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## **Report summary**

Key Challenges Ahead of Voting Three months before Sudan's landmark referenda on the status of the South and Abyei, concern is rising as to whether credible polls can be pulled off in such a short time. There are some pending key challenges like Voter registration, Fears of fraud, Deployment of observers, North-South tensions, possible delays and demarcation problems.

Sudan's foreign minister told the U.N. Security Council Saturday his government is "fully committed" to holding a referendum that could result in the south of the country seceding from the north. The foreign minister warned against interference in the January 9 vote. He says Khartoum will abide by the results of the vote, but it must be arranged and conducted properly. He says their only condition is that there is no interference in the vote.

Sudan's president has warned of a return to civil war unless the country's north and south resolve key issues ahead of a referendum on southern independence. The state news agency quotes President Omar al-Bashir as saying the two sides must settle disputes involving water, debt, wealth-sharing, citizenship and the north-south border Mr. Bashir said failure to resolve these issues could trigger a new conflict that he said could be "much more serious" than the 21-year civil war that ended in 2005.

Sudanese officials rejected the deployment of United Nations peacekeepers on the border between the northern and southern Sudan saying such request is unacceptable and contrary to the Comprehensive Peace Agreement (CPA). head of southern Sudan government last Wednesday asked the UN Security Council to deploy international troops along the north - south border ahead of the referendum on self-determination in southern Sudan.

The Libyan leader Muammar Al-Gaddafi warned that the secession of South Sudan will encourage similar tendencies in other parts of the continent but acknowledged that the split is inevitable. Addressing the one-day Arab-African summit held in Sirte, Gaddafi described Sudan's likely breakup as a "fever" that will spread throughout Africa. "Ethnicities [in Africa] will demand independence, linguists [in Africa] will demand independence, tribes [in Africa] will demand independence, and this is a dangerous matter.

Rebel Group Says Khartoum Lacks Political Will to End Darfur Crisis. Tadjadine Beshir Niam said Khartoum has often reneged on agreements signed with his rebel group despite promises to fully implement the various accords. Niam said Khartoum needs to show greater commitment towards ending the Darfur crisis.

The continental organization has chosen former Ghanaian president Jerry Rawlings as its new envoy for Somalia. The reports said Mr. Rawlings will help promote peace and reconciliation, as well as focus more international attention on the war-ravaged country.

Over 1 million people have been affected by the expulsion by Al Shabaab militants of international organizations that provide support in areas such as agriculture and livelihoods, health, nutrition, water, sanitation and hygiene, the United Nations reported in its latest update. Access for aid organizations in southern Somalia is at its lowest point with Al Shabaab expelling three more in September for having ties with the United States Government, bringing to eight those expelled this year, the UN Office for the Coordination of Humanitarian Affairs (OCHA) said.

President Sheikh Sharif Sheikh Ahmed on Thursday appointed 48-year-old American-Somali Mohamed Abdullahi Mohamed as the country's new Prime Minister. The president praised the experience of Mohamed, and expressed confidence in his ability take up the difficult post. If approved by the Somali Parliament, Mohamed Abdullahi Mohamed will replace former Prime Minister Omar Abdirashid Ali Sharmarke, who resigned three weeks ago after a bitter power-struggle with the president.

One of Ethiopia's key opposition figures was freed from jail on Wednesday morning. Birtukan Medeksa had been behind bars since late 2008. After days of rumours, Medeksa's release from jail was finally announced on Wednesday in a communiqué from the Ministry of Justice. It said that she wrote to Prime Minister Meles Zenawi in mid-September requesting a pardon. Medeksa, the president of the Coalition of Unity and Democracy party, was arrested in 2005 and sentenced to life for disrupting the constitutional order, which in Ethiopia is paramount to treason. She did not say whether she would stay in politics.

Ethiopia's Meles Zenawi is expected to appoint new ministers after being sworn in as Prime Minister by parliament Monday four months after a disputed landslide election wins. The ruling Ethiopian People's Revolutionary Democratic Front (EPRDF) and allies won 545 seats in the 547-member parliament on May 23 in a vote that was criticized by the United States and the European Union. Meles, in power since 1991, is expected to name a cabinet for his five-year term in coming days.

A Tanzanian political science professor has told VOA the entire population seems well-educated and equipped to make informed decisions in the upcoming general election scheduled for 31<sup>st</sup> October. Local media reports that the electoral commission, civil society groups and non-governmental organizations have launched a massive civic education campaign ahead of the vote. Lwaitama said the civic education has been successful.

A prominent member of Kenyans for Democracy and Justice, a political pressure group, said nepotism in the country's body politic, including the government, is an endemic problem that has to be dealt with.

This comes as Kenyan legislators are scheduled to question Prime Minister Raila Odinga Monday over allegations of growing nepotism in the current coalition administration. Critics say there are too many people in powerful positions within the government that are closely related to Prime Minister Raila Odinga, which they said is a clear case of endemic nepotism.

Kenya's economy grew at the rate of 5.4 per cent in the second quarter of the year powered by improved productivity in the key agriculture, construction and financial services sectors. The growth was mainly driven by robust performance in agriculture, construction, manufacturing and financial services sectors, according to the Kenya National Bureau of Statistics, whose data also pointed at strong growth in consumer confidence and spending.

## Report details

### Pan Africa

#### **Africa: WHO Outlines Strategy to Combat Neglected Tropical Diseases**

14 October 2010: VOA news

The international pharmaceutical company GlaxoSmithKline announced October 14 that it will donate 400 million more tablets for the treatment of intestinal worms in children. This comes as the World Health Organization is calling on drug companies to donate more medicine to help to eradicate tropical diseases. The WHO says in a new report that one billion people in the world's poorest countries are chronically ill from tropical diseases that receive little attention from drug manufacturers and health organizations.

The diseases - leishmaniasis, chagas, dengue and 14 others - are unknown to many people in developed countries, or are thought to have been eradicated long ago.

But the World Health Organization says they cause massive, hidden suffering that keeps millions of people in poverty. And the WHO is calling on governments, donors and pharmaceutical companies to help reduce those numbers significantly.

Dr. Peter Hotez is an expert in tropical diseases. He says that these parasitic diseases are rampant even though they are easily treatable.

"The neglected tropical disease program of USAID, which is also funded through global health initiatives, in some cases can lead to the elimination of some very important neglected tropical diseases such as lymphatic filariasis, possibly river blindness and leprosy," he said.

Dr. Hotez says that these diseases can often be treated with a single pill. But there is often no funding for proven and inexpensive treatments.

"Out of 10 billion [dollars] spent annually, only 65 million, less than one percent, is spent on neglected tropical diseases. We have to begin bringing that up because these conditions are just as important and we can do something about them through mass drug administration."

The WHO reports that the global effort against Guinea worm has yielded remarkable results - a 99 percent decline in the disease. People in affected

villages use screens to keep Guinea worm eggs out of their drinking water and out of their bodies.

Through the Carter Center, former U.S. President Jimmy Carter has led the battle against Guinea worm and river blindness, in partnership with the U.S. Centers for Disease Control and Prevention, and the World Health Organization.

President Carter told VOA he is confident Guinea worm will be eradicated in his lifetime.

"There's only been one disease in the history of humankind ever eradicated, and that was smallpox more than 30 years ago," said Jimmy Carter. "Guinea worm is soon going to be only the second disease in history to be wiped off the face of the Earth."

In Africa and Asia, the WHO says rabies vaccines prevent approximately 272,000 deaths each year.

The WHO report says one of the most effective strategies in controlling the neglected tropical diseases is mass scale preventative chemotherapy.

Under this therapy an entire population identified as susceptible to parasitic diseases is given tablets that can guard against several diseases at once.

Disease-free, the WHO says these people can care for their children, tend their farms and hope for a better life.

## **Africa: International Investors See Market Opportunities in Africa**

15 October 2010: VOA news

International investors are showing a growing interest in Africa's retail market. American retail giant Wal-Mart is in preliminary talks to buy South African wholesaler Massmart for more than \$4 billion. And the Dutch-based supermarket network SPAR recently opened a new outlet in Nigeria.

If Wal-Mart's offer to buy Massmart goes through, it would give the world's largest retailer a major foothold in Africa. Massmart with chains such as Dion Wired, Game and Macro, is the third largest distributor of consumer goods in Africa with 288 stores in 14 countries. "It shows other people that there is a lot of confidence in the real economy in South Africa. It's certainly a meaningful

investment outside of banking and mining where we have seen most foreign activity in the South African economy," said Economic analyst Mike Schussler.

Analyst Alan Gelb at the Center for Global Development in Washington also sees the deal in a favorable light. "The entry of supermarkets into African countries is a very favorable development. The first thing it does is that it brings in a whole new set of standards for marketing [and] for products," he said.

But Wal-Mart faces opposition from South Africa's largest labor group, which accuses the company of being against workers' rights. Wal-Mart officials say they would honor pre-existing union membership and abide by South African labor laws. Gelb also raises concerns about the impact on local food producers for example. "Some of the local producers may not be able to access this channel of distribution especially smaller companies... because they can't always produce to the qualities or the standards or just the reliability of supply that these organizations need," he said.

Wal-Mart said it gets the majority of its products from local sources near its stores.

Dutch-based SPAR is seeking to break a long tradition in Nigeria where shoppers traditionally purchase goods from street vendors and in open air markets. But Nigeria also has a fast growing middle class and the company sees market potential there. "Retailing is the next revolution and it is so large that it would outpace our existing economic drivers, be it telecoms be it banking, etc," said Haresh Keswani, managing director of SPAR Nigeria. Keswani says SPAR Nigeria hopes to open 200 stores in next 15 years. "Many who have never ever visited Nigeria have formed a strong opinion about this nation and they have practically shut their minds to ever even considering Nigeria to be a potential business opportunity or destination," Keswani said.

Keswani concedes international investors face many challenges in Africa. And Gelb emphasizes the need to adapt to local realities.

"They'll have to deal with the fact that some of these countries are less stable macro-economically. They are more dependent on primary commodities. The exchange rates may move up and down. They'll have to deal with the fact that transport and logistics is not always as good as they could be even though they have been improving. Sometimes they might find trade and administrative barriers. That's what they'll have to deal with. But it's much better than it was few years ago," Gelb said.

## **Africa: WFP: 17 African Countries Have Protracted Food Insecurity**

14 October 2010

In a recent report the World Food Program (WFP) and the Food and Agriculture Organization (FAO) say that 22 countries are experiencing protracted food insecurity, and 17 of those countries are in Africa.

In their report, the [WFP](#) and FAO, say that despite a recent decline, 925 million people, or 16 percent of the population in developing countries remain undernourished. They add that 20 percent of all undernourished people are to be found in the 22 countries experiencing protracted food insecurity.

WFP spokesman Peter Smerdon says that several problems taken together define protracted food insecurity.

"Countries considered as being in a protracted crisis are those reporting a food crisis for eight years or more, and they have received more than 10 percent of foreign assistance as humanitarian emergency relief, and they are on the list of low food deficit countries," he noted.

Smerdon notes that in many cases, such as Somalia, countries experiencing protracted food insecurity also have conflict and weak governments.

"In addition there is often weak governance, or poor public administration if any, in places such as Somalia for instance and [the Democratic Republic of] Congo," he added.

Smerdon adds that when conflict or droughts last several years, or rains decrease due to global warming often the result is that livelihoods become unsustainable to a point where they will never recover.

"Then people like pastoralists, nomadic herders who rely on the rain to keep the livestock alive, get into long term problems when their animals are killed by drought and therefore they never recover, they can never actually rebuild their herds to what is sufficient to keep them alive," he said.

The report notes that most countries in protracted crisis received less development assistance per person than the average for least-development countries. In particular agriculture, which supports two-thirds of their populations, received just three to four percent assistance.

Smerdon says this is because the focus is on saving lives, and donors often feel it is too soon to provide development help when a country is in crisis. He adds that a balance needs to be found in order to arrest chronic crises.

"You have to do both things, you have to do both development and emergency assistance to keep people alive to reverse the situation, otherwise you are just going to be stuck in a protracted crisis, and have to, have to keep trying to put out the fire, but you are not actually changing the structure of the crisis at all," he added.

Smerdon says the WFP has begun with a program called procurement for progress which sources emergency food supplies very close to areas of crisis, making it assistance rather than aid.

"And it means that the people on the edge of the areas in crisis because of drought build up some resilience, because they are getting money for the food they produce, they are not just getting bad rates from traders who then take the food, and they don't make a real profit," he said. "So it helps farmers to start standing on their own feet rather than becoming victims the next year to the effects of a protracted drought."

Smerdon adds that for those countries in conflict, one of the first requirements to rebuilding sustained livelihoods will be to end the conflict.

## **Africa: Hunger Report Highlights Africa Food Security Issues**

12 October 2010: VOA news

A report on hunger released this week highlights the persistent difficulties Africans face regarding food security.

In the list of 10 countries facing the worst levels of hunger, nine of them are in sub-Saharan Africa. According to the annual Global Hunger Index, the only non-African country on the list is Haiti. The nine African countries are the Democratic Republic of Congo, Burundi, Eritrea, Chad, Ethiopia, Sierra Leone, Comoros, Madagascar and the Central African Republic.

In the Democratic Republic of Congo, three quarters of the population are estimated to be undernourished.

The International Food Policy Research Institute, which released the report with other aid groups, says economic growth, strong agricultural performance, gender equity and an end to conflict are essential to substantially reducing hunger.

A senior fellow at the Chicago Council on Global Affairs, Roger Thurow, has many more practical ideas. He explains the title of his recently co-authored book, "Enough."

"We brought hunger with us into the 21st century in ever increasing numbers and that is shameful. We ought to say we have enough with the hunger issue; let us get to the bottom of it. The other meaning is that there is enough food in the world to feed everybody, for everybody to have enough caloric intake to lead an active life," he said.

A key problem in Africa, Thurow says, is that farmers are usually left to fend for themselves when they face a drought, a flood or an insufficient harvest. "In the United States or in Europe when a crop fails, there is usually somebody who writes a check either the government or an insurance company. In Africa, when a crop fails, people die because there is no safety net. Nobody is sharing the risk; it is all borne by the farmers themselves."

Although emergency relief is crucial in times of famine, Thurow would like to see more aid for long-term agricultural development and practices, such as improved grain storage.

"In Africa, maybe 30 to 50 percent of harvests of the various crops are wasted every year because there are not proper storage facilities. The markets then should be able to steer some of the surpluses in one part of the country to other places where there are shortages," he said.

Thurow calls for more micro-finance programs to give African farmers the ability to buy seed and fertilizer, and to improve irrigation. He says he is encouraged by mobile phone applications that are being developed to give farmers data on prices and marketing possibilities.

Earlier this year, activists with the international anti-poverty group ActionAid held marches in several countries, calling for an end to hunger

the group's chief executive Joanna Kerr says farmer and female empowerment are crucial.

"The solution is quite simply -- to put farmer's first and particularly female farmers first. Women farmers produce 80 percent of the world's food and they produce that food closest to where people are the hungriest," she said.

Kerr says world leaders need to do much more to confront the problem.

## **East Africa**

### **Sudan: Sudan 'Fully Committed' to On-Time Referendum**

11 October 2010: VOA news

Sudan's foreign minister told the U.N. Security Council Saturday his government is "fully committed" to holding a referendum that could result in the south of the country seceding from the north. The foreign minister warned against interference in the January 9 vote.

Foreign Minister Ali al-Kirti said in opening remarks at a meeting with the 15-member U.N. Security Council that his government's position is "unchanged" and it wants the referendum to go forward on time.

He says Khartoum will abide by the results of the vote, but it must be arranged and conducted properly. He says their only condition is that there is no interference in the vote.

In addition to the referendum on the north-south relationship, the oil-rich Abyei region is to hold one on the same day on whether they will join the north or south. On this, al-Kirti said sensitive issues remain to be agreed, including border demarcation and citizenship.

On the conflict in the Darfur region, the foreign minister said Doha is the main negotiating forum and asked the council to join them in pressuring rebel groups to come to the table without preconditions.

He said Khartoum is planning a conference in Kuwait next September on development in Darfur and asked the council and others in the international community to participate.

The foreign minister also brought up the international sanctions that Sudan has been under for several years, saying they are "unjustified" and harm the Sudanese people and efforts toward security and stability.

British Ambassador Mark Lyall Grant spoke for the council. He repeated the message the diplomats have carried on this trip, which is that the international community wants to see the referenda happen on time, in a credible manner and with the outcome respected by all parties.

"We are visiting Sudan because we have got a strong interest in peace, stability and prosperity of Sudan and its people. And we are deeply concerned by the

continued instability as evidenced by the two of the largest UN peacekeeping missions in the world - UNMIS and UNAMID," he said.

The ambassador also expressed the council's concern about the conflict in Darfur and the serious humanitarian situation there, and he urged all rebel groups to join the Doha peace process without preconditions and further delays.

Meanwhile, as the Security Council met with the foreign minister about 3,000 pro-unity demonstrators rallied near the presidential palace, Police with batons broke up another counter-demonstration by south Sudanese protesters calling for separation.

The council wraps up its four-day visit to the country Saturday. While in Sudan, the council met with south Sudanese leaders, including President Salva Kiir, in Juba, and stopped in Darfur to see the situation on the ground, before coming to Khartoum.

## **Sudan: Sudan President Warns Civil War Could Re-Ignite**

10 October 2010: VOA news

Sudan's president has warned of a return to civil war unless the country's north and south resolve key issues ahead of a referendum on southern independence.

The state news agency quotes President Omar al-Bashir as saying the two sides must settle disputes involving water, debt, wealth-sharing, citizenship and the north-south border before the plebiscite, scheduled for January 9.

Mr. Bashir said failure to resolve these issues could trigger a new conflict that he said could be "much more serious" than the 21-year civil war that ended in 2005.

The Sudanese president made the comments at a conference in Libya Saturday, the same day a U.N. Security Council delegation wrapped up a four-day visit to Sudan. The envoys urged northern and southern officials to make sure the referendum is fair, held on time, and that its outcome is respected by all parties.

Tension has been rising in Sudan as the vote draws near. In Khartoum Saturday, riot police beat a group of about 30 southern independence supporters who turned up at a pro-unity rally.

Mr. Bashir's foreign minister has suggested the government could reject the

referendum results if it sees "interference" in the vote.

The Bashir government has been campaigning for Sudan to remain unified. However, most analysts predict the now semi-autonomous south will choose independence.

The oil-rich Abyei border region holds a separate vote, also on January 9, on whether to be part of the north or the south. Disputes on border demarcation and voting rights for a local tribe have held up planning for that referendum.

Observers have warned that time to organize the two referenda is growing short. Organizers of the southern independence referendum set a timetable for voter registration just last week. Registration is due to begin November 14, with the final voter list to be published on December 31, just nine days before voters go to the polls.

## **Sudan: Sudanese Divided On Peacekeepers on North South Border**

17 October 2010: VOA news

The Sudanese government has objected to a proposal to move United Nations peacekeepers to the tense border between the north and south ahead of a referendum on independence for the south.

A senior Sudanese official said that the UN would need Khartoum's approval to move troops to the region to avoid violence ahead of the January referendum that could see the break-up of Africa's biggest nation.

Salah Gosh, President Omar Hassan al-Bashir's security adviser, has reportedly said troops cannot be deployed without the consent of Khartoum. U.N. officials said last week South Sudanese President Salva Kiir Mayardit, fearing war preparations by the North, had requested the reinforcements.

The National Congress Party (NCP) has totally rejected the UN offer of moving peacekeepers to the border area, said Alfred Taban, the managing editor of the Khartoum Monitor, an independent English-language newspaper in Sudan.

He said the only way the Sudan government can accept the deployment is if it is sanctioned by the UN Security council or if there is a strong backing for the deployment from the United States.

The deployment, he said, would help although it cannot prevent disaster. "The border is very long and it is almost impossible to place UN troops along the entire border.

He said there is real fear among the people about the outcome of the referendum. “The fear is real. Many southern Sudanese in Khartoum are parking their belongings and are heading south, even if they have to walk.” Taban noted that many students have abandoned their university studies and have started to go south using their money meant for food for transportation.

He said many people are resigned to the possibility of the South seceding after the referendum but there are some hard-line Islamists in the north who say they will not accept secession.

“They will want to impose unity which is likely to trigger more problems,” he said.

Taban said that the fact that preparations for the referendum are behind schedule is causing a lot of apprehension among south Sudanese because they think the delay is deliberate.

He said the Abyei issue may actually turn out to be of more concern than the referendum in the south. Both Southern Sudan and the oil-rich Abyei border region are to hold a referendum on January 9 on whether they want to break with the north.

“Khartoum has made it clear that they want everybody who claims to be inhabitants of Abyei to participate in the referendum.”

On the other hand, he said, the government of Southern Sudan (GOSS) says the Comprehensive Peace Agreement (CPA) says the citizens of Abyei are the nine Dinka kingdoms (Dinka Ngok) and they will not accept any other person to participate in the referendum.

“This is a serious issue,” said Taban, adding “unless there is serious dialogue between the NCP and SPLM there is likely to be a problem.”

## **Sudan: Afro-Arab Summit Calls for Increased Cooperation among Members**

12 October 2010: sudan tribune

Arab and African leaders are meeting in the Libyan town of Syrte for an Afro-Arab summit to discuss increasing mutual cooperation in various domains.

Arab and African leaders met in the Libyan town of Syrte on the heels of an Arab League summit just one day earlier.

Libyan head of state Colonel Muammar Khaddafi, who presided over both summits, warned against the eventual division of Sudan, following a scheduled referendum on the subject this January:

He says that two-thirds of all Arabs are African and they have racial, linguistic and geographic ties with the other third living outside Africa. He insists any conflict in Sudan will spread from Africa to the rest of the Arab world and it will be difficult to prevent the division of other Arab states. He also claims that so-called 'imperialistic' states, as well as Israel are behind developments in Sudan.

The Colonel went on to argue the break-up of Sudan into north and south would threaten all of Africa.

He says what is happening in Sudan is a disease, or at the very least a contagion for all of Africa, because it would represent the first time since the end of colonialism that the map of Africa, inherited from colonial borders, will be redrawn. This, he claims, is a bad precedent that could spell the division of many other African states.

Egyptian President Hosni Mubarak, whose country hosted the first Afro-Arab summit in Cairo in 1977, insisted it is time to translate mutual relations into mutual cooperation:

He says Arab states in Africa represent 70 percent of the Arab world and 20 percent of Africa, and the time has come for these common threads to be translated into more mutual cooperation under the umbrella of the African Union and the Arab League.

A draft strategy for Arab and African cooperation was also proposed to the delegates of the 60 Arab and African states who attended the summit.

Sources at the Arab League indicated a "Syrte Declaration" would outline the issues of peace, security, development and cooperation between Arab and African states. Mutual cooperation, they noted, would help protect Arab and African countries from the threats of nuclear weapons, weapons of mass destruction and the threat of terrorism.

Several African leaders touched on economic, political and security issues. Chad's President Idriss Deby warned of an insidious, natural threat to many Arab and African states, which is desertification:

He says desertification, and the sedimentation and drying up of waterways, like the Niger River, are subjects of pre-occupation for African states (and) they constitute a regional problem which necessitates collective action.

The summit is also expected to finalize a Partnership Strategy Project and to set up committees to address its recommendations.

Kuwait is due to host the next summit of Arab and African leaders in 2013.

## **Sudan: Sudan President Cautions against Referendum on Secession Prior To Settling Regional Disputes**

12October 2010

Sudan's president warns that a serious conflict could erupt if Khartoum and the south's Sudan People's Liberation Movement (SPLM) do not settle disputes before a referendum on secession planned for early January.

President Omar Hassan al-Bashir, speaking from an Arab League summit in Sirte, Libya, over the weekend, is quoted as saying he "regretted the fact that SPLM leader and south Sudan President Salva Kiir had recently publicly come out for separation."

Bashir says this was against the terms of the 2005 Comprehensive Peace Agreement (CPA) which said both northern and southern leaders should try to make unity attractive to southerners before the vote.

But Walid Phares, an Advisor to the Anti-Terrorism Caucus in the United States House of Representatives, says "talking about war and deploying northern forces at the demarcation line is more of a threat to peace than a re-enforcement of the agreement."

Phares says the Sudan peace agreement signed five years ago refers differences over interpretation of the accord to international and local courts. "Unfortunately," he says, "these threats are not new. They started about a month ago when the government of al-Bashir started issuing threats against the south."

The government in Khartoum, explains Phares, is trying to use the issue of the referendum on southern independence to end sanctions against Sudan and the indictment of president al-Bashir by the International Criminal Court (ICC).

Phares also defends the comments of Salva Kiir (the president of the Government of Southern Sudan) regarding the vote for secession. "The issue of unity is a matter of consent; it is not an issue to be imposed on either side," he says.

The most important issue for the United States and the international community, he adds, "is [to make sure there are] no more wars in Sudan, a

country that has experienced genocide in Darfur, mass killings in the south, and economic disaster in the north.

Phares says there should be a commitment by both parties in Sudan to sit down and talk about these important issues – regardless of the outcome of the scheduled January poll.

“The borders are a critical issue, “ he says, “because they will determine the sharing of the resources, especially oil....But whatever [happens], [the results of the discussions] should not lead to military confrontation.”

Phares says a military confrontation in Sudan would be of concern to the whole region: “The conflict in Sudan has always involved neighboring countries. The issue of the River Nile waters and other resources would also complicate the situation in case of renewed conflict in Sudan.”

An official of SPLM says some of the issues the Sudanese president is raising could be negotiated after the referendum. Charles Kisanga told VOA from the southern Sudan city of Juba that the vote should go ahead as scheduled whether these issues are resolved or not.

## **Sudan: Libyan Warning over South Sudan Secession Criticized**

12 October 2010: Peter Clotey

A former south Sudanese envoy has rejected Libyan leader Muammar Gaddafi suggestions over the weekend that south Sudan’s secession will be a disease that will spread throughout Africa.

Ambassador John Andruga Duku told VOA this is yet another attempt by the ruling National Congress Party (NCP) to derail south Sudan’s the scheduled 9<sup>th</sup> January referendum.

“I say that absolutely has no basis because the situation in south Sudan and in Sudan was different from any other situation in Africa. The agreement which was signed on the 9<sup>th</sup> January 2005 was a voluntary negotiated agreement between the two parties, the SPLM (Sudan People’s Liberation Movement) and the NCP (National Congress Party). The international community guaranteed the agreement.”

Mr. Gaddafi said at the African and Arab leader’s summit held in the Libyan city of Sirte over the weekend that the semi-autonomous south Sudan’s secession could set a dangerous precedent that will hamper Africa’s much-needed foreign investment.

But, Ambassador Duku said that, since Sudan's independence, southern Sudanese have always been suppressed by northerners, which he said led to the country's long running civil war.

"To come around now at the 11<sup>th</sup> hour when we are left with only 91 days for our people to go to referendum, they are saying now, if the people vote for independence, it will open the Pandora('s) box (of problems). Why didn't they say this six years ago? He asked.

Duku said Mr. Gaddafi's statement is aimed at supporting President Omar Hassan al-Bashir as the south Sudan's referendum "draws near."

"This is yet another tactic of the National Congress Party obliging their friends to talk on their behalf. (Mr.) Gaddafi made (this statement) during the Arab League meeting when Mr. Bashir was there."

Meanwhile, President Bashir has also accused the SPLM of failing to abide by the provisions of the 2005 Comprehensive Peace Agreement warning that another round of war could ensue if sharp differences between the two partners are not resolved before the January referendum.

## **Sudan: Rebel Group Says Khartoum Lacks Political Will to End Darfur Crisis**

11 October 2010: Africa focus

The secretary for peace negotiations with the Darfur-based Liberation and Justice Movement (LJM) told VOA President Omar Hassan Al-Bashir's government has yet to demonstrate the political will to resolve the Darfur crisis at peace talks in Doha.

Tadjadine Beshir Niam said Khartoum has often reneged on agreements signed with his rebel group despite promises to fully implement the various accords.

"The Liberation and Justice Movement and the government signed a framework agreement and a ceasefire agreement. Based on that agreement, we formed five commissions: power sharing commission, wealth sharing commission, security arrangement commission, IDPS (internally displaced persons) refugees and compensation commission, as well as justice and reconciliation commission."

Niam also said the commissions were scheduled to present their positions and findings to the mediation team led by Dijbril Bassole, the joint African Union and United Nations chief mediator for Darfur.

Officials of the government in Khartoum are holding talks with the LJM rebels in Qatar's capital aimed at resolving the crisis in Darfur. The Doha talks are scheduled to be concluded this week, and Niam said the commissions are supposed to complete their work.

"We managed to make some progress but, again, the government has gone back during the last (Muslim holy month of) Ramadan. But, we have resumed the new talks five days ago and all the commissions are supposed to conclude their work by 15<sup>th</sup> and 16<sup>th</sup> of this month."

Other rebels in Darfur have dismissed the LJM as insignificant adding that it has no military support capable of ensuring peace in the restive region.

The rebels signed a ceasefire agreement with Khartoum in March after another Darfur-based rebel group, the Justice and Equality Movement (JEM), quit the talks accusing the government of attacking its positions.

The ceasefire agreement was aimed at resolving the conflict in Sudan's restive western Darfur.

But, last week, a delegation of the U.N. Security Council expressed concern about the renewed violence in Darfur after ending a four-day trip to Sudan.

Niam said Khartoum needs to show greater commitment towards ending the Darfur crisis.

## **Sudan: South Sudan state prepared to establish relations with Israel: official**

13 october 2010: sudan tribune

A new state in South Sudan would establish relations with Israel should the Jewish state recognize its independence, a senior official in the semi-autonomous region said.

In three months' time, the people of South will decide on whether they wish declare independence from the North or stay part of united Sudan. Most observers expect an overwhelming vote in favor of secession.

Southern Sudan Information Minister Barnaba Marial Benjamin told the Dubai based Al-Khaleej newspaper that the new state "is capable of establishing with all world countries" in response to question about future links with Israel.

"The independent South will establish relations with all world countries and will not antagonize anyone.....Any state that recognizes us we will have

relations with. Just like there is diplomatic relations to some Arab states with Israel then why not us?" Benjamin added.

Sudan has no diplomatic relations with Israel and remains hostile to the Jewish state on the grounds that it is occupying Arab lands.

Israel is the house for several hundreds Sudanese refugees who fled through the Egyptian borders.

(ST)

### **Sudan: Khartoum rejects deployment of UN troops on north-south Sudan border**

13 October 2010: Sudan tribune

Sudanese officials rejected the deployment of United Nations peacekeepers on the border between the northern and southern Sudan saying such request is unacceptable and contrary to the Comprehensive Peace Agreement (CPA).

The First Vice President and head of southern Sudan government last Wednesday asked the UN Security Council to deploy international troops along the north - south border ahead of the referendum on self-determination in southern Sudan.

Different press reports said Sudan's foreign minister, Ali Ahmed Karti, during his meeting with the visiting delegation on Saturday rejected such measure considering it as violating the 2005 peace agreement terming it as unacceptable.

On Sunday Ibrahim Ghandoor, the head of political secretary at the ruling National Congress Party echoed Karti's position saying his party rejects any measure not included in the CPA.

"Sudan is still one country and it is very strange that a part of the state asks for international troops without the consent or agreement of the federal government," he said.

The two parties diverge over 20 per cent of the ill delimited north-south border. Yesterday the Sudanese president repeated his position on the referendum saying border should be demarcated before the run of the vote on southern Sudan independence next January. But, the SPLM says the demarcation must intervene after the referendum.

A diplomat from the visiting UN delegation told Reuters that they would consider Kiir's request but did not make any promise to the president of southern Sudan government.

Gandoor excluded that the UN would mull over the demand underlining that UNMIS peacekeepers have specific tasks defined already the CPA and they are well-known.

Another diplomat from the UN Security Council admitted that such operation requires some adjustments.

In accordance with the UNMIS mandate, the 10,000 peacekeepers have to monitor and verify CPA implementation. They also tasked with the monitoring the movement of armed groups based on the ceasefire agreement. UNMIS's mission does not include border monitoring.

## **Somalia: Former Ghanaian President Rawlings Reportedly New AU Somalia Envoy**

12 October 2010

Reports quoting African Union sources said the continental organization has chosen former Ghanaian president Jerry Rawlings as its new envoy for Somalia.

The reports said Mr. Rawlings will help promote peace and reconciliation, as well as focus more international attention on the war-ravaged country.

Usman Mohamed, professor of political science at the University of Abuja in Nigeria, told VOA the former Ghanaian leader's background would help him greatly in his new job.

"Jerry Rawlings has earned himself a good name in Africa. As a former military leader, who has turned (out) to be democrat in Ghana, who has pulled Ghana out of the woods, and who has been a statesman all over, I think he understands the military politics in the Organization of African Unity (African Union). With his military experience, he will be able to bring some positive developments to the war-torn country," he said.

Mr. Rawlings' appointment, if true, comes at a time when African Union peacekeepers have stepped up their offensive for control of the Somali capital, Mogadishu.

Mohamed said that, as a former president, Mr. Rawlings might be able to motivate other African countries who had been hesitant to send troops to Somalia to do so.

“You must know that the bombings that happened in Uganda before the Organization of African Unity (African Union) summit has tremendous impact on the troop logistics and contribution from various countries, and, with a figure like Jerry Rawlings, I think the countries will definitely give a lot of troops and logistics in the months ahead,” Mohamed said.

He said, given the volatile nature of Somalia, the former Ghanaian leader will have to also walk softly, but carry a big stick.

“I believe that special envoys have some term of reference. As a former military man, he will meet situations on the ground and the rules of engagement. And, I believe that the rules of engagement and the necessity on the ground will dictate to Jerry Rawlings what he will do there,” Mohamed said.

As a former president, Mr. Rawlings has played an influential role in Ghanaian politics.

Mohamed said some Ghanaians might view the former president’s new role as envoy of Somalia with mixed reaction.

“One, they will be happy that their son has succeeded in this very difficult mission. Secondly, he will be posted away, and he will be so much engaged with the Somalia issue, the AU (African Union), and probably reporting to the United Nations, that he will not have much time to play any significant role as he had been playing in the domestic politics of Ghana,” Mohamed said.

## **Somalia: International Donors Meet With Somaliland Officials Monday**

12 October 2010: Peter Clotey

Somaliland’s Deputy Minister for Foreign Affairs and International Cooperation told VOA a delegation of international donors will meet with his administration Monday to find ways to assist the self-declared autonomous region’s burgeoning democracy.

Mohammed Yonis Awale said the meeting is a welcoming development that will help further stabilize the region and help ward off hard-line Islamist insurgent groups such as al-Shabab.

“This conference is about assessment of the needs of Somaliland. There have been so many delegations from the international community since the elections. And, as a follow up to the delegations, it came out that the country needs to have a conference on investment in Somaliland. So, the international community is coming to our country and we are happy with that.”

Analysts say the self-declared autonomous region’s stability paved the way for recent democratic elections that poll observers described as credible. Somaliland’s Electoral Commission declared opposition leader Ahmed Mahamoud Silanyo the winner of the June election defeating incumbent President Dahir Rayale Kahin.

Awale said the international investor community will assess the needs of Somaliland and find ways of strengthening the region’s strong democratic credentials.

“It will help on the side of creating employment and infrastructural development investment (that will) bring up the resources of the country and the capacity building of the country, as well in private and the public sector. So, it is something very important for our country at this stage.”

Somaliland officials say the willingness of residents living in the region in the Horn of Africa to fully embrace democracy has played a pivotal role in making it unattractive to insurgents.

Described by Washington as a terrorist organization with strong ties to al Qaida, al-Shabab and other rebel groups have been launching almost daily attacks on the internationally-backed Somali administration.

The insurgents have vowed to overthrow President Sheik Sharif Sheik Ahmed’s government to implement the strictest form of the Sharia Law.

## **Somalia: Over 1 Million Affected By Expulsion of Aid Organizations, UN Reports**

14 October 2010: allafrica

Over 1 million people have been affected by the expulsion by Al Shabaab militants of international organizations that provide support in areas such as agriculture and livelihoods, health, nutrition, water, sanitation and hygiene, the United Nations reported in its latest update.

Access for aid organizations in southern Somalia is at its lowest point since 2006, with Al Shabaab expelling three more in September for having ties with

the United States Government, bringing to eight those expelled this year, the UN Office for the Coordination of Humanitarian Affairs (OCHA) said.

Earlier this month, the UN High Commissioner for Refugees (UNHCR) reported that some 410,000 internally displaced persons (IDPs) in the violence-wracked capital, Mogadishu, have sought refuge in the Afgooye corridor, a 20-kilometre strip of land north-west of the city, up from 366,000 in September last year as a result of fighting between Al Shabaab and the UN-backed Transitional Federal Government (TFG), which is supported by African peacekeepers.

According to the UN World Health Organization (WHO), south-central Somalia reported nearly 37,000 cases of cholera/acute watery diarrhoea in the first 37 weeks of the year, nearly 28,000 of them children under five, with 106 deaths, 85 of them children.

A further 3,137 cases have been reported from Banadir Hospital in Mogadishu, including nearly 2,600 children under five, with 89 deaths, the agency noted in its latest Emergency Humanitarian Action bulletin.

In view of seasonal outbreaks in past years, WHO continues to call on health partners to closely monitor current trends and undertake preparedness and response plans. The agency's major concern is that access constraints coupled with the expulsions, suspension and scaling down of operations by key humanitarian agencies will hamper future outbreak response activities.

## **Somalia: Newly Appointed Prime Minister of Somalia is US Citizen**

15 October 2010: VOA news

In an attempt to strengthen Somalia's fractious transitional government, President Sheikh Sharif Sheikh Ahmed on Thursday appointed 48-year-old American-Somali Mohamed Abdullahi Mohamed as the country's new Prime Minister.

The president praised the experience of Mohamed, also known as Farmaajo, and expressed confidence in his ability take up the difficult post.

If approved by the Somali Parliament, Mohamed Abdullahi Mohamed will replace former Prime Minister Omar Abdirashid Ali Sharmarke, who resigned three weeks ago after a bitter power-struggle with the president.

Late Thursday Mohamed thanked the president for the appointment and pledged to work closely with him and parliament to tackle problems facing the beleaguered government. But there are many in Somalia who doubt whether Mohamed is up to the task.

Mohamed is a U.S. citizen who has lived in New York State for more than 20 years. Before becoming an American citizen, he was a Somali diplomat and worked in the country's Washington embassy from 1986 until 1991. Mohamed holds a Master's Degree in political science and was teaching at the Erie Community College in the city of Buffalo when President Ahmed selected him to be the next prime minister.

Mohamed's nomination has come as a surprise to many in Somalia and some Mogadishu residents said they believe the appointment to be the result of pressure from the government of the United States.

The U.S. State Department has not issued a statement regarding Mohamed's nomination, but officials have privately dismissed claims of U.S. involvement in the decision as "ridiculous."

Mohamed will be responsible for bringing stability to a country that has been without a functioning government for more than 20 years. The weak transitional government controls only parts of the capital, Mogadishu.

Meanwhile, on Thursday, unidentified gunmen abducted a Somali man and a British aid worker who was consulting for the London-based organization Save the Children. The two were taken from the town of Adado, near Galkayo in central Somalia. Adado is home to various gangs and pirate groups and control of the area has been disputed by al-Qaida-linked rebel's al-Shabaab and sufi militia Ahlu Sunna wal-Jama'a.

The hostages were reportedly moved from Adado after Ahlu Sunna forces took control of the town early Friday. No group has claimed responsibility for the kidnappings and it is not known where the victims are.

## **Somalia: New Somali Prime Minister's "Experience" Praised by Analyst**

15 October 2010: Somalia online

**Abdiweli Mohamed Ali of New York's Niagara University says Prime Minister Mohamed's experience will help him deal with Somalia's many problems.**

Somalia's President, Sharif Sheikh Ahmed, has appointed Mohamed Abdullahi Mohamed as the country's new prime minister.

Thursday's announcement comes just weeks after the previous prime minister, Omar Abdirashid Ali Sharmake, resigned after a long running political feud with President Ahmed.

Abdiweli Mohamed Aligas, professor of economics at Niagara University in Buffalo, New York, told VOA the new prime minister's experience should enable him to handle Somalia's many problems.

"The Prime Minister, Mr. Mohamed Abdullahi Mohamed, has experience in the Somali government. He worked at the Ministry of Foreign Affairs of Somalia before the collapse of the state in 1991 January. He worked at the embassy in Washington, where he was the First Secretary. So, he has experience in administration," he said.

Aligas said the new prime minister is also well versed in the protocols of what he called classical democracies like the United States.

He said Mohamed also worked as Commissioner for Equal Employment at the New York State Department of Transportation in Buffalo where he also lived prior to his appointment.

If he is confirmed by the Somali parliament, Mohamed would be the fourth prime minister since Somalia's Federal Transitional Government came into being.

Aligas said, while a single individual may not be able to solve all of Somalia's problems, the 48-year-old Mohamed has the right demeanor to make a difference

"One individual cannot change a lot, but the question is does he have the demeanor, the experience to at least contribute and change the government in ways that will be more amenable to the liking of donors. So, in terms of change in the situation on the ground, he can contribute, but also he will need a lot of help from so many different areas," Aligas said.

Somalia has not had a functioning central government since 1991.

The U.N.-backed government is struggling to survive in the face of a fierce insurgency from Islamic militant groups, who control most of Mogadishu and southern Somalia.

Aligas said, while the new prime minister, whom he described as a 'good Muslim,' May not able to defeat the Islamic militants like al-Shabab, he can contribute in neutralizing them.

"The question is not whether they (al-Shabab) will accept him, but the question is will he be able to deal with them, and with the help from the Somali community and the international community will he be able to neutralize them. That's the question, and I think he will be able to do that," Professor Aligas said.

## **Ethiopia: Opposition Leader Freed**

12 October 2010: Frehiwot Shiferaw

Addis Ababa — One of Ethiopia's key opposition figures was freed from jail on Wednesday morning. Birtukan Medeksa had been behind bars since late 2008.

After days of rumours, Medeksa's release from jail was announced on Wednesday in a communiqué from the Ministry of Justice.

It said that she wrote to Prime Minister Meles Zenawi in mid-September requesting a pardon.

Medeksa, the president of the Coalition of Unity and Democracy party, was arrested in 2005 and sentenced to life for disrupting the constitutional order, which in Ethiopia is paramount to treason.

Most of the party leadership were also arrested on similar charges and faced the death penalty.

However, many were released three years ago after requesting a pardon.

But in 2008, Medeksa publicly denied she had asked to be pardoned, and was sent back to jail.

Upon her release this Wednesday, she said that she was happy to be with her family and confirmed that she had this time requested a pardon.

She did not say whether she would stay in politics

## **Ethiopia: Meles Zenawi extends grip on power**

11 October 2010: adissvoice

Ethiopia's Meles Zenawi is expected to appoint new ministers this week after being sworn in as Prime Minister by parliament Monday four months after a disputed landslide election win.

The ruling Ethiopian People's Revolutionary Democratic Front (EPRDF) and allies won 545 seats in the 547-member parliament on May 23 in a vote that was criticized by the United States and the European Union.

Meles, in power since 1991, is expected to name a cabinet for his five-year term in coming days.

The country's biggest opposition coalition, the eight-party Medrek, won just a single parliamentary seat. Medrek and the smaller All Ethiopia Unity Party (AEUP) demanded a rerun, alleging pre-poll intimidation and some vote rigging.

The calls were rejected by the country's electoral board and Supreme Court.

In a preliminary report, a European Union (EU) observer mission said the poll was marred by the EPRDF's use of state resources, putting the opposition at a disadvantage, but said this did not mean the count itself was invalid.

The U.S. said the election failed to meet international standards.

The EU's full report, scheduled for July, has yet to be published, provoking criticism from Ethiopian opposition parties.

Diplomatic sources told Reuters the delay is because of wrangling over whether it should be released in Ethiopia or Europe and because of problems scheduling a meeting between Meles and EU chief observer Thijs Berman.

Meles said last month his government would pay no attention to the report.

"We have seen a glimmer of what it might look like and what we have seen is bad enough," Meles told reporters. "So we aren't interested anymore in the full package."

The report is now expected in mid-October, diplomats said.

Ethiopia's last elections in 2005 damaged its reputation and hampered investment when the opposition disputed the result and street riots erupted in capital Addis Ababa, killing 193 protestors and seven policemen.

## **Uganda: Global hunger report ranks Uganda 40<sup>th</sup>**

13 October 2010: daily monitor

### **Kampala**

Uganda has been ranked 40th ahead of the other four East African countries in a new global hunger index by the International Food Policy Research Institute.

The 2010 Global Hunger Index (GHI) released yesterday rated 84 countries on the basis of three key indicators—the number of people who are calorie deficient, the proportion of children under five who are underweight, and child mortality rate.

According to the index, Kenya is rated at 55th position; Tanzania stands at 57 while Rwanda is at 64th position. Burundi, which the report says has an alarming level of hunger, is listed at 83rd position while the Democratic Republic of Congo is at the bottom of the index.

### **Serious levels**

The report describes levels of hunger in Uganda as “serious” but adds that there has been significant improvement in trying to reduce the number of hungry people, with the hunger index dropping from 19.1 points in 1990, to 15 in 2010.

“To improve their scores, many countries must accelerate progress in reducing child malnutrition,” said Ms Marie Ruel, the director of IFPRI’s Poverty, Health and Nutrition division.

### **Tanzania: Analyst Predicts “Prepared” Electorate, Competitive Tanzanian Election**

14 October 2010: VOA news

A Tanzanian political science professor has told VOA the entire population seems well-educated and equipped to make informed decisions in the upcoming general election scheduled for 31<sup>st</sup> October.

Professor Xavery Lwaitama, a lecturer at the University of Dar-Es Salaam, said the “militancy” of the population will serve as a strong warning to all participating political parties that there would be no business as usual in this election.

“The population this time round has been prepared, especially by the civic education programs that have been offered by different agencies educating the population about the importance of using their vote to register their preferences, and also to register their displeasure with how things have been going.”

Local media reports that the electoral commission, civil society groups and non-governmental organizations have launched a massive civic education campaign ahead of the vote.

Lwaitama said the civic education has been successful.

“This is showing itself as a bit of a surprise both to the electoral commission, I suspect, and to the political parties themselves because the political parties did their homework, I suppose, and the electoral commission (members) maybe did their homework. But, I think the most important thing is that, previously, the population was not usually prepared.”

He further said Tanzanians have not often been made aware of their rights and encouraged to be part of a process of “either confirming the legitimacy to govern of those particular set of people who were governing or removing them from power. Previously, this was not made clear to them,” Lwaitama said. Analysts say, despite a stiff challenge from opposition parties, incumbent President Jakaya Kikwete’s ruling Chama Cha Mapinduzi *party* will win the vote.

But, Lwaitama said the October election will be much more competitive than previous ones.

“Whatever the various technical procedural sorts of gaps, even policy sort of shortcomings, you can see clearly that the population is determined to assert itself and is determined to make some stand to make the politicians and all parties aware that they are not going to continue to be the same sort of people that they are used to.”

### **Kenya: Kenyan Legislators to Grapple with Issue of Nepotism**

17 October 2010: VOA news

A prominent member of Kenyans for Democracy and Justice, a political pressure group, said nepotism in the country’s body politic, including the government, is an endemic problem that has to be dealt with.

This comes as Kenyan legislators are scheduled to question Prime Minister Raila Odinga Monday over allegations of growing nepotism in the current coalition administration.

Attorney Okia Omtata told VOA the problem of nepotism can only be resolved through a concerted effort of transparency within the government, as well as the private sector.

“Over all, we’ve got major problems of representation, in terms of representation of various regions within the country in government because, if you look at the president, he has taken his tribesmen, and if you look at finance, if you check internal security, two dockets can sit and have inter-departmental meetings in their mother tongue because senior management are populated by people from his region and his area.”

Omtata said nepotism goes a long way to undermine Kenya’s unity.

Legislators cited the president’s office, treasury and Kenya’s public universities as specific institutions where nepotism is most rampant.

Recently, Francis Muthaura, head of Kenya’s of Public Service, ordered government agencies to ensure that not more than one-third of employees in any government department should be from one ethnic community.

But, Mohammed Affey, the chair of parliament's Committee on Equal Opportunity, was quoted as saying legislators are uncomfortable with what he described as a disturbing trend.

"We are really concerned about this trend. There seems to be a blatant violation of the law left, right and center. There are some departments which are just rotten. We want competence and we believe that all Kenyans are competent. But, in these departments, the bias is obvious. Universities are the biggest culprits. Instead of becoming national institutions, they are being relegated to village institutions."

Omtata said favoritism within government can be equated to graft under the new constitution.

"I think that (the) Odinga family is not blacklisted just because one of them is a prime minister. We also have to appreciate another fact that, during the struggle for change in this country, a lot of them (Mr. Odinga's family) were blacklisted and they never got a chance, but that is not a justification for them not to be hired through a competitive bidding."

Critics say there are too many people in powerful positions within the government that are closely related to Prime Minister Raila Odinga, which they said is a clear case of endemic nepotism.

## **Kenya: Economy Gains Momentum**

Business Daily (Nairobi)

Kenya's economy grew at the rate of 5.4 per cent in the second quarter of the year powered by improved productivity in the key agriculture, construction and financial services sectors.

That annualized gross domestic product outcome was nearly one percentage point higher than the official full-year target of 4.5 per cent and an acceleration from the 0.9 per cent growth realized during a similar period last year.

The pick-up in the pace of growth reflected stronger consumer spending and a larger inventory build-up in the manufacturing sector that greatly benefited from a 16.8 per cent increase in the volume of trade.

The growth was mainly driven by robust performance in agriculture, construction, manufacturing and financial services sectors, according to the Kenya National Bureau of Statistics, whose data also pointed at strong growth in consumer confidence and spending.

"This continued expansion in the economy reflects a gradual recovery from the past external and internal shocks," said the bureau as it put the average annualized half year growth rate at 5.2 per cent compared to last year's 3.2 per cent- putting the country on course to achieving the 4.5 to 5 per cent target for 2010.

Growth was strongest in the agriculture sector at 5.8 per cent, buoyed by favourable weather that lifted productivity and global recovery that raised demand even as low commodity prices helped keep inflation in check on the home front.

Tax on products, an indication of increased consumption, also grew robustly at 19 per cent, pointing to a rise in household uptake of goods and services that only comes with improved confidence in the direction of the economy.

A survey conducted by TNS Research, a consumer market research firm and whose results were released early this week, indicates that retailer confidence index rose to 150.7 in September from 113.7 in June, in tandem with that of consumers, pointing to the possible continued rise in demand for goods and services in the remaining part of the year.

The survey, conducted among 500 retailers showed 86 per cent of businessmen believe that the next six months will be better compared to 63 per cent in June.

"Over the past three months, there is an increase of 18 per cent in optimism levels about future economic circumstances," said Melissa Baker, the chief executive officer at TNS.

The impressive second quarter performance was realised in an environment of relatively low interest rates, lower inflation and increased production of cheaper hydro-electricity that kept the cost of borrowing in check and eased the pressure on household budgets leaving them with enough headroom to spend more.

The outcome is expected to offer some relief to the Central Bank of Kenya, which has been pushing for low interest rates aiming to support growth that fell to below three per cent in the past two years.

In the past six months, most banks lowered their base lending rates, speeding up credit expansion in an economy and offering momentum to consumer demand.

Kenya's economy has also benefitted from a huge jump in the uptake of loans in the construction sector where the CBK says net lending grew from Sh43.3 billion to Sh81.7 billion in the year to June faster than household lending that rose from Sh84.3 billion to Sh118 billion.

The manufacturing sector also expanded by 6.8 per cent in second quarter, supported by strong growth in the non-food segment including cement, galvanized sheet, and laundry soap.

Improved weather conditions significantly changed the fortunes of the key agricultural sector that employs more than 60 per cent of Kenya's workforce and lowering the cost of food that is estimated to take up 60 per cent of poor household incomes.

Agriculture accounts for more than 24 per cent of Kenya's GDP and a strong performance in the sector not only puts money in the pockets of the majority of ordinary folks, but also eases inflation, leaving enough money in the pockets of consumers to take in more from other sectors of the economy.

Its performance however remains tightly linked to the increasingly erratic rainfall pattern making it the most critical determinant of the country's economic fortunes.

Already, the weatherman has warned that a looming drought could set in as early as next month, and development that could easily reverse the current momentum.

The CBK has, however, shrugged off the La Nina effect on economic growth and maintained the growth target at 4.5 per cent, saying the impact will only be known early next year.

"Perceptions of growth are positive while inflation and exchange rates remain stable," said CBK's Monetary Policy Committee on Tuesday. "All indicators support the argument that the growth momentum in the first and second quarter was sustained and has not been held back by either domestic or foreign events."

During the first and second quarter of 2010, agricultural production increased by 70 per cent and 38 percent respectively, resulting in half year increase of 53 per cent.

This represents the highest output since 2007.

Better agricultural output points to stability in the national budget on reduced commitment towards food imports.

This is outlook is egging policy makers and economists to say that the country's soft economy is on the brink of take off and that the government growth target of 4.5 per cent will be attained.

"If the weatherman is right, the beginning of next year may be difficult, but you don't expect growth to be knocked down this year," said Terry Ryan a consultant economist at the CBK.

The impressive second half growth results have benefited from a new constitutional order, reduced crime and a general improvement in the investment climate that has lifted business leader's confidence in the economy in the past six months.

Improved agricultural output, a rebound in global commodity prices, strong second quarter corporate earnings and the changing investor fortunes at the Nairobi Stock Exchange (NSE) all supported growth in the second quarter and point to a possible reversal of the steep decline of the past two years, analysts said.

The financial sector expanded by 16 per cent in the second quarter compared to the same period in 2009, contributing 11.7 percent to the GDP growth.

Analysts said this high level of optimism offers the clearest signal yet of the positive developments ahead because consumer spending has traditionally driven economic growth.

The domestic economy is also expected to get a boost from ongoing global recovery that should change the fortunes of key sectors such as tourism and the global agricultural commodities market where Kenya sells tea, coffee and cut flowers.

In the tourism sector, hotels and restaurant activity maintained a positive growth recording a growth of one per cent growth partly attributed to the cancellation of travels due to the volcanic eruption experienced in Iceland during the month of April.

Total bed occupancy, one of the key indicators, increased from 1.33 million to 1.44 million during the period.

International trade indicators showed marked improvement in the first half of 2010 with volume of merchandise trade increasing by 16.8 per cent.

Overall balance of payments recorded a surplus of Sh3.5 billion in the first half of 2010 compared to a deficit of Sh26.8 billion in corresponding period of 2009.

Business leaders said the growth in the first half and optimism in the remaining quarter has helped remove cost cutting, freeze in capital spending and restructuring from their radar screens in favour of innovation and expansion into regional markets.

