

# Corruption 'mars Iraq rebuilding'

## 8 million Iraqis need emergency aid

BBC ONLINE, AP, London

The US agency overseeing reconstruction in Iraq has told the BBC that economic mismanagement and corruption there is equivalent to "a second insurgency".

The chief auditor assigned by Congress, Stuart Bowen, said the Iraqi government was failing to take responsibility for projects worth billions of dollars.

Bowen also said his agency was investigating more than 50 fraud cases.

Meanwhile, nearly a third of Iraq's population is in need of emergency aid, a report by Oxfam and Iraqi NGOs says.

About 8 million Iraqis nearly a third of the population need immediate emergency aid because of the

humanitarian crisis caused by the war, relief agencies said Monday.

Those Iraqis are in urgent need of water, sanitation, food and shelter, said the report by Oxfam and the NGO Coordination Committee network in Iraq.

The report said 15 percent of Iraqis cannot regularly afford to eat, and 70 percent are without adequate water supplies, up from 50 percent in 2003. It also said 28 percent of children are malnourished, compared with 19 percent before the 2003 invasion.

The report said the Iraqi government was failing to provide basic essentials such as water, food, sanitation and shelter for up to eight million people.

It warned that the continuing

violence was masking a humanitarian crisis that had escalated since the US-led invasion in 2003.

US Special Inspector General for Iraq Reconstruction Stuart Bowen was appointed to audit \$44bn (£22bn) allocated since 2003, after reports of widespread fraud and waste.

The agency publishes quarterly reports on the situation, most of which have complained about a serious lack of progress. Monday's report was no different.

In an interview with the BBC, Bowen said corruption was endemic and described it as "an enemy of democracy".

He added: "We have performed 95 audits that have found instances of programmatic weakness and

waste, and we've got 57 ongoing cases right now, criminal cases, looking at fraud."

Mr Bowen said the transfer of projects to Iraqi government control was "troubling", and expressed concern about delays and cost overruns. He also said Iraqi ministries were struggling to administer funds.

Last year, Prime Minister Nouri Maliki's government only spent 22 percent of its budget on vital rebuilding projects, while spending 99 percent of the allocation for salaries, he said.

He said "a pathway towards potential prosperity" could be found only if oil production was brought up to optimal levels, and security and corruption effectively managed.



PHOTO: AFP

Supporters of the Communist Party of India (Marxist) (CPIM) shout slogans from inside a police vehicle after arrest during a demonstration in New Delhi yesterday against the killing of eight during a land protest in southern India.



PHOTO: AFP

Indian doctor Mohamed Haneef (R) hugs her mother Qurrath-ul-Ain after his arrival in Bangalore Sunday. The Indian doctor cleared of involvement in failed British car bombings left Australia for his homeland after authorities handed back his passport.

## Militants attack Pak army airfield

### Helicopter gunship kills 4 in tribal area

AFP, Miranshah

Militants fired rockets yesterday at the airfield of a Pakistan army base near the Afghan border, wounding four troops as a wave of violence continues in the region, officials said.

Security forces responded with artillery fire after two rockets hit their camp just after midnight in Miranshah, the main town in the troubled North Waziristan tribal district, a local official said.

One rocket damaged the runway used by the military while the other hit a water tank compound guarded by soldiers, the official said, adding that one of the four injured was in serious condition.

Separately four paramilitary soldiers were wounded when a roadside bomb hit their vehicle in North Waziristan, officials said.

A Pakistani helicopter gunship fired on a suspicious car that was following an army convoy near the Afghan border yesterday, killing four suspected Islamic militants, officials said.

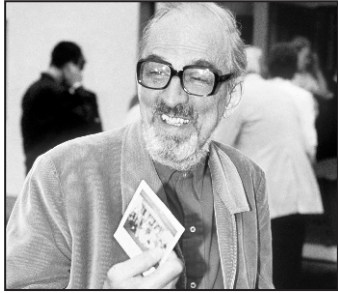
The incident was the latest in a series of violent confrontations on the road between Miranshah, the main town in the troubled North Waziristan tribal region, and the garrison town of Bannu, a local security official said.

"The army spotted the car and ordered them to stop and they ignored the warning. They were fired on by a helicopter escorting the convoy," the security official told AFP on condition of anonymity.

"Four people inside the car were killed, they are suspected militants."

North Waziristan has seen a spike in violence since pro-Taliban militants scrapped a peace deal with the government on July 15 and after the army stormed a radical mosque in Islamabad earlier in the month.

Chief military spokesman Major General Waheed Arshad said security forces have set up four new checkpoints in Miranshah's main bazaar to prevent attacks and stop thefts and looting.



## Legendary film-maker Bergman dies

AFP, Stockholm

Ingmar Bergman, one of the most influential film directors of the 20th century, died Monday at his home on the Swedish island of Faaro, his sister Eva told the TT news agency. He was 89.

Bergman was widely acclaimed for films such as "The Seventh Seal" (1957) and "Fanny and Alexander" (1982), which won four Oscars, including for Best Foreign Language Film.

Eva Bergman said that her father had passed away "peacefully."

For many movie buffs, Bergman was the greatest of the authorial filmmakers of the 1950s and 1960s, outranking even such figures as Federico Fellini, Luis Bunuel or Jean-Luc Godard.

## Floods displace millions in South Asian states

AFP, Guwahati

Millions of people have fled their homes in India, Bangladesh and Nepal on Monday as the death toll in the past week from floods triggered by heavy monsoon rains topped 100, officials said.

More than 22 people have died in Nepal, 13 others lost their lives in Bangladesh and the toll has risen to about 70 in north and northeastern India, where meteorologists have warned of more rain in the next 24 hours.

"The situation has turned devastating overnight, drowning five more people in separate incidents and displacing another three million," said Bhumidhar Barman, relief and rehabilitation minister in northeastern Assam state.

The water levels in all major rivers and their tributaries in the state were well above the danger mark, authorities said in a bulletin.

Indian air force helicopters were on stand-by to deliver food and other essentials to some four million displaced people as the

Brahmaputra River -- one of the longest in Asia at 2,900 kilometres (1,800 miles) -- swelled.

The Brahmaputra is usually in full flood in the summer from monsoon rains and melting glaciers as it crosses Tibet, India and Bangladesh before emptying into the Bay of Bengal.

Soldiers used rubber boats and rafts to evacuate trapped residents, as communication and transport links across the area were badly disrupted.

A team of doctors and paramedics was sent to the flood-hit areas by boat and raft to treat people suffering from water-borne diseases.

"We have also sent veterinarians along with adequate cattle and poultry feed in several areas," Barman said.

The worst-hit part of Assam was eastern Dhemaji district, where an estimated 250,000 people had taken refuge in makeshift shelters on raised embankments, in government schools and offices.

In the past week, 20 people have died in Assam and neighbour-

## Asean favours US pullout from Iraq

AFP, Manila

Southeast Asian nations yesterday called on the United States and other nations to pull their forces out of Iraq, saying the move would help bring the war-torn country back to normal.

Foreign ministers from the Association of Southeast Asian Nations (Asean) issued the call in a final statement after a day of talks at their annual meeting ahead of a regional security summit that includes the United States.

"We believe that the phased and calibrated withdrawal of foreign forces in Iraq, taking into account the conditions on the ground, will contribute towards bringing normalcy," the statement said.

Philippine Foreign Secretary Alberto Romulo, the host of Monday's meeting, declined to be drawn into any wider intent behind the statement ahead of this week's security talks.

"There is no (time) period here. It's a statement. I think it's a universal desire of all -- and, I might say, including the United States and the allies," he said.

## Taliban attack kills 13 Afghan guards

AFP, Kandahar

Taliban militants attacked a convoy of logistics material for international troops in southern Afghanistan and killed 13 Afghan guards from a private security group, police said Monday.

The convoy was on its way from Kabul to a military base in the troubled southern province of Kandahar when it came under attack late Sunday, a highway police chief said.

"Thirteen guards of the convoy were killed and eight were wounded," said Ghulam Jailani, highway police chief for Zabul province where the convoy was ambushed.

He said the material was destined for the US military but this was not confirmed.

In an exchange of fire that followed, five militants were also killed and two wounded, Jailani

said. Two trucks were also destroyed.

The interior ministry in Kabul confirmed the attack but said 10 men from the private Afghan security company that had been guarding the convoy were killed and three wounded.

It said in a statement the convoy of 16 vehicles was attacked by the "enemies of peace and stability," a term Afghan officials use to refer to Taliban militants. It did not mention rebel casualties.

Private Afghan security companies, a new phenomenon in post-Taliban Afghanistan, are often contracted to guard supply convoys for international military forces helping the government to defeat a Taliban insurgency.

The Kabul to Kandahar highway, one of the most important roads in the country, has become increasingly unsafe as the Taliban rebellion has gained pace.

## Fate of Korean hostages hangs in balance

### Taliban to make new decision on captives

AFP, Ghazni

The fate of 22 South Koreans held by Afghanistan's extremist Taliban militia hung in the balance yesterday after a rebel deadline passed without the hostages being killed.

The insurgent group said it had extended the noon deadline by four hours at the request of government negotiators who asked for more time to end an impasse apparently centred on the rebels' demands for Taliban prisoners to be freed.

"If by four o'clock today (1130 GMT) our demands were not met, the leading council of the Taliban will reconsider its decision," spokesman Yousuf Ahmadi told AFP, adding he referred to "the deadline and the fate of the hostages."

Then, "we will see," he said.

The hardline rebel group said Sunday it would start killing the 22 Christians abducted July 19 unless the government agreed to release the prisoners, a demand negotiators have rejected.

They shot dead the leader of the group, a 42-year-old pastor, last week. His bullet-riddled body returned home Monday but his family said it would not hold a funeral until the other captives were freed.

Ahmadi said earlier Monday his group stood firm in its decision to begin killing hostages. "We have become tired of all this, the government is deceiving us," he said.

Negotiators said the Taliban, who have set four other deadlines for the South Koreans, were inflexible. "The negotiations are stuck,"

one of the leading members of the negotiating team, Mahmood Gailani, told AFP.

"We are ready to negotiate. It's up to the Taliban," he said.

Asked about the hostages, he said: "The Taliban said that they are well kept and alive."

Another member of the team, Waheedullah Mujadadi, said officials had asked for 48 hours "to be able to pave the ground for an acceptable solution."

The rebels had also refused a government demand to release the 16 female captives on the grounds that it was against Islamic and Afghan custom to take women as prisoners and hostages, Gailani said.



PHOTO: AFP

Palestinian leader Mahmud Abbas and Russian Foreign Minister Sergei Lavrov arrive for a meeting in Moscow yesterday. Lavrov pledged his support for Abbas on Monday as "the lawful leader of all Palestinians" at the start of talks in Moscow.

## Abe to reshuffle Cabinet

AP, Tokyo

A day after a devastating election defeat in Japan's parliament, Prime Minister Shinzo Abe on Monday rejected calls for his resignation, saying the country couldn't afford the resulting "power vacuum."

In a vote for half of the seats in the upper house of parliament, voters voiced their outrage over a series of political scandals and the loss of millions of pension records, stripping Abe's Liberal Democratic Party of its majority in the 242-seat body.

Abe, regardless, said he wasn't giving up his post.

"I cannot walk away even though the situation is extremely difficult. I decided (to stay) because we cannot afford to create a political vacuum," Abe said. "My responsibility is to fulfil the duty to fully achieve economic recovery."

The leader also shot down suggestions that he should call snap elections in parliament's lower house where his party has firm control to re-establish his political mandate. Instead, he announced plans to shuffle his Cabinet and the party leadership, possibly as early as September.

## Bush admn points to al-Qaeda threat to US

AFP, Washington

The Bush administration is defending its military presence in Iraq by warning the US public that al-Qaeda remains a great threat intent on striking America again, even as early as this summer.

US President George W. Bush drew a close link Tuesday between the group known as al-Qaeda in Iraq and the network headed by Osama bin Laden that attacked the United States on September 11, 2001.

He warned that victory was essential in Iraq to keep al-Qaeda from delivering another blow on US soil, while insisting that bin Laden pulls the strings of the Iraq group, which did not exist before the March 2003 US-led invasion.

"Some say that Iraq is not a part of the broader war on terror," he said. "They claim that the organisation called al-Qaeda in Iraq is an Iraqi phenomenon, that it's independent of Osama bin Laden and it's not interested in attacking America. That would be news to Osama bin Laden."

## Bush and Brown seek to establish rapport

AP, Camp David

With little relationship of their own yet, President Bush and British Prime Minister Gordon Brown point instead to how much their nations have in common.

The alliance of the United States and Britain, though, has long been shaped by personalities Roosevelt and Churchill, Reagan and Thatcher, Bush and Blair. Now Bush and Brown will find out how much they can do in a short time.

Brown arrived Sunday at Camp David, the presidential mountain retreat 70 miles north of Washington. It is their first official sit-down, although they have met before.

During a private dinner Sunday and more meetings Monday morning, the two leaders were talking strategy on the war in Iraq, killings in Darfur and stalled global trade.

The timing comes as the two men head in different political directions.

Brown took power just a month ago, with strong early marks for his response to terror threats and catastrophic flooding at home. He faces the tricky task of helping Bush

tackle world crises without getting too closely aligned with a US leader scorned in Britain.

Bush, meanwhile, likes to size up a fellow world leader in person and, over time, measure the person's mettle under fire. Yet he doesn't have much time left. And his popularity, along with a good bit of clout, have worn away with the war in Iraq.

"What the president wants to find out is whether the new prime minister is a reliable ally," said Simon Serfaty, a European expert at the Centre for Strategic & International Studies. "The word to use is reassurance. This is not about a marriage. It's a date."

The two got off to a chatty start. Brown could be overheard remarking on how he was honoured to be at Camp David, given its rich history. Part of that history included a stop by Tony Blair, Brown's predecessor, in 2001 when Bush barely knew him, either.

"Do you come here a good bit?" Brown said Sunday.

"I do," Bush said. Then the president whisked the prime minister away on a golf cart with a flourish a 360-degree spin for fun.

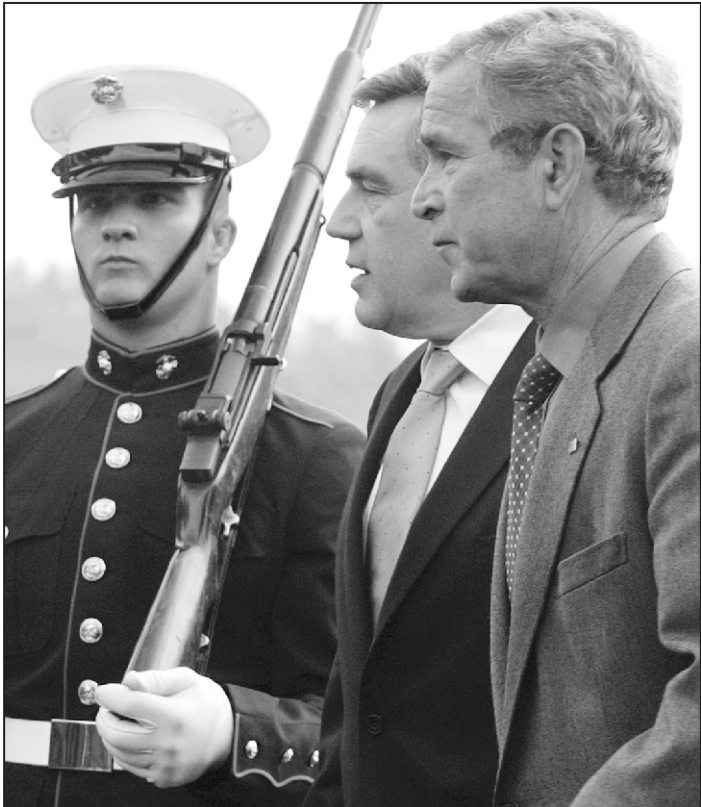


PHOTO: AFP

US President George W. Bush (R) escorts Britain's Prime Minister Gordon Brown (C) past a member of the military cordon after Brown arrived via helicopter at Camp David, Maryland Sunday. Bush greeted Britain's new prime minister for their first official meeting with Iraq, Darfur and stalled global trade talks expected to top the agenda.

## Russian FM pledges support for Abbas

### Palestinian president visits Moscow

AFP, Moscow

Russian Foreign Minister Sergei Lavrov pledged his support for president Mahmud Abbas yesterday as "the lawful leader of all Palestinians" as key talks aimed at narrowing differences began in Moscow.

Abbas arrived Sunday for three days of negotiations he hopes will win the support of Russia in a bitter dispute between his Fatah party, which controls the West Bank, and rival Hamas, which controls the Gaza strip.

"We firmly support you as the lawful leader of all Palestinians and support all your efforts directed at... the achievement of unity among Palestinians," Lavrov said.

"We are discussing the question of providing support to the Palestinian people and to your administration," he said.

Abbas was set to meet Russian President Vladimir Putin on Tuesday, at a meeting where

Moscow's efforts to raise its profile on Middle East issues may run up against the serious differences between the two presidents.

Russia is the only member of the Middle East diplomatic quartet maintaining ties with the militant movement Hamas, an organization deemed by United States and the European Union to be a terrorist group.

Moscow's official contacts with Hamas have riled Abbas, who will likely press Putin to sever links, analysts said.

The Palestinian president initially planned to visit Moscow in mid-June, though the trip was delayed when Hamas militants seized the Gaza Strip in a bloody takeover on June 15.

Putin has worked steadily to boost Russia's presence in the Middle East, though Russia's ties with Hamas -- including a Moscow visit by the group's chief Khaled Meshaal in February -- have been criticised in the West.

"Above all, Abbas is trying to convince Moscow to make a final decision on whom to conduct its dialogue with," the Kommersant daily said on Monday.

"From all indications, a disappointment is waiting Mahmud Abbas in Moscow, since the line will be continued" of Russia maintaining contacts with all sides, Kommersant added.

Moscow hopes it can play a key role as mediator while the ongoing battle for influence between Abbas' party and Hamas keeps Middle East peace efforts at crisis point, the official Rossiiskaya Gazeta newspaper wrote.

"It's obvious that no agreement between Abbas and (Israeli Prime Minister Ehud) Olmert can be fully carried out without including Hamas leaders in the negotiation process," the paper wrote.

"Now, it's Russia's turn to speak... Bringing Hamas back to the negotiating table is entirely within Moscow's power."