking up again. Ghana's public sector wage bill -- at around 11 percent of

GDP one of Africa's highest -- narrows the scope for any belt-tightening.

-- Ghana goes to the market for new funds. Ghana already has a Eurobond and was set launch a new \$300 million issue before poor market conditions prompted it last September to hold back.

FOREIGN INVESTORS

By African standards, Ghana has a good name on governance. In corruption watchdog Transparency International's 2009 rankings, only Botswana, South Africa and Namibia were perceived to be more determined to tackle graft in sub-Saharan Africa.

Yet the wrangling over the Kosmos stake in the Jubilee field unsettled some investors, as did October 2009's news that Ghana wanted to renegotiate British mobile phone giant Vodafone Group Plc's \$900 million purchase of a 70 percent stake in the national phone company, Ghana Telecoms .

Portfolio investors focus on the country's debut \$750 million Eurobond GH032376037=RRPS. It is currently yielding around 6 percent against a launch yield of 8.5 percent.

Investors in Ghana's then paper-based bourse struggled to wind down positions when the global slowdown hit stocks in 2008. The GSE All-share index finished the year up 58 percent but the gains were practically wiped out last year. Despite the advent of an automated trading system in late 2008, daily trading volume rarely tops \$1 million and illiquidity is a concern.

What to watch:

-- Further falls in interest rates make yields on Ghanaian stocks more attractive. The All-share index is up around 18 percent from the start of the year.

-- Relations with multinationals. The Kosmos and Vodafone sagas, together with moves to increase the amount that companies pay in mining royalties, show Mills' government could alienate investors with moves to stamp its authority.

LIBERIA

NEC Targets over 2.1 Million Voters for 2011 Polls

The National Elections Commission (NEC) has disclosed that it is targeting 2.1 million people to register in the forth coming general and presidential Elections.

Making the disclosure Friday at NEC's headquarters at the formal launch of the voter registration exercise, NEC Chairman, James Fromayan said that the launching ceremony is in line with the recent guidelines released by the Commission for next year's elections.

Chairman Fromayan asserted that the massive turnout of Liberians for the voter registration exercise comes January 10, 2011 will demonstrate collective desire of Liberians willingness to participate in the electoral process next year.

Chairman Fromayan told reporters that the Commission has already identified voter registration centers in and around the country. He added that all other logistics for the exercise are on the way.

According to him, the Commission will do its best to make sure that people consider being in the 'hard-to-reach regions' (southeast) take part in the voter registration process.

At the same time, NEC says it will institute measures to stop people it considers "non-Liberians" from intruding into the electoral process.

Chairman Fromayan said, "We cannot rule it out; we saw it in 2005, but we have to put in measures to avoid reoccurrence."

Meanwhile, the NEC has cautioned political parties in the country to form merger in the good interest of the Liberian people.

Chairman Fromayan noted that the proliferation of presidential candidates as was in the case of the 2005 elections does not mean anything good for the electorate.

He furthered that while the Commission supports multi-party system in the country, it will not encourage more than six political parties to take in the coming election because, according to him, it is intended to confuse the legible voters.

"At least five or six presidential candidates will be OK for next year elections." Chairman Fromayan added.

CAMEROON

Cameroon president sacks police, intelligence heads

Cameroon's president replaced the heads of the national police force and the intelligence service in a security shakeup that follows local media reports of a coup plot.

Political tension has been rising in the central African oil producer ahead of 2011 elections in which long-serving President Paul Biya is expected to seek another term in office.

Former police chief Emmanuel Edou has been replaced by Martin Mbarga Nguele, and DGRE intelligence unit head Jean Marie Obelabout has been replaced by Maxine Leopold Eko Eko, according to state radio.

No reason was given for the changes but local media reported they may be linked to widespread rumours of a foiled coup plot on July 17 when Biya was in France.

Crime has been rising in the country's urban centres Douala, Yaounde and Bamenda, involving a wave of break-ins at government buildings including the office of police chief Edou.

The government also named Paul Nji Atanga, former minister in charge of missions at the presidency, as the first permanent secretary of the National Security Council (NSC), a body created in 2009.

Biya, in power since 1982 and one of Africa's longest serving presidents, has not said he will stand in the 2011 elections, but he changed the constitution in 2008 to relax presidential term limits and is widely expected to run.

Mbida to Contest Presidency after 13 Year Exile

After almost 13 years in voluntary exile, Louis Tobie Mbida, leader of the Cameroon Party of Democrats (CPD), announced he will return to Yaoundé on 2 September and is planning to run in the presidential elections in 2011.

Mbida, son of Cameroon's first Prime Minister, André-Marie Mbida has been leader-in-exile of the Cameroon Party of Democrats (CPD) since 1992.

Speaking to RFI in Paris where he has spent most of his time in exile, Mbida criticised the government of President Paul Biya, who has ruled Cameroon since 1982.

"The country has fallen apart today. [The government] demonstrate they are not able to build up the country."

"We have the right to stand up and say, 'let us build the country', but for that we need the Cameroonians to help us. They can only do that if they stop being afraid of weapons, of soldiers, afraid of magistrates."

"Government hasn't even brought the minimum for its people," he added.

Mbida says he left Cameroon following "financial harassment", but was not anxious about his return.

"I'm not personally anxious," he said. "But I'm a chief of a family and have people around me - I don't want them to be hurt."

Mbida says he took the decision to return a year ago.

"I spent the last year analysing the political situation in Cameroon," he said. "I'm ready to go. I'm ready to begin again."

During his time in exile, Mbida initially lived in Germany, and then studied as a molecular biologist in France. He is a practising doctor.

Mbida says upon his return on 2 September he plans to travel the country to promote his candidature for the presidency.

"I want to travel. I will go everywhere and meet Cameroonians."

COTE D'IVOIRE

Ivory Coast commission produces final voter list

Ivory Coast's electoral commission said on Thursday it had produced a final voter list for the first time, raising the chance that an election which has been delayed six times in five years might go ahead.

The poll, now scheduled for Oct. 31, is needed to end years of turmoil in the once economically successful West African country, following a failed 2002 rebellion against President Laurent Gbagbo that deterred investment and ravaged the economy.

"The list is finalised. We are respecting the schedule," electoral commission spokesman Nicolas Coulibaly said.

Voter register has been the main sticking point between Gbagbo and the opposition, and the battle over it in the courts has been long and tortuous.

While Ivory Coast appears closer to the poll than ever, sceptics say there remains a chance Gbagbo's camp will reject the list and further delay the process.

"For us, the list is final, but it's the politics which decides if this goes ahead. We're just technicians," said Coulibaly.

The last election date of Nov. 29, 2009 collapsed into political wrangling over the electoral list, ending with Gbagbo dissolving the government and electoral commission in February, triggering mass demonstrations.

"Every time we get so close, you think things are moving and this date is D-day, then all hope is suddenly frustrated," said a diplomat involved in the process for several years.

The stalemate has delayed urgently needed reforms to the cocoa sector, which supplies 40 percent of world demand but is in decline due to aging trees.

LIST STILL DISPUTED?

The next stage is to print electoral cards, which the commission plans to do until September. In early October, it aims to send the cards and lists to polling stations. The voter roll will then be posted at polling stations from Oct. 10-12.

Gbagbo's supporters have long suspected that the list includes foreign imposters from Burkina Faso and Mali. The opposition says this is a pretext for removing names of people unlikely to vote for him because of tribe, region or religion.

He has stayed silent on the electoral list this time around.

In two speeches broadcast on national radio and TV on Thursday, he said simply that the election would happen as scheduled. His close aides have indicated they are happier with the process this time around.

Another major sticking point was disarmament of rebels who still control the north of the country. The rebels are hardly disarmed but they claim to have done the next best thing: locked themselves away in their barracks for the campaign.

Under a peace deal signed in 2007, the rebels must have put their soldiers into military encampments two months before the vote, a deadline they say they met on Tuesday.

But analysts raised eyebrows over the fact that the list has not changed much since Gbagbo rejected it last time. As he has shown many times before, if he doesn't like it, he can easily throw a spanner in the works.

"The government still clings to the idea that there are voters on the list who should not be there," said Gohou Danon, head of trading at London-based Silk Invest, an Ivorian.

"I'm not convinced they will just leave it. They will do everything they can to remove those voters from the list."

Ivory Coast on its way out of crisis.

Ivory Coast's electoral commission said on Thursday it had for the first time produced a final voter list, raising the chance that long delayed polls might actually go ahead.

The voter register has been the main sticking point between President Laurent Gbagbo and the opposition, and the court battle has been long and tortuous. There remains a chance he or his supporters will reject it and further delay the process.

Following is some analysis about what this milestone means for West African nation:

ONE STEP CLOSER

Though Oct. 31 polls are feasible, analysts are cautious.

Certainly, things seemed to have advanced further than ever before, but locals say Ivorian politicians have a talent for raising hopes and then dashing them.

Six poll dates have passed in five years with no election.

Gbagbo has rejected previous lists because he suspected them to include foreigners from Burkina Faso and Mali -- the opposition says that is just shorthand for voters who won't

vote for him. Though he has been silent this time, it would not be difficult for him to scupper the process again.

"The voter registration process is formally over, but there is still some controversy," said Standard Bank's Samir Gadio.

IMPACT ON INVESTMENT

Besides being the world's top cocoa grower, supplying 40 percent of global demand, Ivory Coast is also the issuer of sub-Saharan Africa's largest Eurobond, at a face value of \$2.3 billion, swapped for some defaulted Brady bonds in April.

The cocoa sector has long been in decline, owing largely to ageing trees and lack of government support for the hundreds of thousands of smallhold farmers who grow most of it.

There are few incentives for farmers to invest in improving the country's low cocoa yields while Ivory Coast is still in crisis.

Elections raise the possibility of a stable government that will be able to make urgently needed cocoa reforms.

Stability will help bring down yields on the Eurobond, as bond markets see lower risk, although Silk Invest's Funmi Akinluyi said a 50 percent default risk had been priced in, even assuming the election took place.

Foreign direct investors into all kinds of sectors are playing "wait and see".

"If it is successful, then there'll be a lot of investment, not just amongst portfolio investors but in general. They've been waiting for this event for five years," said Richard Segal, analyst at Knight Capital.

"Once it's actually held ... it could come in relatively quickly, in a matter of weeks."

THE ECONOMY

The Finance Ministry maintains a projection of 3 percent growth for this year, rising to 4 percent next year, but that is predicated on the crisis being resolved by the election.

Post electoral investment into infrastructure is likely to be a driver of growth.

"Unless elections are held, almost no investment will take place and the economy will stagnate at the rate of population growth at best, around 3 percent per annum," said Matthew Searle of Business Monitor International.

"This may even be optimistic, because the previous decade of political instability has actually been marked by declines."

A FINAL RESOLUTION?

Even if elections go ahead as scheduled, it is unclear whether it will resolve the conflicts of a nation bitterly divided by politics, tribe, land ownership and identity. It may even make them temporarily worse.

Still, they are seen as an essential part of the process.

"It won't resolve the issues in Ivory Coast overnight, but it's a first step they have to take," said Akinluyi.

UN Urges Finalization of Voters List in Côte d'Ivoire

The United Nations Operation in Côte d'Ivoire (UNOCI) today called for the finalization of the voters' list to ensure that electoral process was proceeding according to schedule, as the West African country heads towards presidential polls on 31 October.

UNOCI spokesperson Hamadoun Touré said at a weekly news conference that the UN mission will closely follow the setting-up of polling stations and monitor data that was validated or rejected when reconciling information contained in the provisional voters list.

Mr. Touré welcomed yesterday's publication of a guide on media coverage of the elections. "UNOCI believes in ensuring compliance with this useful tool and the ethical values and standards it contains," he said, recalling that the UN had contributed to the development of the guide.

He reiterated UNOCI's commitment to continuing efforts started five years ago to ensure that the media and regulatory bodies in Côte d'Ivoire carried out their responsibilities professionally.

Responding to the concerns of journalists over continuing radio and television broadcasts from the north, central and western areas, Mr. Touré said that only the National Council of Audiovisual Communication (CNCA) was authorized to regulate the installation, distribution and closure of audio-visual media outlets throughout the country.

UNOCI has been providing logistical and technical assistance for the preparations for the presidential elections, which were supposed to have been held as far back as 2005, but were repeatedly postponed.

While preparations for the polls were on track up until late last year, they were interrupted in January. Political tensions began to mount after voter registration was

suspended due to violence and President Laurent Gbagbo dissolved the Government and the Independent Electoral Commission (IEC) in February.

The electoral process restarted after a new Government and Electoral Commission were established, but further delays were caused by differences on how to tackle the issue of fraud and a dispute over the appeals process on the provisional voters list.

UNOCI was established in 2004 by the Security Council to facilitate the peace process in Côte d'Ivoire, which became split by civil war in 2002 into a rebel-held north and Government-controlled south.

Ivorian rebels say back in barracks ahead of poll

Ivory Coast's New Forces rebels said on Tuesday they had completed a programme of temporary disarmament and gathering of their troops into barracks ahead of elections set for Oct 31.

"As far as the New Forces are concerned, the regrouping of our soldiers is complete," said rebel spokeswoman Bamba Affoussy. "Although there remain technical details to address, notably financing."

Containing the rebels in camps is seen as a key step towards the elections, which have been delayed since 2005 because of rows over rebel disarmament and mechanisms to verify voter identity.

The elections are meant to end a crisis that has persisted since the rebels took up arms against President Laurent Gbagbo in 2002 and seized the country's north.

The vote is vital if Ivory Coast is to reclaim its slot as West Africa's prosperous economic powerhouse and reform a cocoa sector that supplies 40 percent of world demand.

Under the rules of a peace deal signed in 2007, the rebels must have locked their soldiers up in their military encampments two months before the vote goes ahead, making Tuesday the deadline for completion of that task.

Diplomats say such "regrouping" stops short of actual disarmament, but it is supposed to instil confidence in the government that they won't be on the streets in a way that could disrupt the process or influence the outcome.

An official at the Ministry of Defence, which is overseeing the process, said no one would speak now on this but that a declaration would be made by the end of the week.

President Gbagbo's supporters have sometimes talked as if only full disarmament would be acceptable ahead of the polls -- an unlikely scenario -- but they have seemed happier with containment in the run up to this poll date.

But the rebels have complained of a lack of government financing to feed their soldiers while they remain enclosed.

"They can't be stuck in the camps with nothing to eat. We've done our part, now we are waiting on the government to do theirs," a New Forces official in Abidjan, Issa Doumbia, told Reuters.

GUINEA

Doubts grow over Guinea readiness for key vote.

A dispute over arrangements for the decisive second round of Guinea's Sept. 19 presidential election is raising concern that the outcome of the landmark poll will be challenged and could trigger unrest.

The vote is intended to give military-ruled Guinea its first freely chosen leader and usher in an era of political stability in a country which hosts several billion-dollar mining projects and is a focal point for stability in West Africa.

The independent electoral commission (CENI), backed by cash from international donors including the United States and France, ran the first round in June. Voting was peaceful but the count was delayed by logistical problems and some local results were invalidated after irregularities surfaced.

Ex-prime minister Cellou Dalein Diallo, who polled highest in the first round but failed to win an outright majority, faces veteran opposition leader Alpha Conde in the run-off.

"We saw the limits of what CENI can do in the first round," said caretaker Prime Minister Jean-Marie Dore, whose government is charged with organising the elections. "We can't take the risk of seeing the same thing happen in the second round."

Dore suggested last month that CENI was short of the skills and resources needed to run the poll properly and proposed bringing in the interior ministry (MATAP) to help, but that call raised concerns in Diallo's UFDG party.

"For us it is out of the question to issue new rules between the two rounds," said UFDG spokesman Ibrahima Diallo, suggesting some form of joint CENI-MATAP management would be possible.

Conde's RPG backs the idea and wants a decree clarifying the roles of the CENI and MATAM in the process.

"We need an unchallenged election which gives incontestable results," said RPG spokesman Moustapha Naite.

REGIONAL DIMENSION

Lydie Boka of risk consultancy StrategiCo said Diallo's first-round score of 43.69 percent made him the strong favourite over Conde, who secured just 18.25 percent, but warned that the outcome would be challenged whoever won.

"Diallo should win, he is too far ahead. If for some reason he does not, then trouble is to be expected," said Boka.

"Conde will naturally contest the results, arguing that thanks to alliances with other parties, he managed to bridge the gap of the first round. Fraud will also be mentioned as a reason for winning or losing."

The stakes extend beyond Guinea's borders.

First-round results suggested Diallo and Conde both drew much of their support from their own ethnic groups -- Peul and Malinke respectively -- and any ethnically linked political violence could lead to a refugee rush with which neighbours Liberia and Sierra Leone are far too fragile to cope.

The conduct of the election in Guinea could also set the tone for polls across the region -- notably in Ivory Coast where a long-delayed poll is due on Oct. 31.

If Guinea can stage peaceful and transparent elections, analysts and diplomats say, then Ivory Coast -- a much richer country -- has no excuse for being unable to do the same.

Just as important as the logistics of the vote will be the reaction of the losing candidate. Observers say Guinea, which has had nothing but strongarm rulers since independence from France in 1958, is still new to the challenges of democracy.

"The leaders have to find a way to explain to their supporters that an election can be lost as well as won," said an election scrutineer with the US-based Carter Centre, speaking on condition of anonymity. "More than anything else, they have to avoid manipulation which could destabilise the country."

Guinea rivals promise to respect final poll result.

The two rivals in Guinea's Sept. 19 presidential run-off agreed in writing on Friday to respect the final result of the landmark election intended to bring civilian rule to West African state.

The first round in June went off peacefully but failed to produce an outright winner and provoked accusations of fraud and other irregularities, raising fears of unrest in the world's top bauxite exporter after the decisive second round.

Former premier Cellou Dalein Diallo and veteran opposition leader Alpha Conde signed an accord in the Burkina Faso capital Ouagadougou promising that any challenge to the preliminary results would be made through the standard legal channels.

"I will without fail urge my supporters and fellow party workers to maintain discipline in accordance with both the spirit and the letter of this protocol," Diallo said at the signing event, overseen by Burkinabe President and regional mediator Blaise Compaore.

Conde, the underdog who took 18.25 percent of the first-round vote against Diallo's 43.69 percent, called on the national election commission to publish electoral lists immediately to ensure full transparency.

Guinea has had nothing but strongarm rulers since independence from France in 1958 and has been plagued by coups and instability. It shares some ethnic groups with neighbouring countries, meaning that any unrest could cross borders.

Aside from its bauxite reserves, it is attracting increasing investment from multinationals keen to exploit iron ore finds.

Candidates Open Campaigning for Presidential Run-Off.

Campaigning for the second round of elections kicked off in Guinea on Sunday, with Cellou Dalein Diallo running against veteran opposition leader Alpha Condé. Diallo won over 40 per cent of the first-round ballot in June, which was marred by multiple accusations of fraud.

Despite tensions over the election process, both candidates signed an agreement on Friday committing themselves to a peaceful political campaign ahead of the vote on 19 September.

In Conakry, correspondent Karim Kamara says the campaigning has got off to a steady start.

Diallo, who flew back to Guinea from Burkina Faso on Saturday, has appealed to his supporters to respect their rivals and protect the electoral process, Kamara says.

Diallo's supporters have taken to the streets, he reports, but so far there have been no incidents of violence.

But with Condé returning to Guinea on Monday, it is not clear what will happen when the two camps meet, Kamara says.

The candidates

Cellou Dalein Diallo, 58, was prime minister several times under General Lansana Conté, who ruled for 24 years after coming to power in a military coup in 1984; he is a member of the Fulani ethnic group; his strongholds are middle-Guinea and the capital, Conakry.

Alpha Condé, 73, is a third-time candidate who has opposed all three heads of state since independence, spending two and a half years in jail under Conté and sentenced to death in absentia by first president Ahmed Sekou Touré in 1970; he is a member of the Malinké ethnic group; his stronghold is Upper Guinea.

ECONOMY

GHANA

Spain to initiate vibrant economic partnership with Ghana

Madam Olga Carbaga, Spanish Ambassador to Ghana on Monday promised to roll out a vibrant economic partnership to improve on the bilateral relationship between the two countries.

"Ghana is a reliable partner in Africa, we admire your country, we admire your democracy, stability and security and we will explore all possibilities to invest immensely in Ghana."

Madam Carbaga announced this when she called on Vice President John Dramani Mahama to officially introduce herself and to outline her government's commitment to Ghana.

She said last year, Spain opened an economic office in Ghana to deepen her relationship in so many sectors of the economy.

The Spanish Ambassador expressed confidence in the democratic credentials of the country and called on Ghana Government to collaborate effectively to achieve mutual benefits for the two countries.

Vice President Mahama commended the Spanish Government for supporting Ghana to build a number of steel bridges in rural communities in the country, which he said had enhanced the free movement of people and goods in those remote areas.

He promised to work closely with Spain and other countries in the coming years to achieve the country's desired economic objectives.

"We treasure the relationship between Ghana and Spain and we hope to this time foster better relationship in the coming years," he said.

Why ExxonMobil Left Ghana

On Wednesday August 18, 2010 Kosmos Energy announced that its sale and Purchase Agreement (SPA) with ExxonMobil has been terminated. No reasons were given although Kosmos has since reaffirmed its intention to stay in Ghana for the foreseeable future and participate in the development and production of the commercial quantity oil that it discovered in 2007. Ghanaians greeted this announcement with mixed reaction. While those still feeling the effects of nationalist sentiments, whipped up by some leading to the termination of the SPA, were elated that Ghana had stood up to "imperialist bullies," many in the industry knew that Ghana missed an incredible opportunity. Given how potentially destructive this aborted SPA can become to Ghana's investment outlook in the international community, it is imperative that Ghanaians know precisely what led to the aborted SPA.

Sources close to the inner workings of the team assigned by ExxonMobil to the Ghana project intimate that of the litany of factors that frustrated the global oil and gas giant, three things stand out.

The first surprise was that, in spite of the acclaim making the rounds within the global investment community about being investor-friendly, Ghana had become very adversarial in her relations with foreign investors over the past several months to the point of actually harassing many of these companies. ExxonMobil, therefore, could not ascertain that this environment was temporary, and was likely to change. This uncertainty made investing almost \$5 billion imprudent, especially when it was contemplating making Ghana a regional operation center for Africa.

The second issue was the circumstances surrounding the World Bank/ IFC investigation of Stratoil and its relations with Modec. You would recall that a few weeks ago, it was revealed in the Ghanaian media that Modec, the contractor for the FPSO Super tanker for the Jubilee Field, made three payments over a span of about 16 months totaling \$2 million to Stratoil, a British Virgin Island registered company half owned by Tsatsu Tsikata, the advisor to President Mills on energy matters.

The potential violation of Foreign Corrupt Practice Act (FCPA) that these payments represented also prompted a suspension by Multinational Insurance Guarantee Agency (MIGA) of financing on the insurance covering the FPSO. Uncertain as to the eventual findings of the investigation, which has potentially negative ramifications on the continued financing of the FPSO, ExxonMobil felt uncomfortable coming in.

The third major issue was about demands by Ghana government such as the Domestic Supply Requirement (DSR) that ExxonMobil considered to be unreasonable. At the peak of the oil production, up to 120,000 barrels per day (bpd) would be coming out of the Jubilee Field. Out of that total, Ghana was demanding that 45,000 barrels be made available to Tema Oil Refinery (TOR), and another 27,000 barrels be made available to

Aboadzie Thermal Plant in addition to the 18,000 barrels or so that Ghana will be receiving for her share of the total interests. That leaves 30,000 barrels available for the remaining partners to sell in the international market. Although the 72,000 bpd request that Ghana is requiring for domestic use would be paid for, the payments would be on credit terms. ExxonMobil does sell oil and gas on credit terms, but it is a private arrangement that is never forced upon the global oil and gas producer.

Then there is the government indecision that one ExxonMobil official said the company has not encountered before. ExxonMobil informed the President of its intentions to buy Kosmos one year ago when Mills attended a United Nations event in New York. Since then about three different committees have been set to study the SPA with one of those committees making a trip to London "to conduct additional due diligence." Each time one committee has submitted its report, another one would be set up. Just as it got close to a decision, the president left on vacation with a promise to think about it while on vacation.

The official who spoke on condition of anonymity further intimated that several other issues played a contributing role. He cited instances where government officials hurled insults at ExxonMobil officials and accused them of breaking the laws of Ghana. He also cited instances of sheer disrespect including one instance by the Energy Minister who literally drove away an ExxonMobil team that arrived in Ghana to visit the FPSO. But he was quick to add that they are familiar to those because of the many different political climates in which ExxonMobil does business. In the final analysis according to the official, "it appeared Ghana did not want us doing business there."

Experts say that is unfortunate. Many developing countries actively court these large global companies to come in and invest mindful of the employment boost that these investments bring in. Fortunately Ghana did not have to do too much to attract the likes of ExxonMobil because it had created a stable political climate and had nurtured healthy relations with the firms that came in. Lately, however, the new Mills government which assumed office in January 2009 has been continually abrasive and at times hostile to foreign corporations.

What's more; it appears the privatization campaign that began at the turn of the century, which experts agree was the catalyst for the massive influx of foreign investment has made a U-turn and heading back to an era of nationalization of assets. Or at least that is what the GNPC is saying. Industry experts believe Kosmos' stake would almost certainly have ended up with the Chinese since Ghana does not have the money to buy and maintain the stake.

Even if GNPC is indeed looking to buy the Kosmos stake for Ghana, it is an interesting direction because even countries such as Venezuela which nationalized her oil in 2007 are opening them up for private bidding again. National oil production in the South American country has continued to decline to the point where it could not be ignored further. Why any developing country would want to pursue that nationalization policy in these hard economic times is puzzling to one industry expert we spoke to. "It's like someone is running away from fire and yet you want to run into it," he said.

It is not clear if ExxonMobil will reconsider its decision to abandon the Ghana initiative. What is clear is that with up to 184 billion barrels of oil under its control globally, it would be a surprise if ExxonMobil continues to actively knock on Ghana's doors for her 1 billion barrels of proven reserves. Companies that have poured money in Ghana may have an interest in staying to protect their investments. But with the current hostile business environment in Ghana resulting in a lowering of Standard and Poor grading, ExxonMobil's departure may be only the beginning of a pseudo boycott of international companies of the once investment superstar destination of Africa.

Ghana sees 1 mln T cocoa output next season

Ghana, the world's second-largest cocoa grower, could reach its target of producing 1 million tonnes of the main ingredient in chocolate next season -- a year ahead of schedule -- a senior official said on Tuesday.

Yaw Effah-Baafi, Deputy Minister for Food and Agriculture (Crops), said the West African country expects to produce around 850,000 tonnes of cocoa this season already, though much of it will remain off the books due to smuggling.

Much of Ghana's smuggled cocoa is believed to pass through Ivory Coast, the world's top cocoa producer, where farmers have enjoyed higher farmgate prices this year but locally-grown volumes are seen in decline.

"Next year we should be able to hit 1 million tonnes... we will look at areas which caused our shortfall and address those issues. One million is achievable next year," Effah-Baafi told Reuters on the sidelines of an Agribusiness Investment Summit.

Effah-Baafi could not give any projections for this season's official figures published by industry regulator Cocobod, but said some 5-10 percent of produced volumes were likely to be lost to smuggling.

Cocoa purchases declared by private buyers to Cocobod since the start of the year-long season in October -- the best reflection of output from the West African state -- hit 615,880 tonnes by Aug. 12.

Ghana had previously said it would reach the 1 million tonne mark in 2012. Official volumes by the end of this season at the end of September are expected to come in below last year's record 705,000 tonnes.

BIOFUELS POLICY

The West African state is hoping to clamp down on smuggling with tighter border surveillance and is considering measures to keep its purchase prices competitive with neighbours Ivory Coast and Togo to discourage illicit trade.

The official said Ghana also plans to raise the amount of cocoa processed locally to 50 percent from the 35 percent which was likely to be processed in the country this season, to enhance the value of exports.

Ghana, on track to become a commercial oil exporter after the start of production from the offshore Jubilee oilfield this year, is also hoping to boost other agricultural investment.

Effah-Baafi said the country would favour investments in maize, rice and cattle to reduce its reliance on imports.

The country is also drafting a biofuels policy to ease investor access and Effah-Baafi said it was likely that it would be passed by the end of the first half of next year.

He said only a small percentage of arable land of marginal quality would be given up for biofuels to ensure that it did not jeopardise the country's food production.

A study by an environmental group on Tuesday showed that biofuel demand was driving a new "land grab" in Africa, with at least 5 million hectares (19,300 sq miles) acquired by foreign firms to grow crops in 11 countries.

LIBERIA

Vice President Boakai Craves More Chinese Investments

Vice President Joseph N. Boakai has told a major business forum for Chinese Investors in Shanghai, China, that the main focus of the Ellen Johnson Sirleaf-led Government is to transform Liberia into an oasis of peace and prosperity.

Vice President Boakai, who earlier decried the over decade-long Liberian civil war that destroyed every fabric of the Liberian society, further told the forum that the destruction will never leave the Liberian people's imagination unless they translate their aspirations into meaningful initiatives that will bring back dignity and pride to them.

However, the Vice President said the government alone cannot transform Liberia into an oasis of peace and prosperity, stressing that Liberia is at a crossroads in history and certainly needs help. According to him, the government needs the help of the business people, people of goodwill among others in achieving this crucial goal.

Speaking further, he highlighted some of the significant leaps the government has taken in restoring confidence in the Liberian economy with the institution of prudent fiscal and monetary policies.

"The international community is assisting in training and restructuring our national security apparatus. The training and restructuring of the security forces includes civil and human rights education, as well as provisions for the recruitment of those personnel who might not be required for further service," he stated, amid tremendous applause from the gathering.

He said all of these initiatives, including the reconstruction of damaged infrastructure, are geared towards restoring trust and confidence in the governance system that was eroded over the years. But the Liberian Vice President was quick to point out that all of these efforts are not without challenges.

"Our government is still faced with the challenge of restoring electricity and pipe-borne water supply to Monrovia and to extend these services to other parts of the country, especially the rural areas," the Vice President noted.

He continued: "The rehabilitation and expansion of the Mount Coffee Hydro-electric plant and water treatment facilities, which before the civil war provided electricity and drinking water for Monrovia and its environs, would prove very vital to these efforts."

These facilities, he said, were originally constructed through funding and expertise provided by the international community.

Against this backdrop, he indicated that Liberia needs international assistance to stimulate economic activity and growth in the country once again. Hear Vice President

Boakai: "As peace and stability return, we will highly appreciate if investors can once again continue to play a significant role in the economic development of Liberia." He encouraged those investors that once invested in the Liberian economy to return and those considering exploring investment opportunities in Liberia to seize the opportunity provided by this new political dispensation to also return and help build war ravaged Liberia. He informed the forum that Liberia's investment opportunities include natural resources such as iron ore, gold, diamonds, timber, rubber and crude oil. "Tourism is another area of investment in Liberia worth international attention. Coastal and rural locations such as Marshall, Cape Palmas, Robertsport and national wildlife reserves in the southeastern part of the country offer many natural and scenic attractions," he added. The business forum was also attended by Liberia's Ambassador to the People's Republic of China, Madam Neh Dukuly Tolbert, China's Ambassador to Liberia, Zhou Yuxiao, Liberia's Minister of Information, Culture and Tourism, Cletus Sieh, as well as prominent Liberian business people, among others. Meanwhile, Vice President Boakai and delegation returned home on Saturday, August 28, following a nearly two-week state visit to that Asian nation.

Govt. Signs U.S. \$1.6 Billion Agreement to Develop Oil Palm Industry

The Government of Liberia ("GoL") and Golden VerOleum (Liberia) Inc. ("GVL") Thursday, September 2, announced a partnership for the cultivation of sustainable palm oil by the company and by Liberian smallholders and farmers, mill processing and value-added manufacturing. The investment is expected to total US\$1.6 billion, creating more than 35,000 direct jobs and building a whole new economic sector in Liberia's southeastern counties.

GVL is incorporated in Liberia and is a subsidiary of the Verdant Fund LP ("Verdant"). Verdant's initial and lead investor for this project is Golden Agri-Resources ("GAR"). Apart from GAR, Verdant is expected to receive funding from other investors to meet its targeted US\$1.6 billion investment amount. Additionally, GVL will draw on GAR's expertise and more than 20 years of experience in Indonesia, where GAR cultivates more than 400,000 hectares (1 million acres) of oil palm. GVL will be managed by a Liberia-dedicated, experienced management team while GAR will maintain its plantations operational focus on Indonesia and provide technical expertise to GVL.

GoL and GVL are commemorating the partnership by establishing the VerOleum Scholarship Fund, with an initial award of US\$100,000 in the first year, to be followed by annual awards. The scholarship will provide education, training and employment for outstanding Liberian students pursuing a career in agriculture.

"Sustainable palm oil development will be a central growth pillar in rebuilding our economy and reducing poverty. It will not only provide income and create employment for our people; oil palm plantations will also provide infrastructure and education to the workers in those estates and lift the overall standard of living. We are excited about our

partnership with GVL and by GAR's investment. As a leader in the industry, GAR has a proven track record of large-scale palm oil production and best practices to achieve high productivity and at the same time maximize preservation of both high conservation value areas and biodiversity," said Dr. Florence Chenoweth, Liberia's Minister of Agriculture at the signing ceremony.

GAR's Chairman and CEO, Mr. Franky Widjaja, highlighted, "We are fully committed to sustainable palm oil development and understand that this is the same ambition that the Government of Liberia shares. With such a common ground, we believe that we can work together to develop the palm oil industry into becoming one of the main pillars of growth for Liberia."

Matt Karinen, Chairman of GVL, said, "The partnership is a major step for Golden VerOleum and Verdant. To participate in the development of one of the fastest improving countries in Africa is something we are very excited about. The VerOleum Scholarship Fund also signifies our deep commitment to playing a part in the development of Liberia. We believe that this will give opportunities for outstanding students to be identified and nurtured through our scholarship, and we look forward to employing successful candidates after they have finished their studies. Furthermore, we expect to make a major positive contribution to the environment. Today, and for more than 20 years, Liberia is being deforested by slash-and-burn agriculture, driven by rural poverty. By offering employment, smallholder programs and making the degraded land productive, we hope to slow down and stop the deforestation."

CAMEROON

Victoria Oil raises 9.2 mln stg for Cameroon plant

Victoria Oil & Gas Plc (VOG.L: Quote) said it raised 9.2 million pounds (\$14.1 million) through a share placing to complete all gas plant facilities and the pipeline to deliver first gas production at Logbaba in Cameroon.

The company, which is involved in exploration projects in Africa, Russia and Kazakhstan, said it placed 368 million shares at 2.5 pence each, which was at a discount of 9 percent to their Tuesday's close.

The AIM-listed company said the placing would be executed over two tranches and it expected the first tranche to start trading on Sept. 7.

Victoria Oil, which is the only onshore gas producer in Cameroon, recently said it was on track for December gas delivery from its Logbaba gas project in that country and had signed gas sales pacts for 20 years.

The company said it expected to sell 10 million cubic feet of gas per day by mid 2011, generating gross gas sales revenue of more than \$1 million per week.

It was confident of boosting sales to over 100 million cubic feet per day within five years, Victoria Oil added.

The company's shares were down 2.9 percent at 2.66 pence at 1035 GMT on the London Stock Exchange. (\$1=.6519 Pound)

ENVIRONMENT

GHANA

Ghana is environmentally prepared for oil and gas drilling

Ghanaians living within the oil catchments area can report any environmental hazards caused by the oil and gas drilling to the Environmental Protection Agency's (EPA) regional offices.

The Ministry of Environment, Science and Technology, is therefore, training and equipping staff of the EPA to enable them to handle any such complaints as Ghana gets ready to drill oil in commercial quantities in November 2010.

Ms Sherry Ayittey, the sector Minister, announced these at press briefing on Ghana's environmental preparedness for oil drilling in commercial quantities.

"the oil and gas master plan developed by the EPA seeks to integrate environmental management, health and safety and community issues into petroleum sector operations," the Minister said.

Ms Ayittey said the Ministry was already collecting baseline information on offshore environment through the assistance of the Ministry of Environment of Norway, and had also developed an oil and gas assessment guideline as a step towards regulating the environmental aspect of the petroleum sector.

She said to respond to oil spill emergencies, the National Oil Spill Contingency Plan was also being strengthened but added that the national policy was "No Spill."

Ms Ayittey said "We shall do the necessary environmental due diligence enshrined in our environmental statute books, we shall caution when we have to and punish when we must in cases of environmental breaches by stakeholders".

She requested the active participation and cooperation of all Ghanaians in the country's quest to leapfrog the dirty part of the oil and gas drilling.

Mr. Joseph Allotey, Executive Director of the EPA, said clear responsibilities had been assigned to various agencies including the Ghana National Petroleum Corporation, the Ghana Maritime Authority, the Security Services and other allied state institutions.

He announced that the EPA was also in the process of establishing the necessary telephone contacts for the public to call in case of any environmental emergencies.

HUMAN RIGHTS/ GENDER/ SOCIAL ISSUES

GHANA

Ghana will support her neighbours with oil and gas

Vice President John Dramani Mahama on Wednesday gave the assurance that Ghana would not hesitate to support its neighbours with her resources anytime the need arises.

"We are all neighbours and therefore need to be interdependent on each other and with the discovery of oil and gas in Ghana; government will support its neighbours as soon as she embarks on the drilling of those resources."

Vice President Mahama said this when a delegation from Benin called on him to present a request from Mr Yayei Boni, President of that country.

The delegation, led by Madam Christine Ouisavi, Beninois Minister of Trade, was in the country to negotiate with the Ghanaian government to supply them with 1,500 tonnes of gas monthly, because of gas shortage in the country as a result of the rehabilitation of their storage facilities.

Vice President Mahama said although Ghana was currently faced with some shortages as a result of the conversion of many vehicles from petrol to gas and the increased domestic use of the commodity, government would find a way of helping Benin until their situation stabilized.

"Ghana and Benin are historical friends since we are both members of the African Union and the Economic Community of West African States (ECOWAS) and Benin's problems are definately Ghana's problems."

Madam Ouisavi said apart from negotiations for gas, Benin would foster closer relations and solidarity with Ghana in other sectors of the economy.

LIBERIA

Drug War Intensifies

"The problem is bigger than imagined. Arrests and imprisonment are not the solution. There is a need for some social rehabilitation, somewhere to take these people. As we

arrest and imprison them, they bounce back on the streets. It is a vicious circle," a police source, preferring anonymity, said in a serious mood.

"We watch many of them; living in toilettes and holes, die. They get high, lean on a tree with wounds and then just die. Marijuana is like cigarettes for them. Cocaine is what they sniff... They have no place to hide."

Last week, police, in a raid, arrested several persons belonging to drug gangs. Amongst them is a man police say is the ringleader of the drug dens entrenched in central Monrovia, spanning from Center Street towards Coconut Plantation along the Atlantic Ocean.

Police say the overwhelming numbers of users are ex-fighters in the various disbanded armed factions along with their commanders, some "very high profile" people.

Raids have become common in the drug dens and addicts are now accustomed to them, one resident said. Many of the users and carriers live in the slum and in the cemetery despite several efforts to get them out.

But suspect Nathaniel Beh later became a free man the same day he had been handcuffed and taken to the West Point Magisterial Court for questioning. This police say, is the pattern in a country with some of the weakest drug laws that encourage abuse.

Police say Nathaniel Beh sent his 'men' (drug users he sells the substance to) to attack the unarmed police of the Metro Police Station with machetes, almost subduing the law enforcers at that police post.

"There are police officers who work with them as partners and informers. Any planned swoop will always leak before officers arrive on the scene," the source lamented.

The police source claimed that obtaining a court warrant to search homes suspected as drug warehouses as required by law has been counter-productive because they (drug dealers and users) receive prior information through the very officers mandated to comb drug infested areas.

Police said Nathaniel Beh is also being supplied by three women, including one identified as Rizetta, Mammie and another lady identified as Natu.

Police at the Metro Police Depot said they have already identified the hideout these drug-marketing women who will not escape imminent arrest.

But at the Metro police station, several drug users gathered in solidarity with Mr. Beh when he was being processed for the West Point Court." This is our man the police cannot just carry him like that. God bless them the war is over... but they will see. That man will come right back in this place. Eh you say you press man but don't take our man

photo. If you take it we will burst the camera. That shit your can be doing," one them said as saliva foamed from the corners of his mouth.

Amongst seven others arrested and charged with illegal possession of dangerous drugs such as marijuana, cocaine and Italian White (a dangerous drug) were four Sierra Leoneans and three Liberians.

They are Palino Bangura 22, Hasson Bangura 19, Moses Bayoking 19, John Doe 24, Prince Marshall 22, and John James, 33, notoriously known as Ray.

As police officers combed the entire Center Street Thursday and arrested several drug users, cheers echoed from community dwellers who themselves have often been accused of harboring these criminals.

"Oh God, thank you for the police; they are doing well but we are sorry for them. These criminals will come right back here," an elderly woman said.

Because of the constant combing of the Center Street Community notoriously known as 'Vlagba', the drug users fled to the community adjacent the Palm Grove cemetery where several of them were arrested Thursday.

There is a tunnel behind the Old Defense Ministry that the criminals use as route to elude the police. Many of the sellers and distributors, the source said, are women and girls.

One is the ex-girlfriend of Liberian musician. "They are well connected with the police and in the justice system," the source said.

As He Disputes the Evidence of RUF Radio Operators, Liberian Radio Operator Could Be The Final Witness For Charles Taylor

A former radio operator in the Special Security Services (SSS) unit in Liberia, who has refuted the evidence of prosecution witnesses and Revolutionary United Front (RUF) radio operators, could be the final witness to testify as a defense witness for Charles Taylor, defense lawyers for the former Liberian president have informed the Special Court for Sierra Leone judges in The Hague.

When court resumed on Friday morning for the commencement of the cross-examination of Mr. Taylor's 20th witness, DCT-008, the presiding judge of the Trial Chamber Justice Julia Sebutinde informed the court of an email that the judges had received from lead counsel for Mr. Taylor, Courtenay Griffiths. The email stated that the present witness, DCT-008, could be the final witness that would testify for the defense. Justice Sebutinde further asked the defense to indicate whether this email also meant that the defense was disposing of a pending motion that is before the judges relating to allegations of

payments made by prosecutors in an amount of over 30,000 USD to a potential defense witness, DCT-097. In the motion, defense lawyers allege, with documentary evidence, that prosecutors had paid huge sums of money to DCT-097, a former member of the RUF, who according to many witnesses was the main person who transported blood diamonds from Sierra Leone to Mr. Taylor in Liberia. Prosecutors had contacted the former RUF fighter to testify against Mr. Taylor and, in the process, had allegedly sent him huge sums of money for his cooperation, defense lawyers say. The motion alleges prosecutors only stopped the payments to the RUF fighter when he could not tell them what they wanted to hear.

Now a potential defense witness who was scheduled to testify for Mr. Taylor, the RUF fighter identified by Pseudonym DCT-097, has given defense lawyers moneygram receipts of payments he received from prosecutors. Defense lawyers have, through the motion, asked the judges to order prosecutors to make a full disclosure of all payments to the witness, as well as disclosure of all exculpatory evidence that would point at Mr. Taylor's innocence based on statements that were made by the witness.

After conferring with other members of the defense team, defense counsel Morris Anyah told the judges that the defense still want a decision on the motion because defense lawyers intend to establish that prosecutors have been paying witnesses to testify against Mr. Taylor.

Mr. Anyah informed the court that at the end of DCT-008's evidence, Mr. Griffiths would address the court on the next steps of the defense case, adding, "Except as otherwise instructed, this will be the last live witness for the defense."

Defense lawyers did not say why they have decided against having DCT-097 to testify as a defense witness.

As the cross-examination of DCT-008 commenced on Friday morning, Chief Prosecutor Brenda Hollis raised several questions relating to the role of the SSS in Liberia, the various places where communication radio sets were installed in the country, and communications that took place between the witness and RUF rebels in Sierra Leone. Ms. Hollis also questioned the witness about the personal relationship he had with Mr. Taylor.

The Chief Prosecutor noted that he had a close relationship with Mr. Taylor and that, on occasions, they both discussed security issues. The witness said that was never the case.

"I was never close to Charles Taylor...I never sat with Mr. Taylor for any discussions on security matters...I told you...that the only time I spoke with him was in 2003 when some of our men went missing in the Lofa forest," the witness said.

An area of disagreement during the cross-examination on Friday was the location of radio communication sets inside the Executive Mansion of Liberia when Mr. Taylor was the president of the country. In the witness's testimony, he has stated that the SSS radio

communications department was based on the 4th floor of the Executive Mansion from where SSS radio operator Sun Light worked. This account, prosecutors say, goes contrary to what Mr. Taylor and Yanks Smythe, another defense witness who also worked as radio operator, told the court in their testimonies. These two men stated that the radio communication sets were installed on the 5th floor of the Executive Mansion. As Ms. Hollis suggested that Sun Light used communication equipment on the 5th floor of the Executive Mansion to communicate with the RUF in Sierra Leone, DCT-008 insisted that Sun Light did not work on the 5th floor but on the 4th floor of the Executive Mansion.

“It is also correct that in 1997, Sun Light worked on the 5th floor and communicated with the RUF component of the junta in Sierra Leone, is that not correct?” Ms. Hollis asked the witness. “It is not true that Sun Light worked on the 5th floor of the Executive Mansion,” the witness responded.

On Monday, the witness testified in direct-examination that Mr. Taylor’s former Vice President Moses Blah ordered the execution of a Sierra Leonean rebel commander in Liberia who was already a subject of an indictment issued by the Special Court for Sierra Leone in 2003.

When notorious RUF commander Sam Bockarie was executed while entering Liberia from Ivory Coast in 2003, allegations were made that his execution had been ordered by Mr. Taylor.

Giving his account of the circumstances surrounding Mr. Bockarie’s death, defense witness DCT-008 told the court that in 2003, a radio operator using “the call sign Lima Tango told me that Sam Bockarie had been killed as he was trying to enter Liberia with armed men.”

Prosecution witnesses have testified earlier that the order to execute Mr. Bockarie was handed down from Mr. Taylor to his SSS Director Benjamin Yeaten, who took men to the Liberia-Ivory Coast border and executed Mr. Bockarie along with his bodyguards and family members. When Mr. Blah testified in 2008, he told the court that he was in Nimba County when Mr. Bockarie was executed, and Mr. Yeaten had met him there and told him of an operation that they had just executed. When Mr. Yeaten took him to his vehicle, Mr. Blah said he saw the corpse of Mr. Bockarie at the back of the truck. He explained that when he took Mr. Bockarie’s remains to Monrovia and informed Mr. Taylor about it, the former Liberian president told him that it was a military operation and there was no need for Mr. Blah to get involved.

Mr. Taylor, during his testimony, denied these claims and told the court that he had only sent Mr. Blah to stop Mr. Bockarie from entering into Liberia with armed men and to have him arrested. It was Mr. Blah’s handling of the situation that had led to the death of the RUF commander. DCT-008 corroborated Mr. Taylor’s account in his testimony on Monday.

“What Lima Tango told me was that Sam Bockarie had a group of armed men, uncountable number of armed men, and he was trying to return to Liberia but at this time, the Liberia security tried to stop him and at this time, the group [Liberian security] was led by Moses Blah,” DCT-008 told the court.

“He Moses Blah was ordered to arrest Sam Bockarie but when they got there, Sam Bockarie resisted arrest, and he [Blah] said, ‘Do not waste time with that man, if he resists arrest, just kill him and bring his body to me’ and so they killed him and took the body to him [Blah].”

“He [Blah] brought the body to Monrovia and took it to the Striker Funeral Home,” he added.

Prosecutors allege that Mr. Bockarie was killed on his return from Ivory Coast after being sent to fight in that country by Mr. Taylor. When Mr. Bockarie was returning to Liberia with men whom he had commanded in Ivory Coast and with a Special Court for Sierra Leone indictment already issued, Mr. Taylor ordered his execution to cover any tracks of his close relationship with the former Sierra Leonean rebel commander, prosecutors allege. Mr. Taylor has dismissed these allegations as lies.

DCT-008 also spoke about the circumstances surrounding the death of Daniel Tamba, aka Jungle, who according to prosecutors was Mr. Taylor’s liaison with the RUF in Sierra Leone. Prosecutors say that when Jungle later returned to Liberia, Mr. Taylor ordered his execution, and he was shot in the back by his own comrades who were acting on orders handed down by Mr. Taylor to SSS Director Mr. Yeaten. Defense witnesses have said that Jungle was a member of the RUF who had a close relationship with Mr. Yeaten without Mr. Taylor’s knowledge. DCT-008 on Monday testified that after the disarmament in Liberia, Jungle was one of the Liberian members of the RUF who refused to be disarmed in Sierra Leone and instead returned to Liberia, where they became part of Mr. Taylor’s security forces.

Explaining his account of how Jungle died in Liberia, DCT-008 said, “What I heard about his death was that he died by a friendly fire, from a friendly gun.”

“He was engaging the enemy forces, he was hit by a BZT at the back. While the BZT was giving them cover, the BZT mistakenly hit him in the back,” he said.

When asked about Mr. Yeaten’s reaction to Jungle’s death, the witness said, “What I observed was that after this had happened... Ben [Yeaten] came to Monrovia constantly crying that he had lost Jungle. He was very sad.”

On Tuesday, DCT-008 told the court that prosecution witness and former member of Mr. Taylor’s National Patriotic Front of Liberia (NPFL) rebel group, Joseph Zig Zag Marzah, did not have physical proximity to the former Liberian president.

In 2008, Mr. Marzah testified as a prosecution witness in The Hague, and he told the judges that Mr. Taylor personally gave him orders to carry out executions of individuals in Liberia and that as members of the same secret society, himself and Mr. Taylor feasted on human beings, who had been executed on Mr. Taylor's orders. Mr. Marzah also told the court that on Mr. Taylor's instructions, he transported arms and ammunition to RUF rebels in Sierra Leone in exchange for Sierra Leone's blood diamonds.

During Mr. Taylor's almost seven months of testimony in his own defense, he dismissed Mr. Marzah's evidence as lies, telling the judges that illiteracy could be responsible for Mr. Marzah concocting such stories against him.

Defense counsel, Mr. Anyah, asked DCT-008 whether it was possible for Mr. Marzah and Mr. Taylor to share a meal together.

"Did the president of Liberia have one on one interaction, such as meals, with someone like Zig Zag Marzah?" Mr. Anyah asked the witness.

"No," the witness responded.

"Were you there?" Justice Sebutinde asked the witness.

In response, the witness explained, "Your honor, I said no because looking at the personnel in this situation, because even the special assistant to Benjamin Yeaten, Samson Wai, did not have physical proximity to the president."

"Marzah was just like a servant to Benjamin Yeaten," the witness added.

DCT-008 also spent a considerable amount of time on Tuesday discussing the radio communications that took place between the radio communication set that was installed at Mr. Yeaten's residence in Liberia called Base One and the radio set that was used by RUF commander Mr. Bockarie, located at the RUF headquarters in the Sierra Leonean town of Buedu.

In 2008, a prosecution witness testified that when Mr. Yeaten and Mr. Bockarie wanted to talk with each other, one radio operator from either Sierra Leone or Liberia would call the radio set on the other side and say, "The principal on this side wants to talk to the principal on that side."

DCT-008 dismissed this testimony as a lie, telling the court that while radio communications took place between the two stations, no titles were used during the communication.

"No one was referred to as principal during the communication between Buedu and Base One," he said.

The witness also added that contrary to prosecution evidence, the communications that took place between Liberia and Sierra Leone only started in the late 1990s, and evidence that such contact existed in the mid 1990s is false.

When DCT-008 explained, “To my knowledge, in [19] 94, 95 up to 97, there was no communication between the Government of Liberia or the NPFL at the time and the RUF,” a judge of the Trial Chamber, Justice Richard Lussick, asked the witness, “How do you know?”

In response, the witness said, “I was told by previous operators that in 1991-92, there was communication between the NPFL and the RUF, but after that, there was no link between the NPFL and the RUF.”

When the Judge asked him to tell the court the names of the said previous operators who had told him so, the witness said, “Sorry I can’t remember their names...but I can remember this information.”

The witness also refuted evidence that when the RUF undertook operations in Sierra Leone, RUF commander Mr. Bockarie had radio contacts with SSS Director Mr. Yeaten. A prosecution witness told the court in 2008 that during conversations with Mr. Yeaten, he heard Mr. Bockarie respond with words like “yes sir,” inferring that Mr. Bockarie was taking orders for military operations from Mr. Yeaten.

In response to a question of whether Mr. Yeaten was “directing RUF ground operations by giving Sam Bockarie orders on the front line,” DCT-008 said, “It is not to my knowledge that he [Yeaten] instructed Sam Bockarie on military operations.”

The witness was also confronted with prosecution evidence that when rebel forces invaded Sierra Leone’s capital Freetown in January 1999, Mr. Yeaten personally spoke with Mr. Bockarie on the radio during which conversation the SSS Director congratulated the RUF commander for his rebel group’s achievement. The witness dismissed this as a lie, saying that he never saw Mr. Yeaten personally speak on the radio.

“First of all, please be informed that there was no occasion that Benjamin Yeaten spoke on the radio with anybody. Sam Bockarie and Benjamin Yeaten never spoke to each other on the radio as far as I’m concerned,” the witness said.

While admitting that Mr. Yeaten had a strong relationship with the RUF, the witness insisted that the Liberian government had no knowledge of such a relationship.

On Wednesday, DCT-008 told the court that RUF radio operators lied when they alleged in their testimonies that RUF commanders sent regular radio messages to Mr. Taylor about the RUF’s activities in Sierra Leone and that Mr. Taylor and his SSS Director Mr. Yeaten sent regular instructions to the RUF through the radio operator called Sun Light, who operated the radio communication set that was installed at Mr. Yeaten’s residence called Base One.

In July 2008, a former RUF radio operator, TFI-567, told the court that in December 1998, when RUF rebels dislodged Economic Community of West African States Monitoring Group (ECOMOG) peacekeepers and captured the diamond rich town of Kono, radio communications took place between the RUF radio operators based at RUF headquarters in the Sierra Leonean town of Buedu and Liberian authorities through the radio operator Sun Light, who was in charge of the Base One radio set in Liberia.

When DCT-008 was asked about this on Wednesday, he told the court, “It didn’t happen so. I have my doubts because Sun Light never visited Sierra Leone to know what was happening there. Sun Light did not give any report on RUF operations...Sun Light did not have any contacts with the RUF organization. He was only communicating with Sam Bockarie [RUF commander] on behalf of Benjamin Yeaten.”

The witness also refuted the evidence of another RUF radio operator, TFI-585, who testified in 2008 that when rebel forces invaded Sierra Leone’s capital of Freetown in 1999, Mr. Yeaten spoke to RUF commander Mr. Bockarie. During this conversation, the SSS Director expressed gratification at news of the invasion of Freetown, telling Mr. Bockarie that he’ll visit RUF headquarters in Buedu in two days. Mr. Yeaten also told Mr. Bockarie to turn on his satellite phone as Mr. Taylor wanted to speak with him, the witness told the court in 2008.

Disputing this claim, DCT-008 on Wednesday told the court, “I am not aware of that. For the time that I was at 50’s [Yeaten] house, 50 never spoke to Sam Bockarie on the radio, infact, 50 never spoke to anybody on the radio, whether for family or government issues.”

DCT-008 also responded to the testimony given by the overall RUF signal commander, Mohamed Beretay Kabbah, who in 2008 testified that whenever an ECOMOG fighter jet left from the Roberts International Airport (RIA) in Monrovia with a target to bomb RUF positions in Sierra Leone, Sun Light would inform RUF radio operators in Buedu that the “Iron Bird” was on the way, thus helping RUF rebels to plan their escape. Sun Light also used the code “448” when informing RUF radio operators about the ECOMOG fighter jet, Mr. Kabbah said in 2008. DCT-008 described this account as false.

“First of all, I do not know the code 448 to be reference to an ECOMOG jet. And when Base One was communicating with Buedu, there was no communication regarding ECOMOG jet,” the witness told the court.

“We had our own code that referenced an enemy plane and it was 15-2. During the NPFL days, when ECOMOG was carrying out air raids against the NPFL, the NPFL radio communication used “Iron Bird” but this was not expedient as it could reveal what we were talking about...and when we went into government, Iron Bird was cancelled and we used the code 15-2.”

The witness added, “Base One was situated in Kongor town in Monrovia. The RIA where ECOMOG was is far away from Base One...Base One had no knowledge of ECOMOG

jets. Yes, we could hear a plane when moving but we had no knowledge of where it was going, so the issue of communication regarding the movement of ECOMOG jets never occurred.

When asked by Judge Lussick whether it was “possible for somebody at RIA to get in touch with Base One either by radio or telephone,” the witness said, “Yes.”

“We had a radio at RIA. It was possible,” he said.

The witness, however, said that there was no time that the radio operator at RIA informed Base One that an ECOMOG jet had take off for Sierra Leone.

The witness disputed claims that the RUF used to communicate with Mr. Taylor through Sun Light. He said that Sun Light never had access to the president of Liberia, so there is no way such communications could have taken place through Sun Light.

On Thursday, defense lawyers concluded the direct examination of DCT-008. The witness’s direct examination was concluded mostly in private session as defense lawyers focused on discussing certain issues and submission of exhibits that, if discussed in public, would disclose the identity of the witness and the identities of other protected prosecution witnesses.

The witness, whose cross-examination began on Friday, will continue his testimony on Monday. It is anticipated that the cross-examination of the witness will be concluded next week.